

Introduction

The purpose of the Annual Report is to look at Council's accomplishments in the financial year from 1 July 2012 to 30 June 2013. The Annual Report is the primary means of advising the Far North community of Council's financial and non financial performance during the 2012/13 financial year against the objectives set out in the first year of the Council's Long Term Plan 2012/22. The Annual Report also outlines challenges which the Far North community has faced.

The Annual Report includes messages from the former Mayor and CEO of Far North District Council as this report covers the period during which they had leadership of the council (the financial year 1 July 2012 to 30 June 2013).

Council has taken the decision to reduce its impact on the environment by not printing the full Annual Report document. Instead a compact disk (CD) version is available and the full printed Annual Report is available online at www.fndc.govt.nz. Both are available by request.

Activity Groups at a Glance

Council core services are categorised into activity groups. These groups and the primary services associated with each are as follows:



More details about these activity groups are on pages 100 – 224.

Message from the former Mayor



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From a political perspective, this has been a year in which the groundwork has been done to set in train changes to the way in which local government is structured in the Far North. Our quest for a Unitary Authority for the district now rests with the Local Government Commission. Following a series of meetings with local communities the Commission now expects to make known its draft proposal for reorganisation after the local elections in October. Irrespective of the outcome, the Commission has made it clear that any changes will not be implemented until the end of the next three-year term. There are also statutory processes to be followed during which the community and the Council will have ample opportunity to continue to press the case for a single Far North authority.

On an operational front, the year in retrospect saw a major concentration on preparing options for a substantial expansion of wastewater services at Kerikeri and the redevelopment of treatment facilities in the Waitangi Forest. These options are now going through a discussion phase with the communities involved.

As a result of further inroads made in reducing public debt, which is now less than \$90 million, we can look forward with greater optimism to the funding of schemes such as this and to the construction of projects such as the alternate water supply for Kaitaia.

Through the rating system we have been targeting road users seeking a more transparent contribution towards local roading costs. This policy will continue to be strengthened with the next stage to specifically target heavy traffic users through a charge based on truck movements. This will help to share the burden of ratepayer-funded road maintenance costs more fairly. However, there will still



be a catch-up required when and if there is a change in government policy to free up more subsidy funding for the local roading network.

Major progress has been made on the Pou Herenga Tai – Twin Coast Cycle Trail with the co-operation of the majority of adjoining landowners. However there have been unresolved issues on sections of track which are subject to Waitangi Tribunal claims which we are still working to resolve. The council is still confident that the 84-kilometre trail, which has the potential to be a real fillip for the local economy, will be fully operational by the end of this year. Progress on the Kawakawa-Opua section has largely been made possible by an agreement reached with the Bay of Islands Vintage Railway Trust for a joint rail-cycle arrangement.

It has also been a year of quiet achievement for our trading company, Far North Holdings Ltd. The agreement on the cycle trail link was brokered by the company, as part of a new arrangement in which the company is expected

to play an expanded role in the economic development, promotion and marketing of the district. It will be involved in the marketing of both the cycle trail, the Te Ahu centre at Kaitaia and the Turner Centre at Kerikeri.

The company has also been proactive in encouraging the restructuring of tourist development group Destination Northland. Far North Holdings has also worked with the Council on several town centre regeneration initiatives and brokered an arrangement for the development of the former Kaitaia Service Centre as a tertiary education campus. It is currently developing a number of new strategies to drive up visitor numbers in the Far North.

Bearing in mind the difficult economy in which we are all working, this has been a year of considerable achievement.

Former Mayor - Wayne Brown

Message from the former Chief Executive



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A well-balanced approach to financial management and an eye to cost-cutting has put Council in a stronger financial position. We continued to consolidate our finances in 2012/13 and were pleased to have reduced public debt by \$11 million to \$89.6 million at year end. This, coupled with a further streamlining of services, smarter procurement and assessment policies, and the restructuring of administration meant we were able to contain the annual rate demand to within inflation levels.

Maintaining a prudent approach to financial management helped Council lift its ranking in the Local Government League Table, which ranks the performance of New Zealand's 67 territorial authorities in terms of their financial sustainability and community affordability. The Far North District Council was ranked 37th in the table in 2013 after being ranked 55th last year. This is an impressive achievement we can take a lot of pride in.

Improving sewerage services in the district was a big focus for Council during the year. Capital projects started or completed included new sewerage collection systems at Opuia and Awanui. About 300 properties will be serviced by the new systems which pipe sewage from existing household septic tanks to public treatment plants for final disposal. The \$7.7 million investment in the two communities has largely been funded through government subsidies with only a minor financial impact on individual households. The new systems are an efficient and cost-effective way of managing sewage and will minimise the potential for up to 180 cubic metres of untreated sewage a day from contaminating our rivers and estuaries. The Opuia sewerage project was recognised at the annual NZ Contractors' Federation Awards with a citation for the innovative and cost-effective solutions that resulted from collaboration between Council, contractors, designers and the community. This approach typifies the innovation and invention we are applying to major contracts. Council also began developing an innovative community consultation exercise to support a long-awaited expansion of sewerage services in Kerikeri. A 'talking toilet' in the main street and a toilet roll mascot were among the unorthodox tactics Council used to focus public attention on the problem of failing household sewerage systems. This



high-profile campaign, which got underway at the end of the financial year, represented a major milestone for the Council in terms of how it engages with the community. Good progress was also made on a new water supply for Kaitaia. Council has been investigating an opportunity to take water from the Sweetwater Aquifer since a drought in the summer of 2009/10 reduced flows in the Awanui River to a trickle. Council entered negotiations to buy a bore field above the aquifer in the last year and expects to commission the water supply in mid-2014.

Council also restructured the way streetlights are maintained and began replacing lights with energy-efficient bulbs and lamps, a move which is expected to eventually save ratepayers about \$30,000 a year.

The most recent independent customer satisfaction survey commissioned shows user satisfaction with Council services and facilities overall remaining at about 80%, and a significant (14%) improvement in those scoring Council in the "very satisfied" category. However, there has been a downward trend in satisfaction levels related to the local roading network. We believe this is largely due to the reduced levels of subsidy available while the Government continues to concentrate its spend on roads it considers to be of national significance. This has meant we have initiated virtually no new capital projects for the third consecutive year. Our maintenance and renewal programmes will keep local roads at a reasonable standard in the short term. However, a prolonged absence of capital funding will inevitably lead to a general decline in road standards in the longer term. This has now been reflected in the latest customer satisfaction survey where the percentage

of respondents satisfied with the local roading network dropped from 57% to 51%. Council's contact centre has also fielded a growing number of complaints about the standard of the district's roads.

The customer satisfaction survey also showed a decline in public perception of aquatic facilities which had already been identified as a problem in a comprehensive independent survey of the district's future aquatic needs. Council will discuss the recommendations of this report, which elected members received in June, with community boards and schools before they confirm any implementation plan.

Overall, we have consolidated our financial performance, improved the way we deliver services and made significant progress on capital projects that will protect the coastal environment from pollution and provide the district's largest town (Kaitaia) with a reliable water supply.

David Edmunds – Former Chief Executive

Our District



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The Far North is the most northerly district in New Zealand, sharing its southern boundaries with Kaipara and Whangarei districts.

Together, the 3 districts make up the Northern region. With 7,324 km², the Far North district is the largest of the 3 districts, contributing 54% of the land area and 38% of the region's population. This land area includes a significant amount of unrateable land belonging to Department of Conservation and Māori. The number of rateable properties is 35,615. The Far North District Council is the largest Territorial Authority in terms of land area in the North Island. The only 2 areas that are larger are both Unitary Authorities: Auckland and Gisborne.

The district has 2,347km's of coastline which includes offshore islands and 9 major harbours. Most of the land is rural; resulting in 15 widely dispersed small urban settlements with populations of between 500 and 6,000 people. The 3 service towns of Kerikeri, Kaikohe and Kaitiā have the largest permanent populations. Home ownership in the Far North is higher than the average for New Zealand and rental costs are lower compared with the national average.

The district in December 2012 had a 21,233 strong labour force with a varied skill base, in part mirroring the district's diverse heritage, culture and knowledge. This diversity gives the district's people the opportunity to make lifestyle choices. The district was serviced by 7,423 local businesses employing 17,580 persons. The health and community

sector employs the largest percentage of workers at 13.8%.

The 2013 census put the usual resident population of the Far North district at 55,734. In the 2006 census, 39.6% of the district's population indicated that they belonged to the New Zealand Māori ethnicity group. This compares with a national average for Māori ethnicity of 14%. Between 2001 and 2006, the Far North's population grew by 2.3% with substantially higher levels of growth in many settlements on the eastern seaboard. In addition, the Far North receives a large influx of visitors during the summer season with population conservatively estimated at around 110,000 at any one time. Drawn by the district's beautiful beaches and harbours, these visitors more than treble the population of some coastal settlements at peak times.

At the last census there were about 16,000 families in the district of which approximately half have children. The average household size was about 2.7 people, which equates with the national average.

Major contributors to GDP in both 2011 and 2012 were the retail and wholesale trade followed by agriculture (including forestry and horticulture). GDP for year ending December 2012 was 1,069 million.



Representatives

As at 30 June 2013



Back Row - Left to right:

Murray McDonald - General Manager Environmental Management, David Penny - General Manager Infrastructure and Asset Management, Cr Colin Kitchen, Cr Tom Baker, Cr Steve McNally, Bernard Murphy - General Manager Corporate Services, David Edmunds - Chief Executive

Front Row - Left to right:

Cr Di Maxwell, Cr Monty Knight, Cr Ann Court, His Worship the Mayor Wayne Brown, Cr Tracy Dalton, Cr Mate Radich, Cr Sally Macauley

Portfolios

Mayor Brown

LGNZ Zone I
LGNZ / Rural Provincial Sectors
Sewerage / Water Working Party
Sister Cities Representative
NRC / Mayoral Forum
Building & Planning
NZ Historic Places Trust / Society for the preservation
of the Kerikeri Stone Store Area
Harbour Catchment Group
Kororipo / Kerikeri Basin Governance Group
Kerikeri Domain Trust
Northland Economic Action Group



Councillor Court

- Refuse - Support
- Sewerage / Water Working Party
- National Marine Park for Northland working group
- NRC / Mayoral Forum
- LGNZ Zone 1
- LGNZ / Rural Provincial Sectors
- Building & Planning
- Kerikeri Domain Trust

Councillor Kitchen

- Northland Civil Defence Emergency Management Group
- Kaeo River Liaison Committee - Support
- Northland Conservation Board / DOC liaison person

Councillor Baker

- Northland Road Safety Forum
- Roothing
- Sewerage / Water Working Party
- Building & Planning
- Disability Action Group

Councillor McNally

- District Facilities - including pensioner housing
- Kaikohe Pioneer Village
- Kerikeri Waipapa River Liaison Group
- Sewerage / Water Working Party
- Roothing
- Northland Regional Transport Committee
- NRC Environmental Management Committee and sub committee (Regional Water & Soil plan for Northland Working Group) - Support
- Cycle Trail
- Waitangi River Liaison Committee

Councillor Dalton

- Cycle Trail
- The Chief Executive Performance Review Committee

Councillor Maxwell

- Northland Conservation Board / DOC liaison person - Support
- NRC Environmental Management Committee and sub committee (Regional Water and Soil Plan for Northland Working Group)
- Kaeo River Liaison Committee
- Kerikeri Waipapa River Liaison Group – Support
- Waitangi River Liaison Committee – Support
- Harbour Catchment Group

Councillor Knight

- District Facilities - including pensioner housing, Kaikohe Pioneer Village
- Sister Cities Representative
- Creative Communities Funding Assessment Committee - Support
- Te Ahu Charitable Trust
- Genetically Modified Organisms (GMO) Inter Council Working Party
- Enterprise Northland / Destination Northland
- Kerikeri Civic Trust ('The Turner Centre')
- Audit & Finance Chairperson

Councillor Radich

- Northland Road Safety Forum - Support
- Roothing
- Sport Northland / Regional Physical Activity Strategy and other sporting activities / Northland Sport and physical activity
- Awanui River Liaison Committee

Councillor Macauley

- Kerikeri Civic Trust ('The Turner Centre')
- Creative Communities Funding Assessment Committee - (Chairperson)
- District Facilities - including pensioner housing, Kaikohe Pioneer Village
- Northland Civil Defence Emergency Management Group - Support
- Disability Action Group
- Enterprise Northland / Destination Northland
- The Chief Executive Performance Review Committee

Bay of Islands – Whangaroa Community Board

As at 30 June 2013



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Back Row - Left to right:

Johnson Davis (Elected: October 2010), Terry Greening (Elected: October 2010), Harko Brown (Elected: October 2010), Bruce Mills (Elected: October 2010)

Front Row – Left to right:

Sheryl Bainbridge (Advisory Services Officer), Belinda Ward (Elected: October 2010), Florence Annison (Elected: October 2007), Doug Turner (Elected: October 2010)

Appointments

Florence Annison

NZ Historic Places Trust / Society for the preservation of the Kerikeri Stone Store Area

Florence Annison

Disability Action Group

Florence Annison

Kororipo / Kerikeri Basin Governance Group – Support

Florence Annison

Kerikeri Domain Trust

If you need to contact a Community Board Member, then refer to the contact details on page 229 of this document or www.fndc.govt.nz/contact-us

Kaikohe - Hokianga Community Board

As at 30 June 2013



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Left to right:

James Hikurangi (Hiku) Cherrington (Elected: October 2007), Mark Anderson (Elected: October 2010 resigned, December 2012), John Schollum (Elected: May 2008 (By Election)), Warren Gundry (Elected: October 2010), Win Stephens (Elected: October 2007), Leif Pakai (Elected October 2010), Garry Clarke (Elected: March 2013)

Front Row:

Aisha Huriwai (Council Advisory Officer)

Appointments

John Schollum

LGNZ Zone 1 Community Board Executive Committee

John Schollum

Disability Action Group

If you need to contact a Community Board Member, then refer to the contact details on page 229 of this document or www.fndc.govt.nz/contact-us

Te Hiku Community Board

As at 30 June 2013



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Left to right:

Wilhelmus (Willy) Van Der Sluis (Elected: October 2007), Clara Lugnet (Elected: October 2010), Sydney Lawrence (Lawrie) Atkinson (Elected: October 2007), Dennis Bowman (Elected: October 2010), Yvonne Smith (Elected: October 2010), David Senior (Elected: October 2007), Sheryl Bainbridge (Advisory Services Officer)

Appointments

Dennis Bowman

Refuse

David Senior

Disability Action Group

David Senior

LGNZ Zone 1 Community Board Executive Committee
(Deputy Member)

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