

NORTHLAND REGIONAL COUNCIL

## Supporting Information

For extraordinary meeting to be held in the Council Chamber,  
36 Water Street, Whangārei, on Wednesday 7 March 2018,  
commencing at 10.00 am

### ATTACHMENTS UNDER SEPARATE COVER IN RELATION TO:

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<b>3.1</b>	<b>Adoption of the draft Rating Policies (including the Policy on the Remission and Postponement of Rates on Māori Freehold Land) for consultation</b>	
	Attachment 1: Statement of Proposal on the draft Rating Policies (including Rates Remission and Postponement Policies, and the Policy on the Remission and Postponement of Rates on Māori Freehold Land) and full draft Rating Policies.	1
<b>3.4</b>	<b>Adoption of the Draft Charging Policy 2018/19 and approval to consult</b>	
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<b>3.5</b>	<b>Adoption of the Long Term Plan 2018–2028 Supporting Information document and Consultation Document, and approval to consult</b>	
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Item 3.1 Attachment 1

## **Statement of Proposal on the draft Rating Policies 2018**



## **Statement of proposal on the draft rating policies (including policies on remission and postponement of rates on Māori freehold land)**

### ***Purpose***

The purpose of this document is to inform the public and seek comments on council's draft rating policies, which includes policies on: remission and postponement of rates on Māori freehold land, remission and postponement of rates and penalties, and early payment of rates.

### ***Background***

Section 102 of the Local Government Act 2002 (LGA) requires local authorities to adopt a policy on the remission and postponement of rates on Māori freehold land. This section also allows a local authority to adopt rates remission and postponement policies. Sections 108 and 109 of the LGA require the policies to be reviewed at least once every six years.

Sections 55 and 56 of the Local Government (Rating) Act 2002 allow a local authority to adopt policies for the early payment of rates.

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's behalf. It is administratively efficient that the council adopts policies on the remission and postponement of rates and penalties, and early payment of rates that are the same as those of the three district councils. The council does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (for example, a policy, or part of a policy, related solely to water rates).

Below is a summary of the proposed amendments to the policies that are relevant to Northland Regional Council:

### ***Far North district***

Far North District Council's (FNDC) 'rating relief policies' have undergone significant review by the FNDC, resulting in policies with less repetition and duplication, reduced complexity, and a simpler structure. The scope of some policies was reduced to ensure they were equitable, and alterations were made to ensure that the unique history and nature of Māori freehold land ownership was recognised. Several policies also seek to reduce rates arrears.

Two new policies are proposed to address specific issues:

- Incentivising Māori economic development - a policy to remit rates on Māori freehold land where development of the land for economic purposes is planned.
- Treaty settlement lands - a policy recognising post-settlement governance entities.

Three policies affecting the council are proposed to be revoked:

- Remission of additional penalties - as this policy has become redundant.
- Remission of postponed rates - as each postponement policy now contains a condition (where appropriate) regarding when to remit postponed rates.
- Transitional policy for the postponement of rates on farmland - as agreements are in place and no further applications can be made.

The rating relief policies that relate to rates collected by the Far North District Council on council's behalf, and are proposed be adopted (or revoked) by the council, can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

An overview of all changes proposed to be made to the Far North District Council's rating relief policies, and the full suite of proposed policies can be found on their website: [www.fndc.govt.nz/communication/consultation/long-term-plan-2018-28](http://www.fndc.govt.nz/communication/consultation/long-term-plan-2018-28)

### *Kaipara district*

Kaipara District Council maintains a 'Māori Freehold Land Rates Postponement and Remission Policy', 'a 'Rates Postponement and Remission Policy', 'and an 'Early Payment of Rates Policy'. Minor changes have been made to the policies to update them and be consistent with rating rules applied by Quotable Value New Zealand (QV). There are no major changes to policies that relate to rates collection on the council's behalf.

The rating policies that relate to rates collected by the Kaipara District Council on the council's behalf, and are proposed to be adopted by the council, can be found on our website [www.nrc.govt.nz/lt2018](http://www.nrc.govt.nz/lt2018)

The full suite of policies on the remission, postponement and early payment of rates proposed by Kaipara District Council can be found on their website: [www.kaipara.govt.nz/Our+Council/Council+Publications/Long+Term+Plan+20182028.html](http://www.kaipara.govt.nz/Our+Council/Council+Publications/Long+Term+Plan+20182028.html)

### *Whangārei district*

Whangārei District Council have made changes to their Rates Remission and Postponement policies. The majority of changes are for readability and clarification, however several material changes are also proposed.

There is a proposal to add a postponement fee to several types of postponed rates, for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs, and may vary from year to year.

There is also an alteration proposed to the policy on remitting rates for minor flats where family members are living rent free. The proposed alteration adds the text "or other dependent Council considers in its absolute discretion, meets the policy intent". This would only apply to targeted rates that are applied on a uniform basis.

One additional policy is proposed, which would permit the remission of rates in cases that are not covered by existing policy, when it is inequitable not to do so.

Whangārei District Council have also clarified the wording of their 'Early Payment of Rates Policy'.

The Rates Remission and Postponement Policies and Early Payment of Rates Policy that relate to rates collected by the Whangārei District Council on the council's behalf, and are proposed to be adopted by the council, can be found on our website [www.nrc.govt.nz/lt2018](http://www.nrc.govt.nz/lt2018)

The full suite of policies on the remission, postponement and early payment of rates proposed by Whangārei District Council can be found on their website: <http://www.wdc.govt.nz/PlansPoliciesandBylaws/Plans/LTCCP/Pages/default.aspx>

### **Proposal**

The council proposes to adopt rating policies - including policies on: the remission and postponement of rates on Māori freehold land, the remission and postponement of rates and penalties, and the early payment of rates - that reflect the policies of each of the three district councils.

### **Assessment of options**

The reasonably practicable options are:

- That council adopts the rating policies (including policies on the remission and postponement of rates on Māori freehold land) of each of the three Northland district councils, or
- The council establishes its own draft policies.

No other reasonably practicable options were considered in any depth due to the low level of significance of the policies.

The advantage of adopting the policies set by each of the three Northland district councils is that it would be administratively efficient for each district council that administers our rate collection in their respective district to only apply one set of policies. Ratepayers will also avoid possible confusion by having a single approach to all of their rates.

The disadvantage is that the council does not have a single set of policies which are applied on a uniform basis across the region.

### ***Submission process***

Full copies of the draft rating policies (including policies on the remission and postponement of rates on Māori freehold land) and how to make a submission are available from the council website at [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018).

The draft rating policies (including policies on the remission and postponement of rates on Māori freehold land) also form part of the supporting information to the council consultation on the 10 year plan 2018–2028. Information on the 10 year plan consultation and submission process can also be found on the Northland Regional Council website.

## **Draft rating policies 2018**

## Rating philosophy and objectives

The Northland Regional Council reviews its rating policies annually and has targeted region-wide rates and differentiated specific targeted rates in order to better direct rate funding to those activities suited to either fixed and/or differentiated charges.

The Revenue and Financing Policy sets out the sources of funding applied to activities undertaken by the council. The council will consider applying a specific targeted rate where it better aligns to the expenditure being funded or where the distribution of benefits of providing particular activities is attributable to a subset of a community, or where the application of specific targeted rate promotes equity, transparency and accountability of its funding decisions.

## Rates collection

Rates are assessed under the Local Government (Rating) Act 2002 (LGRA). Each of Northland's three district councils is appointed as a collector for the Northland Regional Council in terms of section 53 of the LGRA. This means that the district council's issue rates assessments and invoices for the Northland Regional Council rates and also collect the rates.

Where rates are based on value, the values assessed by Quotable Value New Zealand (QV) will apply in the Far North and Kaipara districts; and QV currently, changing to Opteon, in the Whangārei District.

## Policies on the remission and postponement of rates and penalties, and early payment of rates

The Northland Regional Council's policies on the remission and postponement of rates and penalties, and early payment of rates are the same as the region's three district councils. The council remits rates and penalties, postpones payment of rates, and manages early payment of rates in accordance with these policies. While these policies differ from council to council, it would be administratively inefficient to adopt uniform policies across the region and then require each district council to apply two sets of policies.

The council's annual rating resolution resolves that penalties will be added to unpaid rates, and stipulates the dates for payment of rates instalments and the penalty regime applicable for each district. The district councils record these rating transactions on the rating information database and rates records which they maintain on behalf of the Northland Regional Council.

The intended policies on the remission and postponement of rates and penalties, and early payment of rates for the constituent districts of the Northland region that will apply to the regional rates assessed in those districts are set out in the following section.

Northland Regional Council makes all decisions regarding the remission and postponement of its rates and penalties, and early payment of council's rates, in accordance with its rating policies. The district councils have a significant role in the administration of these policies. For the avoidance of doubt, this includes, but is not limited to:

- Where applications are required, they must be made to the relevant district council, as per its application process. The application will then be passed on to Northland Regional Council for its consideration.
- Any reporting required must be submitted to the relevant district council, and will be passed on to Northland Regional Council.
- The district councils may gather information needed to assess applications, or consider acting on behalf of land owners (as in the case of Māori freehold land not used).

**FAR NORTH DISTRICT****Making an application? This is what you need to know:**

1. All applications under these policies must be made in writing, signed by the owner/ratepayer, and accompanied by any required supporting documentation. After an application has been submitted, further documentation may be requested. In that event, the applicant will be notified accordingly.
2. As provided for in section 88 of the LGRA, a postponement fee may be calculated and added to the postponed rates.
3. The basis of calculating the postponement fee is included in each year's Funding Impact Statement, which can be found in the Long Term or Annual Plan for that year.
4. The owner(s) of the property must provide proof of eligibility which will be confirmed with relevant council information.
5. Where land is in multiple ownership, a written statement authorising an individual to act for one or more owners must be submitted with all applications.
6. Where a property or part of that property is sold within the period of remission or postponement, the council has the right to recover the rates remitted or postponed for the applicable period. This may apply to the whole property or only to that portion of the portion that has been sold.
7. The council may require further information from the applicant if deemed necessary to process the application.
8. The council reserves the right to inspect the use of a property, where appropriate, for application assessment and to confirm compliance with policy criteria from time to time.
9. Any decision made by the council under this policy is final.
10. Remissions or postponements granted under previous policies will remain in force as per those policies.
11. Applications may be made for a remission or postponement of rates in circumstances which are not included in the separate policy category sections set out below. These are known as "outside of policy" applications. the council's authority is restricted by the provisions of the LGRA. For that reason, all such applications "outside of

policy" must be in writing, and accompanied by sufficient detail and documentation to support a decision by the council.

12. The council is under no obligation to approve any applications that do not comply with the established policies and the council's decision on the matter is final.
13. The council's decision whether to grant or deny an application for remission or postponement of rates will be based upon:
  - a. The application itself; and
  - b. All supporting documents submitted by the applicant; and,
  - c. Any relevant information and/or documentation held in the council's records.
14. Except where otherwise indicated, the council reserves the right to grant or deny any and all applications for remission or postponement of rates under these policies.

**Definitions**

*For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.*

ARREAR means unpaid rates as at 30 June of the rating year prior to application.

THE COUNCIL means the Northland Regional Council and includes any person or agent authorised by the Northland Regional Council.

LANDLOCKED has the same meaning as defined in the Property Law Act 2007.

MĀORI FREEHOLD LAND has the same meaning as defined in Te Ture Whenua Māori Act 1993 Part VI section 129(2)(a).

NATURAL DISASTER has the same meaning as in the Earthquake Commission Act 1993.

NEW USER is a person that has not been previously identified in the council's Rates Information Database as being responsible for the rates on the land.

OCCUPIED means a formal right by occupation order or informal right by licence to occupy Māori Freehold Land, or other arrangements are in place and are exercised.

OCCUPIER means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license or other formal agreement for a specified period of time.

OUTSTANDING NATURAL LANDSCAPE refers to any largely unmodified landscape with characteristics and qualities that amount to being conspicuous, eminent or remarkable. These landscapes are afforded protection through the Resource Management Act 1991 as a matter of national importance.

PAPAKAINGA has the same meaning as in the operative version of the Far North District Plan.

POSTPONEMENT means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

RATEPAYER includes, under the LGRA, either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, which provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

REASONABLE ACCESS has the same meaning as the Property Law Act 2007.

REMISSION means that the requirement to pay the rate levied for a particular financial year is forgiven in whole or in part.

STATUTORY LAND CHARGE means a charge registered against a Certificate of Title of a property by someone who has a financial interest in the property, such as debt or part ownership.

TREATY SETTLEMENT LANDS means any land which has been returned to Māori ownership in a Treaty Claims Settlement, or land which may have been purchased from Treaty settlement monies to replace land which could not be returned because it is in private ownership.

USED includes use for the purposes of any residential occupation of the land, or any activity for business or commercial purposes, including lease agreements, or storage of equipment, stock or livestock.

## Common-use properties

### Background

Section 20 of the Local Government (Rating) Act 2002 requires that multiple rating units be treated as one rating unit if they are:

- a. Owned by the same person or persons; and,

- b. Used jointly as a single unit; and,
- c. Contiguous or separated only by a road, railway, drain, water race, river or stream.

This policy expands on the provisions of the LGRA, and provides for commercial operations to be treated as one rating unit to assist economic development in the district.

### Policy objectives

1. To provide for farming by treating multiple rating units as one rating unit if they are physically separated but used jointly as one farming operation.
2. To assist development in the district by treating multiple rating units of a development as a single rating unit for a maximum of three years.

### Scope

This policy applies to both General Title and Māori Freehold Land.

### Policy statements

In addition to the provisions of section 20 of the LGRA, the council will treat the following separate rating units as a single rating unit if they are owned by the same person or entity:

- a. A farm that consists of multiple rating units but functions as one commercial operation;
- b. Rating units of a residential or commercial development which are vacant and owned by the original developer, pending their sale or lease to subsequent purchasers or lessees.

### Conditions and criteria

1. Applicants must provide sufficient evidence that the multiple rating units in question are being jointly used as a single farming operation, or are part of the same subdivision or commercial development.
2. In the case of a residential or commercial development, multiple rating units will be treated as a single rating unit for a maximum term of three years. This term is calculated from 1 July in the year that this provision first applies.
3. Residential or commercial developments that have already received this remission under a previous policy are not eligible for remission under this policy.
4. In the case of a farm, the separate multiple rating units must be owned or leased by the same person or entity. If any of the separate rating units are leased, the term of the lease must be 10 years or

more, including rights of renewal. The owners of each of the separate rating units must confirm in writing that their unit is being jointly used as a single farming operation.

5. In the case of a farm, the rating units must be situated within a radius of two kilometres from the boundary of the primary property.
6. The council reserves the right to exclude any specific targeted charge from this policy.

## **Community, sports and not-for-profit organisations**

### **Background**

Community and voluntary groups provide facilities to enhance and contribute to the wellbeing of the residents of the Far North. This policy provides rating relief for those organisations that operate for the benefit of the community.

### **Policy objectives**

1. To assist in the ongoing provision of community services and recreational opportunities that benefit Far North residents.
2. To facilitate and support access to drug, alcohol and mental health facilities for Far North residents.

### **Scope**

This policy applies to both General Title and Māori Freehold Land.

### **Policy statements**

1. The council may remit up to 100% of the rates payable on land owned or used by:
  - a. Registered charitable organisations or Inland Revenue Department (IRD) approved donee organisations; or
  - b. Any entity which has, as its principal purpose and function, the provision of free access to family counselling, or, assessment, counselling and in-patient treatment for people with alcohol, drug and mental health related problems.
2. The council may remit 50% of the rates payable on land owned or used by an entity whose principal purpose is to provide benefit to Far North residents through:
  - a. The promotion of recreation, health, education, or instruction; or
  - b. The running of a campground on land for the purposes listed in section 2(a) above.

### **Conditions and criteria**

1. Relevant financial information must accompany all applications. This includes:
  - a. Statement of organisation objectives
  - b. Full financial accounts
  - c. Information on activities and programmes
  - d. Details of membership or clients.
2. No remission will be given on land on which a licence under the Sale of Liquor Act is held.
3. No remission will be given on land where any person or entity receives private financial profit from the activities carried out on the land. All income earned by ratepayers and entities receiving a remission under this policy must be spent on reasonable salaries, wages and other costs reasonably related to its community, sports, or not-for-profit purposes.
4. Land used for an activity which is commercial in nature does not qualify for rates remission. For example an "op-shop" does not qualify for rating relief under this policy.

## **Extreme financial hardship**

### **Background**

In its role as rates collector for Northland Regional Council, the Far North District Council is sometimes approached by ratepayers who request rating relief due to extreme financial hardship. This policy outlines the conditions and criteria that must be met to receive rating relief in this situation.

### **Policy objective**

To assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

### **Scope**

This policy applies to both General Title and Māori Freehold Land.

### **Policy statement**

The council may remit rates for one year if the ratepayer is experiencing extreme financial hardship which affects their ability to simultaneously maintain a reasonable quality of life and pay their rates.

### **Conditions and criteria**

1. The application will only be considered if the rating unit or portion of the rating unit is the ratepayer's primary residence and it is not used for business or commercial purposes.



2. If the applicant does not own the rating unit, the application must be accompanied by a letter of support from the owner or management structure.
3. The ratepayer must not own any property that may be used:
  - a. as a holiday home or rental property; or
  - b. for commercial activities, such as farming or business.
4. The council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after payment of rates, for normal day-to-day living expenses, normal health care, and maintenance of the home and chattels at an adequate and reasonably healthy standard.
5. An income and expenses declaration must accompany all applications. The council may require any information around the ratepayer's personal circumstances that it deems necessary to make a decision.
6. If rates are remitted pursuant to this section, the ratepayer will still be responsible for the amount of rates equal to the maximum rebate available under the central government Rates Rebate Scheme for the current rating year. The Far North District Council is able to assist applicants for the Rates Rebate Scheme. If the ratepayer is not eligible for a rates rebate, they will still be responsible for paying this amount, and will be required to enter into a payment arrangement.
7. Remissions granted under this policy will apply from the beginning of the rating year in which the application is made and apply only to the current year's rates. The ratepayer must reapply for each year they wish to receive a remission under this policy.

## **Incentivising Māori economic development**

### **Background**

The council recognises that there is a need to incentivise economic development on Māori Freehold Land. Enabling and incentivising Māori economic development through the remission of rates may see direct economic and social benefits to landowners generating a return on the land, as well as to the council from future rates contributions, as the venture grows and becomes sustainable.

### **Policy objectives**

1. To provide incentives for Māori land owners to develop Māori Freehold Land for economic use.
2. To enable owners to develop an economic base and to assist with the subsequent payment of rates.

### **Scope**

This policy applies to Māori Freehold Land.

### **Policy statement**

The council will remit rates on Māori Freehold Land for the purposes of incentivising economic development.

### **Conditions and criteria**

1. The council will remit rates under this policy on an eight-year sliding scale as follows:
  - Years 1-3 - 100% remitted
  - Year 4 - 90% remitted
  - Year 5 - 80% remitted
  - Year 6 - 60% remitted
  - Year 7 - 40% remitted
  - Year 8 - 20% remitted; and
  - Year 9 - 0% remitted
2. The land, or portion of the land, for which relief is sought must be considered suitable for development, and confirmed as currently unoccupied.
3. Applications must be accompanied by a business case, and a meeting with council staff will be required to determine any other necessary documentation.
4. Key considerations by the council may include:
  - a. professional advice has been obtained;
  - b. there is a suitable management structure in place;
  - c. appropriate financial arrangements for the development of the land have been made;
  - d. suitable monitoring and reporting systems have or will be established; and
  - e. realistic financial projections and cash flows have been provided.
5. Upon approval, a regular annual report and financial statements on the development must be submitted to the council each year.

### **Landlocked land**

#### **Background**

The Property Law Act 2007 enables owners of landlocked properties to take legal action in order to gain reasonable access to their property. Ratepayers may be unable to take action under these provisions of the Property Law Act 2007 due to their financial circumstances.

**Policy objectives**

To provide rating relief to ratepayers where their land has no reasonable access and the ratepayer cannot afford to take action through the Property Law Act 2007.

**Scope**

This policy applies to both General Title and Māori Freehold Land.

**Policy statement**

The council may postpone rates on landlocked land where there is no reasonable access as defined in the Property Law Act 2007.

**Conditions and criteria**

1. The land must be landlocked as defined in Section 326 of the Property Law Act 2007.
2. The application must state why access cannot be obtained through procedures set forth in Part 6, Sub-part 3, of the Property Law Act 2007.
3. The application must include a statutory declaration that there is no practical access across adjoining land and that the land is not in use by any person. Fencing to prevent trespassing does not constitute use of the land.
4. The maximum term for the postponement of rates for landlocked property is three years. If the land remains landlocked at the end of that period, postponed rates will be remitted.
5. The owner must advise the council if the status of the land changes, if access is obtained, or if any person commences to use the land. Any rates postponed and not remitted under this policy will be immediately repayable if the land ceases to be landlocked during the period of the postponement.
6. The repayment of postponed rates will not be required merely because of a change of ownership of the land, provided that the land continues to comply with the criteria of this policy.

**Land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes****Background**

The council recognises that certain rateable land within the district is protected for outstanding natural landscape, cultural, heritage, or ecological purposes.

**Policy objectives**

To provide rating relief to landowners who have reserved lands that have particular outstanding natural landscape, cultural, historic or ecological values for future generations.

**Scope**

This policy applies to both General Title and Māori Freehold Land.

**Policy statements**

1. The council may remit rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection agreements listed in 2 a) through 2 g) of the conditions and criteria of this policy.
2. The council may postpone rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection listed in 2 h) of the conditions and criteria of this policy.

**Conditions and criteria**

1. Applications must be supported by a copy of the formal protection agreement and a management plan detailing how the values of the land are to be maintained, restored, and/or enhanced.
2. The land must be subject to a formal protection agreement as set out below:
  - a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
  - b. A conservation covenant under section 77 of the Reserves Act 1977; or
  - c. A Nga Whenua Rahui kawenata under section 77A of the Reserves Act 1977; or
  - d. A declaration of protected private land under section 76 of the Reserves Act 1977; or
  - e. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
  - f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
  - g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993); or
  - h. A covenant for conservation purposes under section 27 of the Conservation Act 1987.

3. The rating unit or portion of the rating unit that is the subject of the application must not be in use.
4. Where the entire rating unit is the subject of the application, the remission or postponement of rates will apply to all rates levied on the property.
5. If part of the protected area is being used, the used and unused portions will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government (Rating) Act 2002. In these instances, the remission or postponement of rates will only apply to the unused portion of the rating unit.
6. The following activities will not constitute use of the land:
  - a. Work undertaken to preserve or enhance the features covenanted on the land, including but not limited to weed control, planting to counteract erosion, or erection of a fence to prevent trespassing.
  - b. The removal of material by Māori for cultural purposes.
7. Any remission or postponement granted under this policy will become effective on 1 July in the rating year following the submission of the application.
8. Any remission or postponement of rates on the land will be cancelled immediately in the event that the land ceases to be protected under a formal protection agreement. Postponed rates that have not been remitted will be repayable in the event that the covenant conditions and the management plan objectives are breached in the opinion of the council, whose decision is final.

#### **Specific conditions and criteria for postponement of rates**

1. After a term of six years, the postponed rates for the first year of the covenant period will be remitted. After this, one additional year of the postponed rates will be remitted each year, so that a maximum of six years of postponed rates are held against the land at any given time.
2. Upon expiration of the covenant or other agreement, any rates that are postponed against the land at that time, which have not been remitted under paragraph 8 above, will become due.

3. The repayment of postponed rates will not be required as a result of a change of ownership, provided that the land continues to comply with all criteria.
4. The council will not seek repayment of postponed rates where future postponement is revoked due to the council changing its criteria for postponement.

#### **Māori Freehold Land not used**

##### **Background**

The council recognizes the unique barriers to the use and development of Māori Freehold Land resulting from fragmented ownership. While Māori Freehold Land itself may not be difficult to use or develop, there may be challenges around the use and the financing of the development of the land which arise from fragmented ownership.

This policy provides relief by giving a remission where land is not used due to the difficulty of multiple ownership, obtaining collective agreement, or the lack of financing options. This policy does not apply to Māori Freehold Land in sole ownership.

##### **Policy objectives**

1. To provide for rates remission for Māori Freehold Land under multiple ownership or portions thereof which are not used.
2. To avoid further alienation of Māori Freehold Land as a result of financial pressures that may be brought by the imposition of rates on unoccupied lands.

##### **Scope**

This policy applies only to Māori Freehold Land.

##### **Policy statement**

The council may, upon application from the owners, authorised agents of the owners, or council itself acting for the owners, agree to remit the rates on such unused land for a period not exceeding three years.

##### **Conditions and criteria**

1. The land must be in multiple ownership. Land in sole-ownership is not eligible for rating relief under this policy.
2. The land must not be used by any person or entity.

3. If the land comes under use at any point, it will no longer receive remission of rates under this policy.
4. The council expects that any rating relief will be temporary, with each application limited to a term of three years. The council may consider renewing the rating relief upon the receipt of further applications from the owners.

### **New users of Māori Freehold Land**

#### **Background**

The council recognises that significant rate arrears due to the challenges of multiple ownership can act as a disincentive to any new use of Māori Freehold Land where a new user could become responsible for the payment of any existing arrears of rates and penalties on the land. This policy has been developed to encourage use of Māori Freehold Land in these circumstances.

#### **Policy objective**

To remove the barrier of rate debt for new users to be able to use or develop the land.

#### **Scope**

This policy applies only to Māori Freehold Land.

#### **Policy statement**

The council may postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a new user and that person agreeing to pay the rates while they are using the land.

#### **Conditions and criteria**

1. The person proposing to use the land must be a new user.
2. Where land has recently moved from multiple ownership to sole ownership, the sole owner will be treated as a new user.
3. The council has the sole discretion as to whether or not to grant the application, and may seek additional information before making its final decision.
4. The new user using the land must, upon approval of the application, keep the current and future rates up to date for as long as they continue to use the land.

5. If the current and future rates are not paid within one month of the due dates, the council reserves the right to reapply the postponed rates to the land.
6. Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

### **Papakainga on Māori Freehold Land**

#### **Background**

The council recognises the importance of Māori Freehold Land in providing landowners and their whanau with the opportunity to establish papakainga. The imposition of targeted rates applied on a uniform basis may act as a disincentive to occupying Māori Freehold Land for papakainga purposes.

The policy creates apportionments on land which is subject to a license to occupy or has an informal arrangement in place. This means that each occupier will pay targeted rates applied on a uniform basis only upon the land they occupy, rather than upon the entire area of the rating unit.

#### **Policy objectives**

1. To put in place processes to allow the residents with occupation licenses or other informal arrangements to pay their portion of rates in respect of the land that they occupy.
2. To assist Māori to establish papakainga or other housing on Māori Freehold Land.
3. To assist Māori to establish an economic base for future development.

#### **Scope**

This policy applies only to Māori Freehold Land.

#### **Policy statement**

The council may remit targeted rates which are applied on a uniform basis, for separately used or inhabited parts of a rating unit which are subject to a licence to occupy or other informal arrangement.

#### **Conditions and criteria**

1. The part of the land concerned must be the subject of a licence to occupy or other informal arrangement for the purposes of providing residential housing for the occupier.
2. The area of land covered by each arrangement must have a separate valuation issued by the council's valuation service providers and will be

issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).

3. The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
4. The council reserves the right to cancel the remission on any part of a rating unit if the rates remain unpaid for a period of more than one month after the due date.
5. Charges on the land will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.

## **Penalties**

### **Background**

Penalties are charged where rates instalments are not paid by the due date. The council recognises the economic hardship faced by some ratepayers. This policy provides for the remission of rates penalties on the grounds of financial hardship.

### **Policy objective**

To allow for the remission of penalties where the ratepayer has entered into repayment arrangements or there are reasonable grounds to remove the penalty.

### **Scope**

This policy applies to both General Title and Māori Freehold Land.

### **Policy statement**

The council may remit rates penalties where the application provides a reasonable reason for remission.

### **Conditions and criteria**

1. Applications will be considered if:
  - a. The applicant has a previous good record of payment and on-time payments of all rate instalments within the last two years, and an honest attempt has been made to have payment delivered on time; or
  - b. The owner of the rating unit has been given insufficient notice of the invoice due date; or

c. A request is made on compassionate grounds; or

d. The ratepayer has entered into a Rates Easy Pay agreement and has maintained the arrangement to clear their outstanding rates.

2. Penalties may be remitted upon payment of all outstanding rates.

## **Properties spanning multiple districts**

### **Background**

There are a small number of properties situated across the boundary line between the Far North district and other districts. These properties incur rates from both councils. This policy provides an equitable method of assessing rates for those properties.

### **Policy objective**

To recognise that some properties span multiple districts, and to ensure that only the portion of property within the Far North district receives a rates assessment for Northland Regional Council rates from the Far North District Council.

### **Scope**

This policy applies to both General Title and Māori Freehold Land.

### **Policy statement**

Rates will be remitted on any portion of a property outside of the Far North district.

### **Conditions and criteria**

If there is a dwelling on the portion of the property within the Far North district, the land value based rate will continue to be remitted on the portion outside of the Far North district.

## **Residential rates for senior citizens**

### **Background**

The payment of rates for senior citizens on a limited income can affect their quality of life. This policy provides senior citizens with the option of postponing their rates to be paid until a sale of the rating unit takes place, or, in the event that they pass away, until the settlement of their estate. This will relieve elderly people of potential financial hardship, and enhance the quality of their lives, including the ability to remain in their home longer with limited income.

**Policy objective**

To positively contribute to the quality of life for senior citizens by postponing rates payable.

**Scope**

This policy applies to General Title Land. The council does not consider the application of this policy appropriate for Māori Freehold Land; because of the nature of Māori Freehold Land, the council does not consider it appropriate to charge postponed rates to the land. Landowners of Māori Freehold Land are eligible for remission of rates under the extreme financial hardship policy.

**Policy statements**

The council may postpone rates for ratepayers whose primary income is the New Zealand Superannuation Scheme. Any postponed rates will be postponed until:

- a. The settlement of the ratepayer's estate following their death; or
- b. The ratepayer ceases to be the owner or occupier of the rating unit; or
- c. The ratepayer ceases to use the property as their primary residence; or
- d. The accrued charges exceed 80% of the rateable value of the property (postponed rates will remain due for payment only on death, sale, or the date specified by the council); or
- e. A date specified by the council.

**Conditions and criteria**

1. Postponement under this policy will only apply to ratepayers who are:
  - a. eligible to receive the New Zealand Superannuation Scheme, which is, or will be, their primary income; or
  - b. on a fixed income.
2. The rating unit must be used by the ratepayer as their primary residence. This includes, in the case of a family trust owned property, use by a named individual or couple.
3. The ratepayer must not own any property that may be used:
  - a. as a holiday home or rental property; or
  - b. for commercial activities, such as farming or business.
4. The council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after payment of rates, for normal day to day living

expenses, normal health care, and maintenance of the home and chattels to an adequate and reasonably healthy standard.

5. The council reserves the right to request any information around the ratepayer's personal circumstances that it deems necessary to make a decision.
6. People occupying a unit in a retirement village under a licence to occupy must have the agreement of the owner of the retirement village before applying for postponement of the rates payable on their unit.
7. If a property is still under a mortgage, a written and signed approval must be obtained from the Mortgagee as part of the application. This is because the payment of postponed rates will have priority over mortgage payments.
8. Properties that are the subject of a reverse mortgage are not eligible for rating relief under this policy.
9. The council has the right to decline rates postponement for a property that is in a known hazard zone. This is to minimise any risk of loss to the council.
10. Postponed rates will be registered as a statutory land charge on the rating unit title, meaning that the council will have first claim on the proceeds of any revenue from the sale or lease of the rating unit.
11. If rates are postponed, the ratepayer will still be responsible for the amount of rates equal to the maximum rebate available under the central government Rates Rebate Scheme for the current rating year. The Far North District Council is able to assist applicants for the Rates Rebate Scheme. If the ratepayer is not eligible for a rates rebate, they will still be responsible for paying this amount, and will be required to enter into a payment arrangement to cover this portion.
12. The council will charge an annual administrative fee on postponed rates.
13. The postponed rates or any part thereof may be paid to the council at any time.
14. The property must be insured at the time the application is granted and must be kept insured. Evidence of this must be produced annually.



15. Senior citizens for whom rates are being postponed under this policy must promptly inform the council of any substantial change in their financial status which might affect their eligibility for such postponement.
16. For senior citizens who have had rates postponed under this policy but are no longer eligible for the postponement, those rates will remain postponed, and new rates will be charged accordingly.

## **Treaty settlement lands**

### **Background**

The council recognises that post-settlement governance entities (PSGEs), which are formed to receive properties returned as a part of Treaty of Waitangi settlements, will require time to develop strategic plans, restore protections, and complete necessary works for cultural and commercial redress properties. These properties can be classed as General Title, which means that the rating relief policies for Māori Freehold Land do not apply to all of these properties. This policy has been developed in recognition of these circumstances.

### **Policy objective**

To recognise that lands acquired as part of a Treaty settlement process may have particular conditions or other circumstances which make it appropriate to remit rates.

### **Scope**

This policy applies only to Treaty Settlement Lands.

### **Policy statement**

The council will agree to remit rates on Treaty Settlement Lands subject to the criteria set out below.

### **Conditions and criteria**

1. Before remission of rates may come into effect, the council must receive an appropriate and satisfactory application supported by sufficient documentation. Any remission granted will come into effect as of the date of that application.
2. The applicant must provide proof that the land which is the subject of the application is Treaty Settlement Land.
3. Returned lands that were non-rateable under the previous ownership will receive a full rates remission for a period of three years.

4. Where returned lands are commercial redress properties and are not used, the council will grant a 50% remission for a period three years.
5. Where the returned lands are commercial redress properties and meet the criteria as outlined in the incentivising Māori economic development policy, the council will remit rates on an eight-year sliding scale as follows:
  - Years 1-3 - 100% remitted
  - Year 4 - 90% remitted
  - Year 5 - 80% remitted
  - Year 6 - 60% remitted
  - Year 7 - 40% remitted
  - Year 8 - 20% remitted; and
  - Year 9 - 0% remitted

## **Unusable land**

### **Background**

Natural disasters can cause land to become unusable for a long period of time. This policy addresses the issue of land that had been made unusable by a natural disaster.

### **Policy objective**

To provide rating relief to the owners of properties that have become unusable as a result of a natural disaster, and where the loss of the use of the property will result in financial hardship to the owner.

### **Scope**

This policy applies to both General Title and Māori Freehold Land.

### **Policy statement**

The council may grant a remission of rates on land that has become indefinitely unusable as a result of a natural disaster.

### **Conditions and criteria**

1. The applicant must set out in detail the nature of the natural disaster that has caused the land to be unusable.
2. The application must outline the steps that the owner has taken, or will take, to return the land to a usable state. If this is not possible, the application must state why.

3. The application must be supported by a geotechnical report from a registered engineer setting out the reasons why the land has become, and will remain, unusable.
4. The applicant will be required to sign an agreement that any remission will be cancelled immediately if the land is returned to a usable state.

### **Proposed policies for revocation**

#### ***Background***

Section 109 of the Local Government Act 2002 provides for a remission or postponement policy to be revoked. The following policies have been reviewed and are proposed to be revoked for the reasons outlined below.

#### ***Remissions of additional penalties***

This policy provides for ratepayers to apply for a remission of additional penalties where they have entered into a Rates Easy Pay agreement to pay outstanding arrears over an agreed period of time.

#### ***Rationale for revocation***

On 5 June 2015, Far North District Council resolved to cease charging and remit all additional penalties outstanding on rate accounts prior to 30 June 2015. On 14 July 2015, Northland Regional Council also resolved to cease charging and remit all additional penalties outstanding on rate accounts prior to 30 June 2015. The remission of additional penalties policy is now redundant.

#### ***Remission of postponed rates***

This policy directs the council to remit postponed rates that have reached the predetermined age or term as provided for in the rates postponement policies.

#### ***Rationale for revocation***

This policy is no longer required because each postponement policy now, where appropriate, contains a condition that once postponed rates reach the maximum term, they will be remitted.

#### ***Transitional policy for the postponement of rates on farmland***

The Rating Valuations Act used to provide rating relief to farm owners with high rates because of the potential to develop the land. This act was repealed and the council introduced this policy to continue rates relief for farms in proximity to high valued urban or coastal areas and to reduce the incidence of coastal development.

#### ***Rationale for revocation***

This policy does not provide for any new applications to be made to the council. Eleven properties are currently subject to this policy and have existing agreements with the council. Therefore this policy is no longer required. Agreements will cease if the land is developed or sold.



## KAIPARA DISTRICT

### Rates postponement and remission policy

#### *Rates postponement for financial hardship*

##### *Objective*

The objective of this scheme is to assist ratepayers experiencing financial hardship which affects their ability to pay rates.

##### *Criteria*

The ratepayer must meet the following criteria to be considered for rates postponement for hardship:

1. The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
2. The rating unit must be used solely by the ratepayer as his/her residence.
3. No person entered on the council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
4. The current financial situation of the ratepayer must be such that he/she is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.
5. The ratepayer (or authorised agent) must make an application to the council on the prescribed form (copies can be obtained from the Kaipara District Council offices, at either Dargaville or Mangawhai, or on the Kaipara District Council website [www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

##### *Conditions*

The council will consider, on a case-by-case basis, all applications received that meet the above criteria.

1. For the rates to be postponed, written confirmation of the ratepayer's financial situation must be provided from the ratepayer's budget advisor. Additionally, the council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise e.g. budget advisors or the like.
2. For the rates to be postponed, the council will require a statutory declaration:

- a. that the ratepayer does not own any other property or have significant interest in a business or shares; and
- b. containing the value of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

3. For the rates to be postponed, the council will require the ratepayer to first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
4. The council will add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to the date that they are paid. This fee will not exceed the council's administrative and financial costs of the postponement.
5. The postponement will apply from the beginning of the rating year in which the application is made, although the council may consider backdating to before the rating year in which the application is made depending on the circumstances.
6. Any postponed rates will be postponed until:
  - a. the death of the ratepayer(s); or
  - b. the ratepayer/s cease/s to be the owner or occupier of the Rating Unit; or
  - c. the ratepayer/s cease/s to use the property solely as his/her residence; or
  - d. the postponed rates are 80% of the available equity in the property; or
  - e. a date specified by the council.
7. All or part of the postponed rates may be paid at any time. The applicant may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this scheme.
8. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

##### *Delegation of decision-making*

Decisions relating to the postponement of rates will be made as outlined in the council's delegations manual.

### *Rates remission for financial hardship*

#### *Objective*

The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

#### *Criteria*

The ratepayer must meet the following criteria to be considered for a rates remission for financial hardship:

- a. The ratepayer must be the current owner of the rating unit and owned the property for at least five years.
- b. The rating unit must be used solely by the ratepayer as his/her residence.
- c. No person entered on the council's rating information database as the "ratepayer" must own any other rating units or investment properties (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a businesses or shares.
- d. The current financial situation of the ratepayer must be such that s/he is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, as well as making provision for normal day-to-day living expenses.
- e. The ratepayer (or authorised agent) must make an application to the council on the prescribed form (copies can be obtained from the Kaipara District Council offices, at either Dargaville or Mangawhai, or on the Kaipara District Council website [www.kaipara.govt.nz](http://www.kaipara.govt.nz)).

#### *Conditions*

The council will consider, on a case by case basis, all applications that meet the above criteria.

- a. For the rates to be remitted, the ratepayer's financial situation must be such that the ratepayer is eligible for, and has applied for, the government rates rebate scheme. Additionally, council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise e.g. budget advisors or the like.

- b. For the rates to be remitted, the council will require a statutory declaration that the ratepayer does not own any other property or have significant interest in a business or shares.
- c. The remission will apply from the beginning of the rating year in which the application is made, although the council may consider backdating to before the rating year in which the application is made depending on the circumstances.

#### *Delegation of decision-making*

Decisions relating to the remission of rates for financial hardship will be made as outlined in the council's delegations manual.

### *Rates remission of penalties only*

#### *Objective*

The objective of this scheme is to enable the council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

#### *Criteria*

1. Where the ratepayer meets the payment conditions agreed with the council to resolve a rates arrears, the council can remit any part of the penalties already incurred or yet to be incurred.
2. The penalties incurred on the first instalment of each financial year will be remitted if the ratepayer pays the total amount of rates due for the year, excluding the penalty on the first instalment, but including any arrears owing at the beginning of the financial year, by the second instalment due date.
3. There are extenuating circumstances.
4. The ratepayer has paid after the penalty date, but has not received a rates penalty remission under this scheme within the past two years.

#### *Conditions*

1. If the ratepayer stops paying rates then the council is able to reinstate the penalties.
2. The remission will apply from the beginning of the rating period in which the application is approved and may not necessarily be backdated to prior years.

#### *Treatment of penalties on small overdue balances*

When a small balance is overdue which is uneconomical to collect, the council write-off the balance in line with delegations outlined in the

council's delegations manual and other council procedures. Penalties will not be applied in these circumstances.

#### *Delegation of decision-making*

Decisions relating to the remission of rates penalties will be made as outlined in the council's delegations manual.

#### *Rates remission of uniform charges on rating units*

##### *Objective*

To enable the council to act fairly and equitably with respect to the imposition of uniform charges on two or more separate rating units that are contiguous, and used jointly for a single residential or farming use but do not currently meet section 20 of the Local Government (Rating) Act 2002.

##### *Conditions and Criteria*

1. The council may remit multiple sets of relevant targeted rates set as a fixed amount per rating unit or Separately Used or Inhabited Part of Rating Unit (SUIP) in the following circumstances:
  - a. Where a ratepayer owns and resides on two separate residential rating units that are contiguous and used jointly as a single residential property;
  - b. Where a farming operation consists of a number of separate Certificates of Title or rating units that are contiguous, the occupier of all rating units is the same and operated jointly as a single farm, but is owned by a number of separate owners. In some case the rating units may have different property categories.
2. Properties that have been subdivided for sale are not eligible for remission relevant targeted rates.
3. Targeted rates set as a fixed amount for a service actually provided or made available to each separate part of the rating unit, such as water and wastewater rates, shall not be eligible for remission.
4. Owners wishing to claim a remission under this scheme may be required to make a written application or declaration using the appropriate application form and to supply such evidence as may be requested to verify that a remission should be granted under this scheme.

#### *Delegation of decision-making*

Decisions relating to the remission of rates will be made as outlined in the council's delegations manual.

#### *Rates remission for community, sporting and other organisations*

##### *Objective*

To enable the council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community focus, but do not currently meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.

##### *Criteria*

1. The council may remit all or part of rates to land that is being used or occupied under the following circumstances:
  - a. Land owned or used by a society or association of persons, whether incorporated or not, for the purposes of a public hall, library, museum or other similar institution.
  - b. Land owned or used by a society or association of persons, whether incorporated or not, for games or sports other than galloping races, harness races and greyhound races, and does not meet the 50% non-rateable definition as a club licence under the Sale and Supply of Alcohol Act 2012 is for the time being in force.
  - c. Land owned or used by a society or association or persons, whether incorporated or not, the object or principal object of which is to conduct crèches or to conserve the health or well-being of the community or to tend the sick or injured.
  - d. Land owned or used by a society or associations of persons, whether incorporated or not for sporting, recreation, or community purposes that does not meet the 100% and 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.
2. In all cases, land that is used for the private pecuniary profit of any members of the society or association shall not be eligible for a rates remission.

##### *Conditions*

1. The rates remission for the following uses is:

Land Use	Remission
Public halls, libraries, museums	100%
Sports clubs	50%

Land Use	Remission
Other community groups	50%

### *Delegation of decision-making*

Decisions relating to the remission of rates will be made as outlined in the council's delegations manual.

### *Rates postponement or remission for miscellaneous purposes*

#### *Objective*

The objective of this scheme is to enable the council to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other schemes in the rates postponement and remission policy, but where the council considers it appropriate to do so.

#### *Criteria*

1. The council may postpone or remit rates and/or penalties on rates on a rating unit where it considers it just and equitable to do so because:
  - a. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units;
  - b. The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the council's other rates postponement or remission schemes, but are not actually covered by any of those schemes;
  - c. There are exceptional circumstances that the council believes that it is equitable to postpone or remit the rates and/or penalties on rates.

#### *Conditions*

1. Where the council and the ratepayer have agreed to postpone rates and/or penalties on rates:
  - a. Applications must be received in writing by the council from the ratepayer.
  - b. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the scheme.
  - c. Postponed rates will be registered as a Statutory Land Charge on the Certificate of Title.

d. The council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs and may vary from year to year.

e. Any postponement is valid for the year in which the application was made.

f. Ratepayers will be encouraged to obtain financial and/or legal advice about the rates postponement from an appropriate independent person.

2. The council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this scheme.

### *Delegation of decision-making*

Decisions relating to the remission of rates and/or penalties on rates will be made as outlined in the council's delegations manual.

## **Māori Freehold Land rates postponement and remission policy**

### *Overview, background and objectives*

Section 102(2) of the Local Government Act 2002 provides that a council must adopt a policy on the postponement and remission of rates on Māori Freehold Land.

This policy is to ensure the fair and equitable collection of rates occurs from all sectors of the community. It is important to also recognise that Māori Freehold Land has particular conditions, and ownership structures which may make it appropriate to provide relief from rates.

Specifically this policy considers the matters set out in schedule 11 of the LGA 2002 and is intended to support the following objectives:

- Recognise matters related to the physical accessibility of the land;
- Facilitate development or use of the land.

This policy also has an objective to recognise situations where there is no occupier, or person gaining an economic or financial benefit from the land.

## Conditions

### *Remission for undeveloped and inaccessible Māori Freehold Land*

1. The council may remit rates penalties and/or current year or arrears of rates on Māori Freehold Land where the land has been unoccupied for the period which the remission is requested;
2. To be eligible for remission no person may, during the course of the year for which the remission is granted:
  - a. lease the land;
  - b. do one or more of the following things on the land, for profit or other benefit:
    - i. reside on the land;
    - ii. de-pasture or maintain livestock on the land;
    - iii. store anything on the land;
    - iv. use the land in any other way.

### *Remission to facilitate development of Māori Freehold Land*

The council may remit the previous years' arrears and penalties provided the person or entity requesting the remission will pay for the annual rates for the current and previous two years and has agreed to contract to the council to keep all future rates paid in full.

## Criteria

1. Application for land to be granted remission of rates must be made by the owners or trustees, the council or any person(s) who has gained a right to occupy through the Māori Land Courts and is the authorised occupier(s).
2. The land is Māori Freehold Land as defined in the Local Government (Rating) Act 2002.
3. Owners or trustees or any authorised occupier(s) must include the following information in their application:

- a. The details of the property for which the application for remission is being made;
- b. The objectives (as outlined under overview, background and objectives above) that will be achieved by providing a remission, together with an explanation as to how the land fits within the objectives;
- c. Documentation that proves the land which is the subject of the application is Māori Freehold Land, as defined above.

## Delegation of decision-making

Decisions about applying a remission of rates will be made will be made as outlined in the council's delegations manual.

## Rates postponement

This policy does not provide for the postponement of the requirement to pay rates.

## Early payment of rates policy

### *Early payment of current year rates policy*

In accordance with section 55 of the Local Government (Rating) Act 2002, which empowers councils to accept early payment of rates, the council will accept payment in full of all rates assessed in the current year on or before the due date for the first instalment of the year. Early payment of rates will attract neither a discount, nor interest on the sum paid.

### *Early payment of rates for subsequent years policy*

The council will accept payment of rates for subsequent financial years. However, early payment of rates will attract neither a discount, nor interest on the sum paid.

**WHANGĀREI DISTRICT*****Policy 17/101 Remission of targeted rates applied on a uniform basis to certain separately used or inhabited parts of ratings units (SUIPS).******Objective of the policy***

In some cases the requirement that targeted rates set on a uniform basis be paid in relation to each Separately Used or Inhabited Part of a Rating Unit (SUIP) may result in inequity (refer definition of SUIP at the Funding Impact Statement of the current Annual Plan or Long Term Plan).

The objective of the policy is to enable the council to act fairly and reasonably by enabling the council to provide rates relief in certain circumstances where inequity may result, namely:

- a. Category A: Relief from the obligation to pay all uniform targeted rates where the rating unit is used by one ratepayer for both business and residential purposes.
- b. Category B: Relief from the obligation to pay all uniform targeted rates where the rating unit is used for residential purposes and a SUIP within the rating unit is occupied by a member of the ratepayer's immediate family on a rent free basis.

***Criteria and conditions***

The council may remit the rates referred to above where a rating unit meets the following criteria:

1. In relation to Categories A and B the relevant rating unit is both owned and occupied by the ratepayer;
2. In relation to Category B, the rating unit is the ratepayer's principal residence and:
  - a. the relevant SUIP within that rating unit is a minor flat or other residential accommodation unit; and
  - b. that minor flat or other residential accommodation is occupied by a first degree relative of the ratepayer (grandparent, parent, child or sibling), or other dependent the council considers, in its absolute discretion, meets the policy intent.
3. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by the council.

4. Remissions will be granted for a maximum of three rating years and cannot be backdated to previous rating years.
5. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform the council within 30 days. The council may redetermine that ratepayer's eligibility for a remission under this policy.

***Delegations***

Decisions on remissions of rates under this policy will be delegated to officers as set out in the council's delegations manual.

***Policy 17/102 Remission of all targeted rates on unsold subdivided land******Objective of the policy***

In some cases the requirement that targeted rates be paid in relation to land that has been subdivided but not sold is a disincentive to development in the district. In addition, the liability for commercial rates of subdivided land rated as commercial but not sold is a disincentive to commercial development in the district. The council wishes to incentivise commercial and other development in the district.

The objective of the policy is to enable the council to act fairly and reasonably by enabling the council to provide rates relief in certain circumstances where inequity may result, namely where land has been subdivided but has remained unsold for a period of five years.

***Criteria and conditions***

1. In relation to non-commercial subdivided land, the council may remit targeted rates where a rating unit meets the following criteria:
  - a. The subdivided rating units are owned by the same ratepayer; and
  - b. The relevant ratepayer subdivided the land; and
  - c. The land was lawfully subdivided and is vacant; and
  - d. The land is not able to be treated as a single rating unit in accordance with section 20 of the Local Government Rating Act 2002.
2. In relation to commercial subdivided land, the council may remit up to 20% of targeted rates where a rating unit meets the following criteria:



- a. Criteria 1(i)-(iv) of this policy; and
  - b. The subdivided land is rated as commercial land.
3. In relation to both commercial and non-commercial subdivided land:
- a. The remission is available for a maximum of five years after the date of subdivision and cannot be backdated to previous rating years.
  - b. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by the council.
  - c. If the circumstances of a ratepayer who has been granted a remission under this policy changes, such that the relevant criteria are no longer satisfied, the ratepayer must inform the council within 30 days. The council may redetermine that ratepayer's eligibility for a remission under this policy.

#### *Delegations*

Decisions on remissions of rates under this policy will be delegated to officers as set out in the council's delegations manual.

### ***Policy 17/103 Remission of penalties***

#### *Objectives of the policy*

Penalties are added where rates have not been received by the due date. Further penalties are added where previous years' arrears remain unpaid three months after the end of the rating year.

The objective of this policy is to enable the council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

#### *Criteria and conditions*

Penalties on rates may be remitted when the ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by the council and one or more of the following criteria are met:

- 1. Where the ratepayer meets the payment conditions agreed with the council to resolve rates arrears.
- 2. Where the ratepayer has an otherwise good payment history and has not received a penalty remission within the past and current financial year.

- 3. Where there are extenuating circumstances, such as significant family disruption, illness or accident.
- 4. Where the ratepayer pays rates by direct debit and future rates and rates arrears are addressed in an agreed timeframe.
- 5. If the ratepayer stops adhering to the agreed payment conditions, the remission of penalties can be cancelled, with relevant penalties being reinstated and becoming due and owing (except where relevant limitation periods preclude recovery).
- 6. The remission will apply to the period in which the application is approved and may not necessarily be backdated to previous years.
- 7. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by the council.

#### *Delegations*

Decisions on remission of penalties under this policy will be delegated to officers as set out in the council's delegation manual.

### ***Policy 17/107 Remission of rates for community, sports and other organisations***

#### *Objectives of the policy*

Community and voluntary organisations provide facilities for residents which enhance and contribute to the district's wellbeing. The council wishes to encourage such groups by providing rates relief.

Doing so will enable the council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community focus but do not currently meet the 100% or 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002.

#### *Criteria and conditions*

The council may remit all or part of rates to a rating unit that is being used or occupied under the following circumstances:

- 1. Land owned or used by a society or association of persons, for community purposes, games or sports other than galloping races, harness races and greyhound races, and which does not meet the 50% non-rateable definition as a club license under the Sale and Supply of Alcohol Act 2012 is for the time being in force.

2. Land owned or used by a society or association of persons, the object or principal object of which is to conserve the health or well-being of the community or to tend the sick or injured.
3. Land owned or used by a society or association of persons, for the purposes of a public hall, library, museum or similar institution.

The policy will not apply in respect of:

1. Societies or associations of persons operating for private pecuniary profit, or which charge tuition fees.
2. Societies or associations of persons whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by the council.

The rates remission for the following uses is:

Land Use	Remission %
Community, games or sports	50%
Health, libraries or museum	100%
Public halls	100%

### *Delegations*

Decisions on remission of rates under this policy will be delegated to officers as set out in the council's delegation manual.

## **Policy 17/108 Postponement of rates – Extreme financial hardship**

### *Objectives of the policy*

In its role as rates collector for Northland Regional Council, from time to time Whangarei District Council is approached by ratepayers who are experiencing financial hardship. Whangarei District Council staff will work with applicants to help meet their commitments with payment options, payment

arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

The purpose of this policy is assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates and who wish to defer the payment of rates using the equity in their rating unit.

### *Criteria and conditions*

The council is able to postpone rates in accordance with the policy where the following criteria are met:

1. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria are satisfied and has completed relevant statutory declarations as may be required by the council.
2. The ratepayer is the current owner of the rating unit and has owned or resided on the property or another property within Whangarei district for not less than 2 years.
3. The residential rating unit is used solely by the ratepayer as the ratepayer's principal residence.
4. The council is satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
5. The ratepayer does not own any other rating units or investment properties or other investment realisable assets (whether in the district, in New Zealand or overseas) or have significant interests or ownership of a business(s) or shares.
6. Even if rates are postponed the ratepayer will be required to pay the first \$500 of the rate account.
7. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
8. The council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs and may vary from year to year.
9. The policy will apply from the beginning of the rating year in which the application is made although the council may consider backdating past the rating year in which the application is made depending on the circumstances, and in its absolute discretion.
10. Any postponed rates will be postponed until:



- a. the death of the ratepayer(s); or
- b. the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- c. the ratepayer(s) ceases to use the property as his/her residence; or
- d. a date specified by the council as determined by the council in any particular case.

- 11. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- 12. Postponed rates will be registered as a statutory land charge on the rating unit title.

### *Delegations*

Decisions on postponement of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### ***Policy 17/109 Postponement and remission on specific farmland properties***

#### *Objective of the policy*

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates set would be a disincentive to the continued use of the land in its current form. The council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

#### *Criteria and conditions*

The council may remit or postpone rates in accordance with this policy where the following criteria and conditions are met:

- 1. The properties will be identified and the rates postponement values will be determined by the council's Valuation Service Provider in conjunction with a general revaluation. The council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to the council's Valuation Service Provider for their determination. If so determined,

the postponement values will take effect from the commencement of the financial year following the date of the application.

- 2. The rates postponement value of any land is to be determined:
  - a. So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
  - b. So as to preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
  - c. May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
- 3. In this policy, "farmland" means a property rated under the category of "rural" in the council's differential rating system.
- 4. The farming operation should provide the majority of revenue for the ratepayer who should be the actual operator of the farm.
- 5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
- 6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.
- 7. To be considered for rates postponement [or remission] under this policy, the ratepayer must apply for rates postponement [or remission] under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete any relevant statutory declarations as may be required by the council.

#### *Effect of rates postponement values*

- 8. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would

be payable for that period if the rates postponement value of the property were its rateable value.

9. The amount of the rates for any rating period so postponed shall be entered in the rates records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
10. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

#### *Rates set before postponement values determined*

11. Where the council has set rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

#### *Additional charges*

The council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs and may vary from year to year.

#### *When postponed rates become payable*

12. All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:
  - a. The land ceasing to be farmland;
  - b. The interest of the owner of any part of the land is transferred to or becomes invested in some person or other party other than;
    - i. the owners spouse; or
    - ii. the executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

#### *Postponed Rates to be a charge on the rating unit*

Where the council has postponed the requirement to pay rates in respect of a rating unit, postponed rates will be registered as a statutory land charge on the rating unit's Certificate of Title.

#### *Delegations*

Decisions on postponement of rates under this policy will be delegated to officers as set out in the council's delegation manual.

#### ***Policy 17/110 Postponement and/or remission of rates and charges on properties affected by fire or natural calamity***

#### *Objectives of the policy*

This policy recognises that where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged, where it cannot be used, then the application of full rates could cause financial hardship.

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

#### *Criteria and conditions*

The council may remit and/or postpone rates wholly, or in part, in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.

1. The repayment of any postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
2. Any application for rates relief due to fire will not be accepted if the council has any reason to suspect, on reasonable grounds, that the fire was deliberately caused by owner, occupier or a related party.
3. To be considered for rates postponement and/or remission under this policy, the ratepayer must apply for rates postponement and/or remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete any relevant statutory declarations as may be required by the council.
4. If an application is approved, the council may direct its valuation service provider to inspect the rating unit and prepare a valuation that will take into account any factors that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature then the valuation service provider's decision will be final.

### *Delegations*

Decisions on remission and/or postponement of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### **Policy 17/111 Remission of rates on unoccupied Māori Freehold Land**

#### *Objectives of the policy*

Some Māori Freehold Land in the Whangarei district is unoccupied and unproductive. This land creates a significant rating burden on the Māori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

A remission of all or part of rates may be granted in respect of multiple-owned Māori Freehold Land which is unoccupied or unproductive.

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

#### *Criteria and conditions*

1. The land must be multiple-owned and unoccupied Māori Freehold Land (as defined in the Local Government (Rating) Act 2002) which does not produce any income. (Multiple owned is defined as more than two registered owners. This includes beneficial owners where the registered owner is deceased, but the succession order has not yet been approved by the Māori Land Court).
2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non-useable land.

4. To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by the council.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.

### *Delegations*

Decisions on remission of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### **Policy 17/112 Postponement of rates on Māori Freehold Land**

#### *Objectives of the policy*

The difficulty in establishing and contacting owners or occupiers of Māori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

The council wishes to encourage the development and use of Māori Freehold Land where the council considers the full payment of the rate arrears would be a disincentive.

#### *Criteria and conditions*

The council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Māori Freehold Land, as defined in the Local Government (Rating) Act 2002.
2. The ratepayer has applied for rates postponement under this policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by the council.

3. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
4. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be written off.
5. The council reserves the right to reapply the rates postponed should the agreement not be met.

#### *Delegations*

Decisions on postponement of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### **Policy 17/113 Remission of rates on voluntarily protected land**

#### *Objectives of the policy*

In the past legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II (QEII) National Trust however, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand protect special natural and cultural features on their land with open space covenants.

The council wishes to encourage and promote the conservation and protection of significant natural resources in the district. This will enable council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

#### *Criteria and conditions*

The council may remit the rates where the application meets the following conditions and criteria:

1. The council is satisfied that the land is subject to permanent protection under subject to QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s).
2. No person(s) are using the land and no building structures are within the boundaries of the covenanted area.
3. The ratepayer has applied for rates remission under this policy and provided information in the prescribed form on how the relevant criteria and conditions are satisfied and has completed relevant statutory declarations as may be required by the council.

#### *Delegations*

Decisions on remission of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### **Policy 17/114 Remission or postponement of rates and penalties for miscellaneous purposes**

#### *Objective of the policy*

This policy is to address inequity in rating in specific circumstances.

The council wishes to be able to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other policies in the rates postponement and remission policy, but where the council considers it appropriate to do so.

#### *Criteria and conditions*

The council may postpone or remit rates and/or penalties on rates on a rating unit where it considers it just and equitable to do so, in its absolute discretion, because:

- a. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units; or
  - b. The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the council's other rates postponement or remission schemes, but are not actually covered by any of those schemes; or
  - c. There are exceptional circumstances that the council believes that it is equitable to postpone or remit the rates and/or penalties on rates.
1. To be considered for rates remission under this policy, the ratepayer must apply for rates remission under this policy, provide information in the prescribed form on how the relevant criteria and conditions are satisfied and complete relevant statutory declarations as may be required by the council.
  2. Postponed rates will be registered as a Statutory Land Charge on the Certificate of Title.
  3. The council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs and may vary from year to year.

4. Any postponement is valid for the year in which the application was made.
5. The council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this policy.

#### *Delegations*

Decisions on remission and/or postponement of rates under this policy will be delegated to officers as set out in the council's delegation manual.

### ***Policy 17/200 Discount for early payment of rates in current financial year***

#### *Objectives*

In accordance with section 55 of the Local Government (Rating) Act 2002, which empowers councils to accept early payment of rates in the current financial year, a discount is granted where the full annual rates are paid on the due date of the first instalment.

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

#### *Criteria and conditions*

A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.

That the amount of the discount be set each year in accordance with that provided in the rates resolution (Rates for the year 1 July to 30 June).

#### *Delegations*

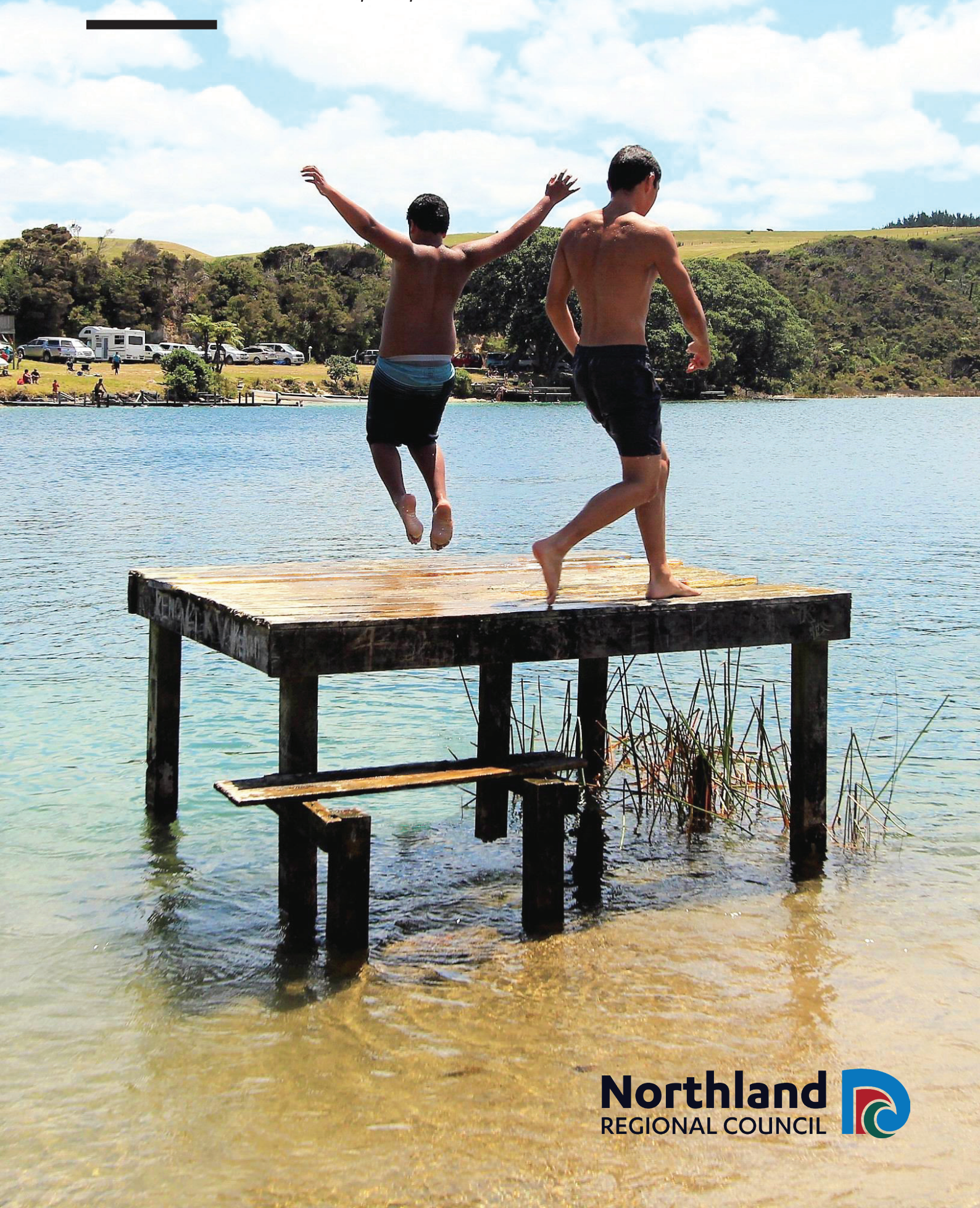
Decisions on remissions under this policy will be delegated to officers as set out in the council's delegation manual.



# Draft Charging Policy 2018/19

*Hukihuki ā kaupapa here 2018/19*

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## **Draft Charging Policy 2018/19**

# Statement of Proposal on the draft Charging Policy 2018/19

## Introduction

This is the Northland Regional Council's draft Charging Policy for the 2018/19 financial year. The Charging Policy is where you can find all of the fees and charges that council is authorised to set under the various pieces of legislation that it works under (details on these are covered in section two of this charging policy). Legislation sets specific, and sometimes different, requirements in terms of the process required to set charges. When making a change to any of our charges we take these legislative requirements into consideration, and use the appropriate process. So that an informed decision can be made, council wants to know what you think about the charges we are proposing to change or set. Consultation is a big part of that decision making process.

We update our charging policy annually to respond to real life and legislative changes, and to ensure that charges do not become outdated.

We are proposing several amendments and updates to the fees, charges, and policy for the 2018/19 year.

## ***Amendments and changes proposed***

- All charges within the policy have been increased by 2% to reflect inflation. This increase does not apply to those charges that are set by parties outside of council, in which case the charge is set at the actual cost to council, to be passed on to the user.
- Additional text has been added to clarify the way that we set charges for navigation fees for coastal structures (CST011, NAV001, CST012, and NAV002). The text explains that the navigation fee is calculated according to the number of vessels that are berthed, to provide clarity to the user about how these are charged. Please see section 3.5.4.2 for this new wording.
- The costs associated with the purchase of plans have been further reduced, to reflect actual costs and savings made by council - please see section 3.10.11 for these charges.
- Minor typographical and referencing updates have been made.

## ***New charges and policy proposed include:***

- A new section has been added that sets out council's policy on penalties to be applied to unpaid charges under the Biosecurity Act 1993. Footnotes have also been added to the schedule of charges that this penalty would apply to make it clear that a penalty will apply to unpaid charges. Please see section 2.6.7 for the new policy, and sections 3.5.4.1 and 3.5.4.2 for charges and footnotes.
- The New Zealand Refining Company Ltd has been added to the scale of annual charges for coastal structures, as a large commercial marine facility eligible for the marine biosecurity charge. Please see section 3.5.4.2.
- An additional subsection has been added that covers the cost of leasing council owned moorings. This section is for clarification of an amount that is already charged in practice. Please see section 3.10.7 for this charge.
- An additional subsection has been added to set out council's discretion to charge for monitoring of plantation forestry activities, specified by regulations 24, 37, 51 and 63(2) of the National Environmental Standards.

## ***What are the alternatives?***

Council needs to consider what mechanisms are appropriate to meet the expenditure needs of the organisation. The charges outlined in this policy represent the activities where council has considered that the principle of user or beneficiary pays is most appropriate.

The alternative to adopting these fees and charges for the 2018/19 year is to either: cover the cost of these activities through other means of income, which might include increasing rates or diverting income from other activities, or; council could cease undertaking the activities that give rise to the cost, many of which are required by law.

Should council consider that this expenditure should continue to be met through the fees and charges in the charging policy, there is then an alternative option of not updating fees and charges on an annual basis, and instead let the fees remain static, or update them on a less regular basis. By not regularly undertaking a review of charges, and updating as necessary, the likelihood of steep increases in charges when reviews are undertaken is significantly higher. This would also mean that council may not be achieving cost recovery for some activities for a period of time and could be subsidising activities that are intended to be 'user pays'. Conversely, there may be fees set out in the policy that council no longer charges, leading to confusion about costs.

Not reviewing and undertaking changes as necessary would mean that the policy and schedule of charges has the potential to become outdated and confusing for users. It is also necessary to update charges and policy in line with legislative amendments.

### ***How can I have my say about this policy?***

Council is inviting feedback on the draft charging policy 2018/19 in conjunction with the process of the Long Term Plan 2018-2028. You can have your say by filling in a feedback form online at [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018) or by emailing [submissions@nrc.govt.nz](mailto:submissions@nrc.govt.nz).

The submission period is open from 14 March - 17 April 2018.

# Introduction

The charging policy is reviewed annually. Fees and charges that require formal adoption under section 150 of the Local Government Act 2002 may be consulted on in conjunction with a Long Term or an Annual Plan. The fees set out in this policy will come into effect on 1 July 2018 and will continue until superseded. A copy of this charging policy will also be published on council's website.

Councils are permitted to collect fees from private users of public resources, and to recover all or a portion of the costs for a range of services it performs in relation to those resources.

The law acknowledges that some of the costs associated with administering the private use of public resources have a community benefit, and should therefore be met from the general rate. For example, the Northland Regional Council (the council) grants resource consents that allow organisations and individuals the private benefit to use public resources such as air, water or the coast. Where the benefits associated with consents are solely to applicants, they pay the associated costs in full. Where the benefits accrue more widely – such as in the case of environmental monitoring – then a portion of the associated costs is met through rates.

This document sets out the policies, fees and charges that are collected by the council from private beneficiaries for a range of services it performs.

The fees and charges set out in this document are consistent with the council's revenue and financing policy, which sets out the funding and cost recovery targets for each council activity.

This document is divided into three sections:

- Part one: general principles and policy.
- Part two: policies on charging and fees for specific activities and functions.
- Part three: schedule of fees and charges.

# Part One: General policies and principles

## 1.1 PRINCIPLES

### ***1.1.1 Charges must be lawful***

The council can only levy charges which are allowed by legislation. Section 13 of the Local Government Official Information and Meetings Act 1987 enables the council to charge for providing information sought under the provisions of the Act or the Official Information Act 1982.

Section 36 of the Resource Management Act 1991 (RMA) enables the council to fix charges for its various functions (refer to Section 2.2).

Section 150 of the Local Government Act 2002 enables the council to fix charges payable under its bylaws (namely the Navigation Safety Bylaw 2017) and charges for the provision of goods, services, or amenities in accordance with its powers and duties, e.g. recovering costs of responding to environmental incidents, and inspecting dairy farms operating under permitted activity rules for discharges to land.

Section 444(12) of the Maritime Transport Act 1994 allows the council to fix reasonable charges for its activities/services relating to "Tier 1 sites".

Section 243 of the Building Act 2004 enables the council to impose fees or charges for performing functions and services under the Act. It also allows the council to recover its costs from a dam owner should we need to carry out building work in respect of a dangerous dam.

Section 135 of the Biosecurity Act 1993 enables the council to recover its costs of administering this Act and performing the functions, powers, and duties provided for in this Act by such methods it believes on reasonable grounds to be the most suitable and equitable in the circumstances.

Under Section 227 of the Property Law Act 2007, the council can require a charge to cover reasonable legal or other expenses of the lesser in giving consent.

### ***1.1.2 Charges must be reasonable***

The sole purpose of a charge is to recover the reasonable costs incurred by the council in respect of the activity to which the charge relates. Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly incurs costs to the council. A contribution from the general rate meets a share of the cost where the community benefits from the council performing its role, for example, environmental monitoring. For more information about how the council funds its activities from its various funding sources, please refer to its revenue and financing policy.

Some charges imposed on consent holders are based on the full costs of the council's administration and monitoring of their consents, plus a share of the costs of its state of the environment monitoring activities that relate to the resource used by those consent holders.

### ***1.1.3 Charges must be fair***

Charges must be fair and relate to consent holders' activities. The council can only charge consent holders to the extent that their actions have contributed to the need for the council's work.

The council must also consider the benefits to the community and to consent holders when setting a charge. It would be inequitable to charge consent holders for resource management work done in the interests of the regional community and vice versa. We take this into account when setting the proportion of charges we wish to recover for state of the environment and compliance monitoring from an individual consent holder.

Wherever possible, the council will look for opportunities to streamline and improve processes to ensure that consent processing and compliance monitoring functions continue to be cost effective and efficient.

#### ***1.1.4 Charges must be uniformly applied***

Charges will not vary greatly within classes of activities and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.

#### ***1.1.5 Charges must be simple to understand***

Charges should be clear and easy to understand, and their administration and collection should be simple and cost effective.

#### ***1.1.6 Charges must be transparent***

Charges should be calculated in a way that is clear, logical and justifiable. The work of the council for which costs are to be recovered should be identifiable.

#### ***1.1.7 Charges must be predictable and certain***

Consent applicants and resource users are entitled to certainty about the cost of their dealings with the council. The manner in which charges are set should enable customers to evaluate the extent of their liability.

Resource users need to know the cost of obtaining and maintaining a consent in order to manage their business and to plan for future growth and development. Charges should not change unnecessarily; any charges must be transparent and fully justified.

#### ***1.1.8 The council must act responsibly***

The council should implement its charging policy in a responsible manner. Where there are significant changes in charges, the council should provide advance warning and give consent holders the opportunity to make adjustments.

#### ***1.1.9 Resource use***

The charges in this document support preferred resource use practises which as a consequence require less work to be undertaken by the council.

### **1.2 GENERAL POLICIES**

#### ***1.2.1 Time periods***

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the annual plan or long term plan as prescribed by the Local Government Act 2002.

#### ***1.2.2 Annual charges***

Annual charges shall apply from 1 July to the following 30 June each year, or until amended by the council.

#### ***1.2.3 Goods and Services Tax***

The charges and formulae outlined in this document are *exclusive* of GST, except where noted otherwise.

#### ***1.2.4 Debtors***

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered.



### **1.2.5 A minimum annual charge**

A minimum annual charge as set out in Section 3.5.1 to all consents other than bore permits, sewage discharge permits for individual dwellings, and new consents granted after 1 March each year when the minimum annual charge will be waived for the remainder of that financial year.

## **1.3 POLICY ON REMISSION OF CHARGES**

### **1.3.1**

Council's fundamental position is that in general, all fees and charges set out in this document are to be met by the person who has invoked the service or activity that the fee or charge relates to (for example, the consent applicant in the case of consent processing services or the consent holder in the case of consent administration, monitoring and supervision services).

### **1.3.2**

The council can fix charges for recovering costs for consent processing, administration, monitoring and supervision services under section 36 of the Resource Management Act 1991. The council can also require the person liable for such a charge to pay an additional charge where the fixed charge is inadequate to recover its reasonable costs in respect to the service concerned (s36(5) RMA). The person receiving the additional charge has the right to object to or appeal the charge under section 357(B) of the Act. The council also has the absolute discretion to remit the whole or any part of a charge made under section 36 (s36 AAB(1) RMA).

### **1.3.3**

Where a person seeks to have any fee or charge set out in this document remitted that person may make an application in writing to the relevant group manager for the remission of the charge setting out in detail the applicant's case which may include financial hardship, community benefit or environmental benefit etc.

### **1.3.4**

Where the application/consent relates to a structure, the remission of any charge will only be considered if that structure is available at no charge for public use.

### **1.3.5**

Existing waivers or remissions issued under a consenting initiative shall be honoured for the term of the consent, but council reserves the right to review waivers and remissions should it consider any conditions or reasons for them have changed.

### **1.3.6**

Decisions on applications shall be made by the relevant group manager, who may remit a charge in part or full, or decline the application. Decisions to decline the application or remit a charge in part only may be appealed in writing to the Chief Executive.

### **1.3.7**

Where the appeal relates to an additional charge made under section 36(5) of the Resource Management Act, then the appeal shall be treated as an objection under section 357B unless, on being advised of this, the appellant does not wish to pursue the matter further.

### **1.3.8**

Where the appeal relates to a fixed charge made under section 36(1) of the Resource Management Act, then the appeal shall be determined by an appropriately qualified certified RMA hearing commissioner "on the papers" or through a formal hearing, should the appellant wish to appear before the commissioner to support their appeal. The commissioner shall be appointed as per the council's standard procedure for appointing RMA hearing commissioners. The commissioner's decision on the appeal shall be final.

# Part Two: Policies on charging and fees for specific activities and functions

## 2.1 PROVISION OF INFORMATION AND TECHNICAL ADVICE

The council recognises that it has a significant advisory and information role. The council has the right, under legislation, to recover the costs of providing certain information.

### 2.1.1 Information provided under the RMA – consents, hearings etc.

Pursuant to the Local Government Act, and sections 36(1)(e) and (f) of the Resource Management Act, the council may charge for the provision of information as follows:

**2.1.1.1 Reasonable charges** will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:

1. Staff costs related to making the information available – i.e., officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs (refer Section 3.2);
2. Any additional costs incurred, for example, photocopying, printing binding; and computer processing costs – refer to Section 3.10.10.
3. Where an inquiry requires less than 30 minutes of staff time, no staff costs will be charged. Additional costs of less than \$25.00 will not be charged.

**2.1.1.2 Consistency, distance, location** – all time after the first half hour and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost in line with the policy set out above. This policy is consistent with that applied in local government, except when information is requested under the Local Government Official Information Act (refer to Section 2.1.2).

There is no concession for time or distance travelled by the council's officers to provide technical information. No such concession is provided by other technical consultants.

Information given by telephone is to be treated exactly the same as information provided at an interview.

**2.1.1.3 Advise the cost in advance** – officers must warn the person seeking information in advance, that a cost will be incurred after the first half hour, and the estimated cost per hour to be charged. This process allows the applicant to weigh the value of his/her requirements, and will effectively control the level of information sought and deflect frivolous requests.

The provision of information should be charged separately from the cost of processing any future resource application.

**2.1.1.4 Community and environmental groups** – where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available should be extended to one hour, and be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer to Section 2.1.2) unless a regulation or plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to at least a group manager for a decision on charging.

**2.1.1.5 Educational information and materials, and consent holders** - when council officers are involved in Resource Management Act workshops or public promotions aimed at increasing the public's awareness of the Resource Management Act consent procedures, the council's environmental role, liaison on planning issues, etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the council and is not charged for.

**2.1.1.6 Consent holders** - all consent holders are entitled to information arising from the monitoring of their consents, including district councils and other corporate bodies.

Other information sought by district councils is to be assessed on individual merit, and referred to the Group Manager for a decision, to ensure political appropriateness.

## **2.1.2 Information provided under the Local Government and Official Information and Meetings Act**

The Local Government and Official Information and Meetings Act enables the public to have access to official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy. More information about the Act, including how to make a request for information and why it may be declined, is on the Office of the Ombudsman's [website](#).

Section 13 of the Act provides for the recovery of the cost of making information available under the official information act. However, there are some exceptions to this, e.g. the council cannot charge the Inland Revenue Department for its information requests. The current charges are set out in Section 3.1 of this charging policy.

Note: under Section 13(1) of the official information act the council has 20 working days to make a decision (and communicate it to the requestor) on whether we are granting or withholding the information, including how the information will be provided and for what cost. We will also tell the requester that they have the right to seek a review by an Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. We may request a minimum estimated initial fee to be paid under the information act and the 2002 Charging Guidelines issued by the Secretary for Justice. We will recover the actual costs involved in producing and supplying information of commercial value. In stating our fee schedule we reserve discretion to waive a fee if the circumstances of the request suggest this is appropriate, for example in the public interest or in cases of hardship.

## **2.2 RESOURCE MANAGEMENT ACT 1991**

### **2.2.1 Introduction**

Under Section 36(1) of the Resource Management Act, the council may charge for costs associated with the following:

1. Processing resource consent applications, including requests made by applicants or submitters under Section 100A of the Act,
2. Reviews of consent conditions,
3. Processing applications for certificates of compliance and existing use certificates,
4. The administration, monitoring and supervision of resource consents,
5. Carrying out state of the environment monitoring,
6. Applications for the preparation of, or changes to, regional plans or policy statements, and
7. For providing information in respect of plans and resource consents and the supply of documents (also refer to Section 2.1.1).

### **2.2.2 Performance of action pertaining to charges**

With regard to all application fees and amounts fixed under Section 36(1) of the RMA, the council need not perform the action to which the charge relates until the charge has been paid in full [RMA, Section 36AAB(2)] except if section 36(1)(ab)(ii), 36(ad)(ii) or 36(cb)(iv) apply.

### **2.2.3 Applications for resource consents, reviews of consent conditions, certificates of compliance and existing use certificates**

**2.2.3.1 Applicants will be charged for the reasonable costs**, including disbursements, of receiving and processing applications for resource consents, reviews of resource consent conditions under Sections 127 and 128 of the RMA or Sections 10, 20, 21 and 53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004, certificates of compliance and existing use certificates. These costs include:

**a. Minimum estimated initial fee** on application as set out in Section 3.2.1 and **Staff Charge Rates** (which are rates derived from actual employment costs plus a factor to cover administration and general operating costs) charged at the relevant hourly rate as set out in in Section 3.2. These are minimum charges for resource consent applications and are charges 'fixed' under Section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the minimum estimated initial fee are considered to be additional charges pursuant to Section 36(5) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process. Prior to consideration of the application, the Chief Executive Officer is authorised to require an additional minimum estimated initial fee of up to \$20,000 for complex applications.

**b. Hearings** – the costs of pre-hearing meetings and hearings will be charged to the applicant. The costs of councillors who are members of hearing committees (panel) will be recovered as determined by the Remuneration Authority. Staff costs and hearing panel members' fees or the reasonable costs of independent (non-councillor) commissioners at formal hearings will be charged.

Charges relating to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.

Where a hearings panel has directed that expert evidence is pre-circulated then all persons who are adducing such evidence shall be responsible for providing the prescribed number of copies of such evidence to the council. In the event that the council needs to prepare copies of such evidence the person adducing the evidence will be charged for the copying.

Submitters that request that independent hearing commissioners under Section 100a of the RMA will also be charged a portion of the cost of those hearing commissioners in accordance with Section 36(1)(ab).

**c. External costs** disbursements will also be charged; for example, advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.

**d. Withdrawn applications** are subject to the minimum fees set out in Section 2.2.7.4, Section 3.2.1 or Section 3.4 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).

**2.2.3.2 The final costs of processing each resource consent application** will be based on reasonable costs and will include the charging of staff time at the rates set out in Section 3.2 and disbursements. In the event that consultants are used to assist the council in processing resource consent applications, the actual costs of the consultants will be used in calculating the final costs.

**2.2.3.3 All consent applications must be publicly notified if the consent authority decides** that the activity for which consent is sought will have or is likely to have adverse effects on the environment that are more than minor. Where the adverse effects are considered to be minor the application will be processed on a limited notified basis unless written approval for the application has been provided from every person that the consent authority decides is adversely affected by the activity for which consent is sought, in which case the application will qualify to be processed on a non-notified basis.

**2.2.3.4 Where an application is for multiple activities involving more than one type of consent**, minimum estimated initial fees are required for each type with the following exceptions:

1. The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;

2. The fee for discharge permits for sewage volumes greater than three cubic metres per day (e.g. communal subdivision systems, marae etc.) includes the associated discharge to air resource consent; and
3. The fee for discharge permits to discharge stormwater includes the associated water permit to divert stormwater.

Notwithstanding the above, the council may determine that other 'packages' of consent applications do not require individual minimum estimated initial fees for each consent type.

**2.2.3.5** *The consent holder will be invoiced the amount of the minimum estimated initial fee for reviews of consent conditions at the time the review is initiated by the Council.*

**2.2.3.6** *There is a 'fixed fee' for applications for discharge permits for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning). This fixed fee only applies to such applications if they are able to be processed on a non-notified basis and no additional charges will be invoiced for such applications even if the costs exceed the fixed fee. However, in the event that the application is required to be limited notified or publicly notified then the council will require the applicable minimum estimated initial fee for notified and limited notified applications (as outlined in Section 3.2.1 before notification of the application.)*

**2.2.3.7** *The council will provide a discount, if applicable, on the administrative charges imposed under Section 36 of the RMA in accordance with the Resource Management Discount Regulations 2010 for all applications lodged on or after 31 July 2010.*

## **2.2.4 Administration, monitoring and supervision of resource consents**

**2.2.4.1 Administration** covers how the council records and manages the information it has on the resource consents it grants. The council is obliged to keep "*records of each resource consent granted by it*" under Section 35(5)(g) of the RMA, which must be "*reasonably available [to the public] at its principal office*" [Section 35(3) of the RMA]. The council keeps this information on hard copy files or electronic databases. The costs of operating and maintaining these systems are substantial.

The minimum annual resource consent charge set out in 3.5.1 recovers some of the costs of the administration of resource consents.

**2.2.4.2 Monitoring** is the gathering of information to check consent compliance and to ascertain the environmental effects that arise from the exercise of resource consents. The council is obliged to *monitor "the exercise of the resource consents that have effect in its region"* under Section 35(2)(d) of the RMA.

**2.2.4.3 Supervision** covers functions that the council may need to carry out in relation to the ongoing management of resource consents. This can include the granting of approvals to plans and other documentation, review and assessment of self-monitoring *results* provided by the consent holder, provision of monitoring information and reports to consent holders, meetings with consent holders relating to consent compliance and monitoring, and participation in liaison and/or peer review groups established under consent conditions or to address issues relating to the exercise of resource consents.

In determining charges under Section 36 of the Resource Management Act, the council has given consideration to the purpose of the charges and the council's functions under the Act. It is considered that consent holders have both the privilege of using resources and responsibilities for any related effects on the environment. It is the council's role to ensure that the level of effects is managed, monitored and is acceptable, in terms of sustainable management and the community's values. The annual charges for the administration, monitoring and supervision of resource consents are based on the assumption that those consents will be complied with and exercised in a responsible manner.

Annual resource consent (management) charges will be based on a set minimum charge plus charges for consent monitoring and/or supervision undertaken by council staff. Where appropriate, a portion of costs associated with State of the Environment (SOE) monitoring of resources used by consent holders is also collected, for example, the costs of running council's hydrological sites, water quality monitoring networks and associated surveys such as macroinvertebrate and fish monitoring. This particularly applies to water take consents, both surface and groundwater, and marine farms.

### **2.2.5 Invoicing non-scale fees**

**2.2.5.1** The majority of large-scale activities or activities with high potential adverse effects (where annual monitoring costs exceed \$1,000 GST inclusive) and certain small-scale activities such as short-term earthworks/construction type consents, will be monitored, the results recorded/reported and subsequently invoiced to the consent holder on an actual and reasonable cost basis.

**2.2.5.2** Invoices will be generated once the costs of any work have exceeded a prescribed sum. This will be determined by the scale of the activity. Costs will be invoiced in a timely manner during the progress of the work to ensure that large amounts of costs do not accrue, unless otherwise authorised by the consent holder.

**2.2.5.3** In the case of significant water takes, charges will generally be invoiced annually in line with Section 3.5.6 and any further supervision charges will be invoiced on a regular basis as costs are incurred by council.

### **2.2.6 Timing**

**2.2.6.1** Invoicing of consent annual charges will be in the quarter following the adoption of the Long Term Plan or Annual Plan by the council or after monitoring of the consent has been undertaken (post billing).

**2.2.6.2** In some cases, invoicing of charges may be deferred until after the council has completed all, or a significant portion, of its planned monitoring of a consent.

**2.2.6.3** Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the consent holder subject to Section 2.2.7.4 below. Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.

**2.2.6.4** In any case, where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual and reasonable costs of monitoring activities to the date of expiry or surrender, and also the administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.

**2.2.6.5** Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.

### **2.2.7 Setting of annual resource consent (monitoring) charges**

#### **2.2.7.1 Basis of charges**

1. The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the council. In setting these charges, the council has duly considered that their purpose is to recover the reasonable costs in relation to the council's administration, monitoring and supervision of resource consents and for undertaking its functions under Section 35 of the Resource Management Act. The estimated full costs of the council's supervision role and planned monitoring of consents will be recovered.
2. In respect of the council's administration role, a standard minimum annual charge will apply to cover some of the costs of operating and maintaining its consents-related information systems.
3. Where appropriate, a proportion of the costs of monitoring the state of the environment (Section 35(2)(a)) is incorporated in the charge to the consent holder. In such cases, the council has had particular regard to Section 36AAA(3)(c), that is, the extent that the monitoring relates to the likely effects of the consent holder's activities or the extent that the likely benefit to consent holders exceeds the likely benefit of the monitoring to the community. The costs to the council associated with this activity may be shared between consent holders and the community. This recognises that there is value and benefit to the community of work the council undertakes with respect to monitoring the state of the environment. In the council's judgement this is a fair and equitable division.

To date, a state of the environment charge has been incorporated into the annual charges applying to consents for water takes, known as the (water take) resource user charge (refer to Section 2.2.8.5).



4. In relation to swing/pile moorings within the Marine 4 Management (MM4) Areas which meet the permitted activity criteria, the costs of providing council services will be recovered as outlined in Sections 2.4.2 and 3.5.4.
5. In relation to swing/pile moorings outside the MM4 Areas without consent (non-consented), costs will be recovered through the Navigation and Safety Bylaw until consent is gained.
6. The charges for consents for minor to moderate activities are often based on scales (refer to Section 2.2.8.4). The general method for charging for large-scale activities is to apply the formulae in Section 2.2.8.6.

#### **2.2.7.2 (Water take) resource user charge**

1. Some of Northland's water resources are highly allocated and are under pressure. It is difficult to assess the natural flows/levels of water bodies as there is limited data available on water use and flows/levels in some areas. The National Policy Statement for Freshwater Management 2014 requires the council to set water quantity limits for all of Northland's water bodies.
2. In order to address this, the council developed a Sustainable Water Allocation Plan. This project requires ongoing resourcing by council to implement. The work provides benefit to both water users and the wider community. Much of the information provided by council's current hydrometric network is the basis for this work and as such, a part of the cost of running this network shall be recovered from water users through the (water take) resource user charge.
3. The details of this charge are outlined in Sections 3.5.2
4. The resource user charge for water take consents for hydroelectric generation will be considered on a case by case basis because they can be substantial and complex in nature.

#### **2.2.7.3 Other State of the Environment charges**

1. Where appropriate, the addition of a specified amount which contributes towards the recovery of costs incurred by council as part of its state of the environment monitoring and/or the hydrometric network.
2. The estimated monitoring costs are then rounded to an appropriate sum which becomes the expected annual charge. These formulae and the historical cost data of monitoring like consents provides a reasonable estimate of the actual costs of monitoring consents each year and will be used to provide the expected costs of monitoring in the forthcoming years.

#### **2.2.7.4 Scale charges**

Scaled charges are attributed to consents for minor to moderate activities and the charge reflects the costs of administering and monitoring that class of consent and/or the actual and/or potential effects of the activity. The latter will reflect the resource affected by the consented activity. Scale charges relate to the following types of consents:

Type of consent	Charges
Water takes fee scale	Refer to Section 3.5.2 and 3.5.6
Minor to moderate discharges to air and water and small to moderate-scale discharges to land, and land use activities including quarries	Refer to Section 3.5.3
Farm dairy effluent discharges(Refer to Section 3.6.2 for non-consented discharges)	Refer to Section 3.6.3
Coastal structures (post construction or installation)	Refer to Section 3.5.4
Coastal structures (construction or installation phase)	Refer to Section 3.6.4
Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction)	Refer to Section 3.5.5



### 2.2.7.5 Large-scale activities

1. Consents that do not fall into the classes listed in Section 2.2.7.4 will be for larger scale activities or activities with high potential adverse effects (estimated compliance monitoring costs of \$1000 and over per year inclusive of GST). In most cases these consents will generally be subject to comprehensive monitoring programmes, regular inspections and involve routine sampling and testing or audit monitoring functions and/or contribute towards the costs of the council's State of the Environment monitoring as is the case for water take consents. Large-scale activities may require more monitoring inspections. As the sampling and testing requirements for these consents will vary, so too will the costs incurred by the council to carry out those monitoring programmes.
2. Annual charges for the monitoring of these consents is calculated using the following formulae and/or the actual and reasonable historical costs:

Labour (refer to Section 3.2)
+ Sampling and testing
+ Monitoring equipment
+ Administration
+ State of the Environment monitoring charge/resource user charge (refer to section)
= ANNUAL CHARGE

3. Holders of consents for large-scale activities will generally be invoiced the actual and reasonable costs of monitoring during the progress of the work.

### 2.2.8 Additional monitoring/supervision charges

**2.2.8.1** Where non-compliance with resource consent conditions is encountered, or not programmed, additional monitoring is necessary the costs will be recovered in addition to the set annual charge.

**2.2.8.2** The purpose of additional supervision charges is to recover costs of additional supervisory work that is required to be undertaken by council when people, including consent holders, do not act in accordance with consents or council's rules relating to resource use.

**2.2.8.3** Additional supervision charges relate to those situations where consent conditions are not being met or adverse effects are resulting from the exercise of a consent; or unauthorised activities are being carried out.

**2.2.8.4** When consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement notices, enforcement orders or prosecutions.

**2.2.8.5** Charges for additional supervision will be calculated on an actual and reasonable basis.

**2.2.8.6** The costs that make up the charge will include:

1. Labour costs; officers' actual recorded time spent, including travel time, in following up the non-compliance matter or unauthorised activity (charged at the appropriate hourly rate listed in Section 3.2); plus
2. Any sampling and testing costs incurred; plus any equipment costs (excluding vehicle running costs) associated with the monitoring of the non-compliance; plus
3. Any external costs incurred (e.g. external consultants, hire of clean-up equipment).

4. For consent holders only, no additional supervision charge will be applied where the annual charges for their consents are sufficient to cover the costs incurred in following up their consent non-compliance.
5. In the case of water takes, annual charges are estimated on the basis of normal summer flows and consequently during drier than normal years further monitoring may be required in the form of flow, water level and/or water abstraction measurements. The costs of this further work will be charged to the consent holder in the form of additional supervision charges as outlined above.

### **2.2.9 Charges for emergency works**

Under Section 331 of the Resource Management Act, the council may charge for the costs associated with any emergency works required for the:

1. Prevention or mitigation of adverse environmental effects;
2. Remediation of adverse effects on the environment; or
3. Prevention of loss of life, injury, or serious damage to property.

The costs charged will be the actual and reasonable costs incurred by council to do the works.

Charges for labour, supply of information and the council plant and equipment are detailed in Sections 3.2 and 3.10.

### **2.2.10 Changes in resource consent status**

1. Where any resource consent is approved during the year, and will be liable for annual charges, the actual costs of monitoring activities will be charged to the applicant. The annual minimum fee will continue to apply per the council's policy in Section 2.2.7.
2. For large-scale activities where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not on-going, then the associated annual charge will be based on actual and reasonable costs incurred to the date of expiry or surrender, including costs incurred as a result of monitoring and administration activities associated with the expiry or surrender of the consent. The annual minimum fee will continue to apply.
3. Where a resource consent expires during the course of the year but the activity or use continues and is subject to a replacement process, then the annual charges will continue to apply.

### **2.2.11 Charges set by regional rules**

**2.2.11.1** When developing a regional plan, the council may create regional rules to prohibit, regulate or allow activities. These rules may specify permitted activities, controlled activities, discretionary activities, non-complying activities, prohibited activities and restricted coastal activities.

**2.2.11.2** Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in Section 108 of the Resource Management Act. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

**2.2.11.3** The council therefore reserves the right to set other charges pursuant to regional rules in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; matters pertaining actions required under the Maritime Transport Act 1994 or Biosecurity Act and any other regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

**2.2.11.4** Actual and reasonable costs will be charged for fees set by regional rules. These costs will include:

1. Staff costs – officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. (See Staff Charge Rates in Section 3.2)
2. Hearings – the costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and committee members' fees or the actual costs of independent commissioners at formal hearings will be charged.

3. For applications relating to restricted coastal activities, the applicant will also be charged the council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
4. External costs, disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

### **2.2.12 Preparing or changing a policy statement or plan**

**2.2.12.1** Any person may apply to the council for the preparation of or change to a regional plan. Any Minister of the Crown or any territorial authority of the region may request a change to a policy statement.

**2.2.12.2** When considering whether costs should be borne by the applicant, shared with the council, or borne fully by the council, the following will be taken into account:

1. the underlying reason for the change; and
2. the extent to which the applicant will benefit; and
3. the extent to which the general community will benefit.

**2.2.12.3** For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

1. All applicants will be required to pay a minimum estimated initial fee set out in Section 3.3 based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification. Actual and reasonable costs based on an hourly rate set out in Section 3.2, mileage and disbursements will be included in the minimum estimated initial fee. Any additional costs incurred in processing the application will be invoiced to the applicant.
2. For any action required to implement a decision to proceed with the preparation or change to a policy statement or plan, a minimum estimated initial fee as set out in Section 3.3 shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs should fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

### **2.2.13 Charges for monitoring regulations**

Under regulation 106 of the National Environmental Standards for plantation forestry, the council may charge for monitoring of the permitted activities specified by regulations 24, 37, 51 and 63(2) of the standards.

## **2.3 LOCAL GOVERNMENT ACT 2002 (LAND AND RESOURCES)**

The charges for the following council activities/services have been set according to Section 150 of the Local Government Act:

### **2.3.1 Monitoring/inspections of permitted activities**

Charges are payable to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the regional plans. The inspections are conducted in order that adequately carries out its functions and responsibilities under Sections 30, 35 and 36 of the Resource Management Act.

#### **2.3.1.1 Farm dairy effluent discharges**

1. Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required (see Section 3.6.1).
2. Where there is a need for two officers to attend, the costs of both officers will be recovered.

3. The charges are listed in Section 3.6.
4. For charges for consented farm dairy effluent discharge consents, refer to Section 3.6.3.

#### **2.3.1.2 Other permitted activities**

1. The costs of the site visit/inspections, plus the reasonable cost of any specific water quality testing and/or enforcement action required will be charged.
2. The costs of monitoring of those regulations will be charged as set out in Sections 3.2 and 3.10.

#### **2.3.2 Environmental incidents**

Where a person (or persons) carries out an activity in a manner that does not comply with Sections 9, 12, 13, 14, 15, 315, 323, 328 or 329 of the RMA, the council will charge that person (or persons) for the actual and reasonable cost of any inspection/investigation it undertakes in relation to the activity. This cost may include:

1. Time spent by the council staff identifying and confirming the activity is taking or has taken place.
2. Time spent by council staff identifying and confirming the person(s) responsible for causing or allowing the activity to take place or to have taken place.
3. Time spent by council staff alerting and informing the person(s) of their responsibilities in relation to the activity, including any guidance or advice as to how any adverse effects of the activity might be managed.
4. Staff travel time and vehicle mileage.
5. Costs of any specific testing of samples taken.
6. Costs of professional services contracted to assist in the inspection/investigation of the activity.
7. Clean up costs and materials.

The council will only charge for time spent that exceeds 30 minutes. Travel time will be included in the calculation of that time.

Where an incident occurs on a site that 'holds' a resource consent and a breach of consent conditions is confirmed, then this section does not apply. Any actual and reasonable costs incurred in the investigation of the incident will be recovered as additional consent monitoring charges.

#### **2.3.3 Investigation of land for the purposes of identifying and monitoring contaminated land**

The council is responsible for identifying and monitoring contaminated land under Section 30(1)(ca) of the RMA. Council will recover the costs of inspections plus the actual and reasonable cost of site investigations including any specific testing of samples taken. Staff charge rates, sampling and equipment costs are outlined in Sections 3.2 and 3.10.

### **2.4 MARITIME ACTIVITIES**

These charges – which the council is enabled to set under a number of legislative instruments – are presented together for the purposes of clarity.

#### **2.4.1 Charges for maritime-related incidents (Local Government Act 2002)**

These charges are made to recover the costs incurred by the council as a result of staff responding to any incident that causes or may have the potential to cause, adverse environmental effects or effects on navigation and safety. The response action taken by council staff may include, but will not be limited to, monitoring, inspection, investigation, clean-up, removal, mitigation and remediation works. Actual costs for consumables, plant and equipment used/hired during a response will also be charged in addition to staff hours (as set out in Section 3.2) as appropriate.

For incidents occurring outside normal business hours, a minimum call out fee of three hours at staff charge rates shall apply (includes oil spill response, training exercises, and emergency response).

### **2.4.2 Northland Regional Council Navigation Safety Bylaw Charges**

1. The Navigation Safety Bylaw regulates navigation, water transport and maritime safety in Northland.
2. The charges are set out in section 3.5.4 and are collected for functions, duties, powers or services carried out by the council and must be paid on demand by the consent holder or owner, to the council.
3. The current Navigation Safety bylaw is available on the council's website or from council offices.
4. The fees and charges collected contribute to the upkeep of the region's maritime services, for example, the harbourmaster, buoys and beacons, etc.

### **2.4.3 Standard charges for Marine Tier 1 Oil Transfer Sites (Maritime Transport Act 1994)**

**2.4.3.1** Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the Director of Maritime New Zealand. The power to approve these plans has been delegated by the director to the Chief Executive Officer (sub-delegated to council employees) of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.

**2.4.3.2** Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:

1. Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments.
2. Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.

**2.4.3.3 Basic fee** – the council will charge a minimum fee and any additional staff costs, as set out in Section 3.7.10.

**2.4.3.4 Additional staff costs** – in addition to the basic fee set out above, additional charges may be applied for staff costs. The costs are based on officers' actual recorded time charged at an hourly rate set out in Section 3.2 of this document, comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged at the standard rate as approved by the Inland Revenue Department.

## **2.5 BUILDING ACT 2004**

### **2.5.1**

Section 243 of the Act specifically allows for the council to impose a fee or charges for:

1. Issuing a project information memorandum.
2. The performance of any other function or service under this Act.
3. Recovering its costs from the owner if it carries out building work under Section 156 of this Act.
- d. Where a fee or charge is payable for the performance of a function or service, then the council may decline to perform the function or service, unless the fee or charge is paid.

### **2.5.2**

Costs incurred beyond the fee are to be recovered on the basis of actual and reasonable costs incurred by the council.

### **2.5.3**

The minimum fees for the different consent activities are set out in Section 3.4.

### **2.5.4**

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

### **2.5.5**

Policies set out in Section 3.4 also apply to Building Act applications.

### **2.5.6**

All applications for a project information memorandum and a building consent, as well as the issuing of notices to rectify will be subject to a minimum estimated charge as set out in Section 3.4.

### **2.5.7**

Charges for Building Act functions other than the issuing of project information memoranda and building consents will be charged a set fee per individual element, or on the basis of actual and reasonable cost, as set out in Section 3.4.

### **2.5.8**

These functions include the issue of compliance schedules, requests for information on building consent applications, extension of valid term, actions re dangerous buildings, inspections and technical processing.

### **2.5.9**

The "Minimum Estimated fee" is payable upon application for a PIM/LIM. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on staff charge rates in Section 3.2.

### **2.5.10 Building consents and certificates of approval**

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a building research levy and/or Department of Building and Housing levy (where applicable) and the issue of a code of compliance certificate (where applicable).

### **2.5.11 Dams**

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council. Fees will be charged in accordance with the Fees and Charges policy set by Waikato Regional Council. All fees and charges for consent processing will be invoiced directly to the applicant by Waikato Regional Council.

### **2.5.12 Requests for information on building consents**

Charges will be the actual and reasonable costs based on staff charge rates shown in Section 3.2.

### **2.5.13 Technical processing and the exercising of other functions, powers and duties under the Building Act 2004**

For technical processing and other functions under the Building Act, full costs over and above the minimum estimated initial fee will be recovered in accordance with the additional hourly charges.

### **2.5.14**

All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty. Progressive charging may be used where costs are greater than \$500 (excluding GST).

### **2.5.15**

When building consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement offence notices, enforcement orders or prosecutions.

## **2.5.16**

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under Section 229 of the Building Act 2004 to issue an infringement notice.

## **2.6 BIOSECURITY ACT 1993**

### ***2.6.1 Regional Pest Management Strategies or Plan, or Pathway Management Plan Cost Recovery Policy***

Section 135 of the Biosecurity Act provides regional councils with options to recover the costs of administering the Act and performing the functions, powers and duties under a pest management strategy or plan, or a pathway management plan. This recovery must be in accordance with the principles of equity and efficiency. Section 135 of the Biosecurity Act authorises the recovery of costs by such methods that they believe to be the most suitable and equitable in the circumstances, including fixed charges, estimated charges, actual and reasonable charges, refundable or non-refundable deposits paid before the provision of the service, charges imposed on users of services or third parties, and cost recovery in the event of non-compliance with a legal direction.

### ***2.6.2 Request for work***

An authorised person may request any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the Northland Regional Pest Management Strategies.

### ***2.6.3 Legal directions***

An authorised person may issue a legal direction to any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with a Northland Regional Pest Management Strategies. The legal direction shall be issued under Section 122 of the Biosecurity Act and specify the following matters:

1. The place in respect of which works or measures are required to be undertaken;
2. The pest for which the works or measures are required;
3. Works or measures to be undertaken to meet the occupier's obligations;
4. The time within which the works or measures are to be undertaken;
5. Action that may be undertaken by the management agency (generally the council) if the occupier or occupiers fail to comply with any part of the direction;
6. The name, address, telephone number and email address of the management agency and the name of the authorised person issuing the legal direction.

### ***2.6.4 Failure to comply with a legal direction***

Where a legal direction has been given to an occupier under the Northland Regional Pest Management Strategies or Pest Management Plan or Marine Pathways Management Plan, and the occupier has not complied with the requirements of the legal direction within the time specified, then the council may enter onto the place specified in the legal direction and carry out, or cause to be carried out, the works or measures specified in the legal direction, or such other works or measures as are reasonably necessary or appropriate for the purpose of giving effect to the requirements of the legal direction.

### ***2.6.5 Recovery of costs incurred by management agency***

Where the council undertakes works or measures for the purposes of giving effect to the requirements of a request for work or a legal direction it shall recover the costs incurred from the occupier pursuant to Sections 128 and 129 of the Biosecurity Act and may register the debt as a charge against the certificate of title for the land.



### **2.6.6 Recovery of Costs for Marine Biosecurity Activities**

Council has an ongoing programme of marine biosecurity inspection, monitoring and response work, that is undertaken for the purposes of implementing its pest management strategies and plans. (Some) cost recovery is sought for these marine biosecurity activities as provided for by Section 135 of the Biosecurity Act 1993. Cost recovery is set as an annual charge, specified as a 'Marine Biosecurity Fee' and is applied to all moorings, marina berths, boat sheds, and ports as set out in Section 3.5.4 of this charging policy. The charge applies whether inspection, monitoring and/or response is carried out on that individual structure or not.

### **2.6.7 Failure to pay**

Section 136 of the Biosecurity Act provides for regional councils to apply a penalty to charges under the Biosecurity Act that remain unpaid for more than 20 working days since the charge was demanded in writing. Council will apply a penalty of 10% of unpaid charges to the debt incurred, after a period of 20 working days from the due date stated on the original invoice. In addition to this, 10% will be applied for every completed period of six calendar months that the debt remains unpaid (six month period will be calculated from the 21st day of the charge remaining unpaid).

### **2.6.8 Equity and Efficiency of Marine Biosecurity Activities**

Section 135 (2) of the Biosecurity Act requires that, in determining appropriate mechanisms for the recovery of costs of a particular function or service, a recovering authority shall ensure that it is not recovering more than the actual costs of the function. This is based on the actual costs for that year, taking into account any shortfall in recovery of costs in the preceding year, and any over-recovery of costs in the preceding year.

There was no over-recovery of costs in the 2017/18 year. The proposal to recover only the actual costs of the function for the current (2018/19) year is considered to be an equitable and efficient means of recovering cost of the marine biosecurity function.

## **2.7 PROPERTY LAW ACT 2007**

Under the Property Law Act 2007, the council can require a charge to cover reasonable legal or other expense of the lesser in giving consent. The charges are set out in Section 3.9.

# Part Three: Schedules of fees and charges

## 3.1 LOCAL GOVERNMENT OFFICIAL INFORMATION

In some cases, the council is permitted to charge for the provision of official information. Requesters will be advised in advance if the council decides to apply a charge.

Black and white photocopying or printing on standard A4 or foolscap paper where the total number of pages is in excess of 20 pages will be charged out at 10 cents for each page after the first 20 pages. All other photocopying and printing charges will recover the actual and reasonable costs involved.

For staff time	\$ including GST
First hour	No charge
Additional hours	Ministry of Justice, Charging Guidelines
First half hour (after the initial free hour)	38.00
Per hour	76.00

See also Section 3.2.2 for charges relating to the supply of information provided under the Resource Management Act 1991.

## 3.2 STAFF CHARGE RATES

Charges are applicable for a range of services performed by council staff:

- Processing of consents under the Resource Management Act 1991.
- Environmental and consent monitoring of:
  - Large-scale activities;
  - Permitted activities; and
  - Contaminated land.
- Exercises and training For oil spill exercises and training, standard staff charge out rates apply.
- Technical assessment and administration of functions\under the Building Act 2004.
- Maritime-related incidents.
- Mooring inspections/assessments.
- Preparing or changing a policy statement or plan.

Description	Hourly rate \$ excluding GST
Monitoring Technician/Administrator	74.50
Secretarial/Administrator	
Technician/Administrator	
Biosecurity Technician/Administrator	
Monitoring Officer Scale 1	88.00
Consents Officer Scale 1	
Policy Analyst	
Officer Scale 1	
Biosecurity Officer Scale 1	
Monitoring Officer Scale 2	99.50
Consents Officer Scale 2	
Policy Specialist	
Officer Scale 2	
Biosecurity Officer Scale 2	
Maritime Officer	
Monitoring Officer Scale 3	110.50
Consents Officer Scale 3	
Officer Scale 3	
Biosecurity Officer Scale 3	
Senior Maritime Officer Scale 3	
Senior Monitoring Officer Scale 1	117.50
Programme Manager Scale 1	
Senior Officer Scale 1	
Biosecurity Specialist	
Maritime Programme Manager	
Senior Monitoring Officer Scale 2	129.50
Senior Programme Manager	

Description	Hourly rate \$ excluding GST
Programme Manager Scale 2	
Senior Officer Scale 2	
Deputy Harbourmaster	
Manager	168.50
Harbourmaster	
Consultants	Actual costs

**Notes:**

Where there is a need for two or more officers to attend, the costs of all officers will be recovered.

For oil spill responses (excluding planned exercises) an additional charge of \$13.00 per hour (excluding GST) per staff member will apply.

Labour costs for the council's staff not specified in this policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.

**3.2.1 Resource consent applications - minimum estimated initial fee**

Schedule of minimum estimated initial fees

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
Notified and limited notified applications		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,923.48	3,362.00
• Moorings	1,462.17	1,681.50
New non-notified applications		
• Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (including Farm Dairy Effluent and Domestic On-site Wastewater)	779.57	896.50
• Moorings	535.65	616.00
• Bore Drilling Permits	320.43	368.50

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
• Plus per additional bore	33.48	38.50
• <b>Fixed Fee</b> for Discharge Permit for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning) (see Note 7)	58.70	67.50
<b>Replacement non-notified applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Domestic On-site Wastewater)	682.61	785.00
• Moorings	439.13	505.00
• Domestic On-site Wastewater Discharge Permits	487.83	561.00
<b>Certificate of compliance</b>	439.13	505.00
<b>Existing use certificate</b>	439.13	505.00
<b>Transfer of consents from the consent holder to another person</b> (payable by the person requesting the transfer)	75.22	86.50
<b>Transfer existing water permit between sites within catchment</b>		
• Notified (including limited notification)	682.61	785.00
• Non-notified	427.83	492.00
<b>S127 Change or cancellation of consent conditions</b>		
• Notified (including limited notification)	1,022.61	1,176.00
• Non-notified	438.70	504.50
<b>Request to review deemed coastal permit to reflect actual space (off-site review) under s53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004</b>		
• Notified (including limited notification)	2,923.48	3,362.00
• Non-notified	779.57	896.50

Description	Minimum estimated initial fees \$ excluding GST	\$ including GST
S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)		
• Notified (including limited notification)	1,022.61	1,176.00
• Non-notified	438.70	504.50
Extension of period until a consent lapses	270.87	311.50
Hearing costs (per hearing day per committee member) at hourly rates set by the Remuneration Authority* or the actual costs of Independent Commissioners.	(Per RA)	
* Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$80 per hour (Committee Member) and \$100 per hour (Chairman).		
Mooring licence amendment fee	179.13	206.00
Requests by applicants and/or submitters for independent commissioner(s) to hear and decide resource consent applications as provided for by S100A(2) of the RMA:		
<ul style="list-style-type: none"> <li>• In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant.</li> <li>• In cases where one or more submitters requests independent commissioner(s), the council will charge as follows: <ul style="list-style-type: none"> <li>• The applicant will be charged for the amount that the council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and</li> <li>a. The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in a) above.</li> </ul> </li> <li>• Notwithstanding the above, in cases where the applicant <b>and</b> any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant.</li> </ul>		

Note: Approved resource consents attract annual charges. For Building Consent Application Fees – Refer Section 3.4.2.

### **3.2.2 Photocopying costs for information provided under the RMA – consents, hearings etc.**

Please see Section 3.10.10 for photocopying charges. See also Section 3.1 for charges relating to the supply of information provided under the Local Government Official Information and Meetings Act 1987.

### **3.3 APPLICATION TO PREPARE OR CHANGE A POLICY STATEMENT OR PLAN**



Description	Minimum estimated initial fee \$ excluding GST	\$ including GST
Minimum estimated initial fee required for receipt and assessment of any application to prepare or change a policy statement or plan	6,120.00	7,038.00
Minimum estimated initial fee of required to implement a decision to proceed with the preparation or change to a policy statement or plan for the costs of public notification	3,060.00	3,519.00

### 3.4 BUILDING ACT 2004

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

#### 3.4.1 Project and Land Information Memoranda (PIM/LIM)

Estimated value of work	Minimum estimated initial fee (MEC) \$ excluding GST	(MEC) \$ including GST
All applications	1,171.30	1,347.00

Notes:

1. MEC is payable upon application for a PIM/LIM.
2. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on standard labour charges in Section 3.2.

#### 3.4.2 Building consents and certificates of approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council. Fees will be charged in accordance with the fees and charges policy set by Waikato Regional Council. All fees and charges for consent processing will be invoiced directly to the applicant by Waikato Regional Council.

#### 3.4.3 Requests for information on building consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 3.2.

#### 3.4.4 Technical processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the minimum estimated initial fee will be recovered in accordance with the additional hourly charges.

Function	Minimum estimated initial fee \$ including GST	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary		Standard labour charge rates shown below.
Issue of a Notice to Fix		<b>Minimum charge of \$99.00</b> and further charges for inspections and other action to confirm compliance based on standard labour charge rates shown over page.
Lodge Building Warrant of Fitness	116.50	Standard labour charge rates shown over page.
Amendment to compliance schedule	1,170.50	Standard labour charge rates shown over page. Actual and reasonable for expert advice.
Building Warrant of Fitness audit		Standard labour charge rates shown over page.
Certificate of Acceptance	Large dam <sup>(1)</sup> - 4,681.00. Medium dam <sup>(2)</sup> - 2,340.00. Small Dam <sup>(3)</sup> - 583.50.	Standard labour charge rates shown below.  Actual and reasonable for expert advice.
Lodge dam potential impact category	116.50	Standard labour charge rates shown below.
Lodge dam safety assurance programme	116.50	Standard labour charge rates shown below.
Lodge annual dam safety compliance certificate	116.50	Standard labour charge rates shown below.
Other functions		Standard labour charge rates shown below.

1. Above \$100,000 value
2. \$20,000 – \$100,000 value
3. \$0 to \$20,000 value

### 3.5 ANNUAL CHARGES

#### 3.5.1 Minimum annual charge

\$108.00 including GST

#### 3.5.2 Water takes charge scales

Scale of annual charges for water takes

**Note:** Section 3.5.6 identifies water take consents that have charges set outside these scales.

Fee level	Description/Criteria	Administration charge \$ including GST	Compliance monitoring/supervision \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
ADM001 RUC001	1. Negligible potential effect: minor abstraction from water resource low level of allocation and limited future potential demand; no water use returns; limited benefit from existing State of Environment monitoring. (Minimum fee)	108.00	0.00	27.00	135.00
ADM001 WAT001 RUC002	2. Minor potential effect: minor abstraction from water resource with low to moderate level of allocation; moderate abstraction from water resource with low level of allocation; water use returns; small benefit from existing State of Environment monitoring and limited monitoring in the catchment.	108.00	28.00	81.50	217.50
ADM001 WAT002 RUC003	3. Moderate potential effect: minor abstraction from water resource with moderate to high level of allocation; moderate abstraction from a water resource with moderate levels of allocation; major abstraction from water resource with low level of allocation; water use returns, resource monitoring by consent holder; moderate benefits from existing State of Environment monitoring, data likely to be used for flow allocation management purposes and/or replacement of consent.	108.00	64.00	161.00	333.00
ADM001 WAT003 RUC004	4. Medium potential effect: moderate abstraction from water resource with high level of allocation; major abstraction from resource with moderate level of allocation; water use returns, resource monitoring by consent	108.00	144.00	270.00	522.00

Fee level	Description/Criteria	Administration charge \$ including GST	Compliance monitoring/ supervision \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
	holder; continuation flow conditions; existing State of Environment monitoring has greater benefits to consent holder for management, security of supply and/or replacement of consent; total estimated staff time relating to monitoring, supervision and reporting of compliance 1–2 hours.				
ADM001 WAT004 RUC004	5. Medium potential effect – moderate inspection time: same criteria as Category 4. However, total estimated staff time relating to monitoring, supervision and reporting of compliance 2–3 hours.	108.00	221.50	270.00	599.50
ADM001 WAT005 RUC004	6. Medium potential effect – significant inspection time: same criteria as Category 4 but total estimated staff time relating to monitoring, supervision and reporting of compliance 3–4 hours	108.00	300.50	270.00	678.50
ADM001 WAT006 RUC005	7. Medium to high potential effect – significant inspection time: moderate to major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance >4 hours; existing State of Environment monitoring has considerable benefits to consent holder for management, security of supply and/or replacement of consent.	108.00	364.00	471.00	943.00
ADM001 WAT007 RUC006	8. High potential effect – significant inspection time: major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance >4 hours; existing State of Environment monitoring has direct benefits to consent holder for management, security of supply, replacement of consent, and specific compliance monitoring of consent.	108.00	444.50	942.50	1,495.00

### **3.5.3 Minor to moderate discharges to air, water and land, and land use activities including quarries**

Scale of annual charges for consents for minor to moderate discharges to air, water, and land (no or minor sampling and/or testing planned) and consents for land use activities including quarries.

The fee levels provided below allow for the appropriate recovery of costs by the council based on the degree of work required by the council in monitoring each consent.

#### *Minimum loaded with additional fees post monitoring*

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON001	93.91	108.00

#### *Annual monitoring charge*

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON002	93.91	108.00
MON003	100.87	116.00
MON004	113.91	131.00
MON005	133.91	154.00
MON006	147.39	169.50
MON007	167.39	192.50
MON008	201.74	232.00
MON009	215.22	247.50
MON010	233.91	269.00
MON011	253.48	291.50
MON012	268.26	308.50
MON013	281.30	323.50
MON014	301.30	346.50
MON015	334.78	385.00
MON016	348.26	400.50

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON017	369.13	424.50
MON018	392.61	451.50
MON019	425.22	489.00
MON020	468.70	539.00
MON021	502.61	578.00
MON022	535.65	616.00
MON023	570.00	655.50
MON024	603.48	694.00
MON025	635.65	731.00
MON026	670.00	770.50
MON027	704.35	810.00
MON028	736.96	847.50
MON029	770.43	886.00
MON030	803.04	923.50
MON031	836.96	962.50
MON032	871.74	1,002.50
MON033	903.91	1,039.50
MON034	937.39	1,078.00
MON035	971.30	1,117.00
MON036	1,004.35	1,155.00
MON037	1,039.13	1,195.00
MON038	1,072.17	1,233.00



Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST
MON039	1,105.22	1,271.00
MON040	1,138.26	1,309.00
MON041	1,172.61	1,348.50
MON042	1,206.09	1,387.00
MON043	1,239.13	1,425.00
MON044	1,273.04	1,464.00
MON045	1,305.65	1,501.50

### 3.5.4 Moorings and Coastal structures (post construction or installation)

Annual charges for moorings and coastal structures are set pursuant the Resource Management Act 1991, the Biosecurity Act 1993, and the Maritime Transport Act 1994.

The Navigation Safety Bylaw fee is set pursuant to the Maritime Transport Act 1994, in conjunction with the Navigation Safety Bylaw for Northland. The Owner <sup>(1)</sup> of every Maritime Facility<sup>(2)</sup> or Mooring <sup>(3)</sup> in the region shall pay to the council this annual navigation fee. The navigation safety bylaw fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The council's Harbourmaster shall determine the number of berths available at any maritime facility.

These bylaw charges were publicly notified pursuant to the Local Government Act 2002 and were set at a meeting of council on [Date to be advised following consultation] June 2018. On [Date to be advised following consultation] June 2018, the Council also resolved that activity income sources would be inflation adjusted each year. The bylaw charges came into force on 1 July 2018. In accordance with the decision made on [Date to be advised following consultation] June 2018 as part of the Long Term Plan 2018-2028, these charges have been inflation adjusted for the 2018/19 year.

- 1 "Owner" includes: a) in relation to a vessel, the agent of the owner and also a charterer; or b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.
- 2 "Maritime facility" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marine berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of Northland
- 3 "Mooring" means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of Northland.

## 3.5.4.1 Scale of annual charges for Moorings and Marina Berths

Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge per mooring or berth \$ including GST <sup>(1)</sup>	Total fee \$ including GST
MOR001 MOR002 BIO001	Individual swing, pile and jetty moorings with or without resource consents.	108.00	77.50	81.00	266.50
MOR004 MOR002 BIO001	Swing and pile moorings owned by one person or organisation, comprising 10 to 24 moorings (per mooring and berths).  <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	92.00	77.50	81.00	250.50
MOR005 MOR006 BIO001	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth).  <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	59.00	72.00	81.00	212.00
	Marinas comprising more than 75 berths.	-	65.00	81.00	146.00
MOR003	Dinghy pulls	144.00	-	-	144.00

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more

## Mooring license amendment fee

Any changes to the mooring license conditions, such as position, size or design of a mooring, or the maximum length of vessel allowed to use the mooring must be approved by the harbourmaster as required by the Navigation Safety Bylaws. The fee relates to the actual work involved in processing the application, including checking the effect on adjacent mooring holders.	206.00
<b>On-site assessment of moorings</b>  Mooring holders who require an on-site assessment or inspection of their mooring, or proposed mooring, by the maritime staff for their own benefit will receive a fee based on the actual officer's time charged, at an hourly rate comprising actual employment costs plus a factor to cover administration costs (as per the staff charge rate see section 3.2).	

Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the council has the right to sell the mooring and/or vessel to recover the debt.

## 3.5.4.2 Scale of annual charges for coastal structures

Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge, per mooring or berth \$ including GST <sup>(1)</sup>	Total fee \$ including GST
CST001	Cables and pipes	137.00	-	-	137.00
CST002	Buildings in the coastal marine area	144.00	-	-	144.00
CST003	Seawalls and reclamations up to 100 m	144.00	-	-	144.00
CST004	Seawalls and reclamations over 100 m	153.50	-	-	153.50
CST005 NAV001	Community and boating club structures and jetties, and non-commercial public structures	144.00	77.50	-	221.50
CST006 NAV001 BIO001	Boatsheds	144.00	77.50	81.00	302.50
CST007 NAV002 BIO001	Boatsheds with additional berth	150.50	155.00	81.00	386.50
CST008 NAV001	Boat ramps up to 15m	144.00	77.50	-	221.50
CST009 NAV002	Boat ramps/slipways over 15m and grids	150.50	155.00	-	305.50
CST010	Low use structures not more than 10m <sup>2</sup>	137.00	-	-	137.00
CST011 NAV001	Low use structures more than 10m <sup>2</sup> and up to 300m <sup>2</sup>	144.00	77.50 <sup>(2)</sup>	-	221.50

Fee level	Description/Criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Marine Biosecurity Charge, per mooring or berth \$ including GST <sup>(1)</sup>	Total fee \$ including GST
CST012 NAV002	Low use structure over 300m <sup>2</sup>	150.50	155.00 <sup>(3)</sup>	-	305.50
CST013	High use structures not marine related	144.00	-	-	144.00
CST014 NAV003	High use structures not more than 300m <sup>2</sup> and slipway not more than 50 tonnes	144.00	432.50	-	576.50
CST015 NAV004	High use structures more than 300m <sup>2</sup> but not more than 1,000m <sup>2</sup>	150.50	1,878.50	-	2,029.00
CST016 NAV005	High use structures more than 1,000m <sup>2</sup> and slipways with a maximum capacity of more than 50 tonnes	153.50	3,323.50	-	3,477.00
CST018 CST017 NAV001	Marine farm	*275.50 +admin fee (\$108.00)	77.50	-	461.00  (minimum)

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more
2. The navigation safety fee will be applied according to the number of vessels berthed, at \$77.50 per berthed vessel.
3. The navigation safety fee will be applied according to the number of vessels berthed, at \$155.00 per berthed vessel.

\* Per farm for amalgamated consents.

Note: All structures may be subject to additional charges that recover the costs incurred by the council for extra monitoring, such as sampling a discharge. Where the costs of monitoring the structure and discharge exceed the annual charge herein, the council will recover the balance in accordance with Section 36(5) of the Resource Management Act 1991.

Low use structures are typically privately owned and high use structures are typically commercially owned.

Consent holders of multiple structures authorised under a single resource consent for contiguous facilities, will be charged one annual fee for the most significant authorised by that consent.

Description/Criteria	Marine Biosecurity Charge \$ excluding GST <sup>(1)</sup>	Total fee \$ including GST
Northport Limited	3,315.00	3,812.50
Golden Bay Cement	3,315.00	3,812.50
Port Nikau Limited	3,315.00	3,812.50
New Zealand Refining Company Ltd	3,315.00	3,812.50

1. Unpaid marine biosecurity charges will incur a 10% penalty 20 working days after the due date stated on the invoice. Please see section 2.6.7 for more

### **3.5.5 Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction)**

Scale of annual charges for land use consents for boating-related structures in waters upstream of the Coastal Marine Area (CMA) with minor environmental effects.

Fee level	Description/criteria	RMA \$ excluding GST	Total fee \$ including GST
MON046	Minor structures and jetties: not more than 10m <sup>2</sup> in plan area.	152.71	175.00
MON047	Jetties and other structures: more than 10m <sup>2</sup> in plan area.	216.96	249.50

Note:

- Consents for new boat-related structures or to alter boat-related structures in water-bodies will be subject to an inspection during their construction phase based on staff time and rates set out in section 3.2.
- Refer to Section 2.2.8 setting of annual resource consent (monitoring) charges of the Charging Policy for bases of charges.



**3.5.6 Water takes of high potential effects**

Estimated annual charges for water take consents for high potential effects.

Consent holder	Consent no(s)	Annual admin/ supervision/ monitoring charge \$ including GST	Resource user charge \$ including GST	Annual charge \$ including GST (Total)	Fee level
Whāngārei District Council	2960	2,802.00	942.50	3,744.50	ADM002 RUC006
Fonterra Kauri	437304	3,222.00	942.50	4,164.50	ADM003 RUC006
Far North District Council	4369	3,082.00	471.00	3,553.00	ADM004 RUC005
Maungatapere Water Co. Ltd	4607	420.00	942.50	1,362.50	ADM005 RUC006
LJ Milichich	4715	420.00	471.00	891.00	ADM005 RUC005
North Power	4845	1,050.50	471.00	1,521.50	ADM006 RUC005
Ngāwhā Geothermal Resource Company Ltd.	488312	700.50	1,413.50	2,114.00	ADM007 RUC007
Kokich & Rock Solid Ltd	4965	840.00	942.50	1,782.50	ADM008 RUC006
West Coast Dairy Investments Ltd	5004	700.50	471.00	1,171.50	ADM007 RUC005
Glen Mor Ltd	5014	489.50	471.00	960.50	ADM009 RUC005
Mangaroa Trust	5021	489.50	471.00	960.50	ADM009 RUC005
DK Hodgson	5022	489.50	471.00	960.50	ADM009 RUC005

Consent holder	Consent no(s)	Annual admin/ supervision/ monitoring charge \$ including GST	Resource user charge \$ including GST	Annual charge \$ including GST (Total)	Fee level
Bayfields Agriculture Ltd	5027	489.50	471.00	960.50	ADM009 RUC005
Bryant Fischer Family Trust	7330	700.50	471.00	1,171.50	ADM007 RUC005
Whangarei District Council	7398	1,400.00	942.50	2,342.50	ADM010 RUC006
Whangarei District Council	7404	3,501.50	942.50	4,444.00	ADM011 RUC006
Whangarei District Council	7405	980.50	471.00	1,451.50	ADM012 RUC005
Kaipara District Council	7582	1,050.00	471.00	1,521.00	ADM006 RUC005
Burke Farms Ltd.	7642	840.00	471.00	1,311.00	ADM008 RUC005
Kaipara District Council	8032	840.00	471.00	1,311.00	ADM008 RUC005
Kaipara District Council	8134	980.50	471.00	1,451.50	ADM012 RUC005

\* Includes a charge pursuant to Section 36(1)(c) towards the costs of specific investigations (flow and/or water quality monitoring) within catchment relating to consent and compliance monitoring.

# Multiple consents taking from different catchments and/or resources.

For the basis of charging, refer to section 2.2.8 setting of annual resource consent (monitoring) charges of the Charging Policy for bases of charges.

### 3.6 INSPECTION AND MONITORING CHARGES

#### 3.6.1 Permitted activity monitoring/inspections – fees

The fees will be charged on a cost recoverable basis (officer time, sampling and equipment costs). Refer to section 3.2 staff charge rates and section 3.10 miscellaneous management charges.

#### 3.6.2 Permitted activity dairy discharges – fees

The charges are as follows:

		\$ excluding GST
	(i) Inspection and monitoring fee:	
FDE020	Grades full compliance and minor non-compliance	182.50
FDE021	Grades significant non-compliance	273.50
	(ii) Second and subsequent visits and inspections (including travel time) for significant non-complying farms	88.00 per hour

Where there is a need for two officers to attend, the costs of both officers will be recovered.

Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required (see section 3.10).

**Note:** For charges for consented farm dairy effluent discharge consents, refer to section 3.6.3.

#### 3.6.3 Farm dairy effluent inspection charges

Scale of charges for consents for farm dairy effluent discharges (full and minor non-compliance and significant non-compliance).

##### 3.6.3.1 Full and minor non-compliance

Sampling and testing required where indicated.

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE000	Per inspection – (no sampling or testing)	275.65	317.00
FDE001	Per inspection – (single sample only)	327.39	376.50
FDE002	Per inspection – (two samples)	379.13	436.00
FDE003	Per inspection – (three samples)	430.87	495.50
FDE004	Per inspection – (four samples)	482.61	555.00

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE005	Per inspection – (five samples)	534.35	614.50
FDE006	Per inspection – (six samples)	586.09	674.00

### 3.6.3.2 Significant non-compliance

Sampling and testing required where indicated.

	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
FDE010	Per inspection – (no sampling or testing)	369.13	424.50
FDE011	Per inspection – (single sample only)	420.87	484.00
FDE012	Per inspection – (two samples)	472.61	543.50
FDE013	Per inspection – (three samples)	524.35	603.00
FDE014	Per inspection – (four samples)	576.09	662.50
FDE015	Per inspection – (five samples)	627.83	722.00
FDE016	Per inspection – (six samples)	679.57	781.50

Second and subsequent visit, including follow-up inspections, for significant non-complying systems will be at \$88.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

Where there is a need for two officers to attend, the cost of both officers will be recovered.

**Note:** For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to Section 2.3.1 of the Charging Policy.

### 3.6.4 Coastal structures (construction or installation phase) – monitoring inspection charges

The fees will be charged on a cost recoverable basis (officer time, sampling and equipment costs). Refer to section 3.2 staff charge rates and section 3.10 miscellaneous management charges.

**Note:** Refer to Section 2.2.8 setting of annual resources consent (monitoring) of the Charging Policy for bases of charges.

**3.7 MARITIME ACTIVITIES****3.7.1 Fees for maritime-related incidents**

Staff time will be charged at the minimum charge out rate applicable to the staff members involved.

**3.7.2 Hot Work Permits**

	\$ GST exclusive
For vessels alongside wharves or at anchor, per permit.	80.87

**3.7.3 Safe Operating Licences**

	\$ GST exclusive
For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of procedures and safety equipment, up to one hour.	80.87
Where inspection time exceeds one hour, the charge shall be at the rate of \$73.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.	73.00

**3.7.4 Jet Ski Registration Fees**

As resolved and prescribed by the Auckland Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

**3.7.5 Pilotage and Shipping Navigation and Safety Services Fees**

a.	<b>Pilotage</b> Charges for Bay of Islands apply for vessels entering inside the pilotage limits as marked on chart NZ 5125.	\$ GST exclusive
	<b>(i) Inwards/outwards to wharf, Ōpua – per visit</b>	
	Where GT is greater than 500 but less than 3000	1,683.51
	Where GT is greater than 3000 but less than 18,000	3,254.97
	<b>(ii) Ships to anchor in Bay of Islands – per visit</b>	
	Where GT is greater than 500 but less than 3000	1,683.51
	Where GT is greater than 3000 but less than 18,000	3,254.97
	Where GT is greater than 18,000 but less than 40,000	3,884.49
	Where GT is greater than 40,000 but less than 100,000	4,342.44
	Where GT is greater than 100,000	4,799.02
	<b>(iii) Cruise ships to anchor in the Bay of Islands - pilotage cancellation fee</b>	
	Less than 6 months prior to the date of booked pilotage	10% of pilotage charge
	Less than 1 month of the date of booked pilotage	20% of pilotage charge
	With less than 48 hours notice of the booked time of pilotage	40% of pilotage charge
	<b>(iv) Cruise ships to anchor in the Bay of Islands - change to date of booking for pilotage</b>	
	Change of date of booking to a date that is within one month of original booking, and given at less than one months notice	10% of pilotage charge
	<b>(v) Cruise ships to anchor in the Bay of Islands - Christmas Day surcharge</b>	
	Pilotage and shipping navigation is required on Christmas Day	1,734.00 surcharge
b.	<b>Shipping</b>	

	(i) Navigation and Safety Services Fee per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel	
	Where GT is less than 3000	\$1.12/GT
	Where GT is greater than 3000 but less than 18,000	3,254.97
	Where GT is greater than 18,000 but less than 40,000	3,656.67
	Where GT is greater than 40,000 but less than 100,000	3,998.87
	Where GT is greater than 100,000	4,570.25
	Where GT is greater than 150,000	5,480.46
c.	Shipping	
	(i) Navigation and Safety Services Fee per ship visiting the Bay of Islands when the master is exempt from compulsory pilotage	
	Up to 3000 GT	\$1.12/GT
	(ii) Navigation and Safety Services Fee per ship visiting the Poor Knights Area to be avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.	
	Over 45 metres length overall	\$1.10/GT
	(iii) Navigation and Safety Services Fee per ship visiting the Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage	1,122.35

Where the harbourmaster cancels pilotage in the Bay of Islands, no charge will apply.

### 3.7.6 Harbourmaster's Navigation Safety Services Fee

		\$ GST exclusive
a.	North Port Limited	126,431.00
b.	For water transport operators not serviced by a port company, at actual time and cost.	
c.	Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.	



**3.7.7 Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)**

	\$ GST exclusive
Special Event Processing Fee	162.60
The council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee. Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.	

**3.7.8 Pilot Exemption Exam Fee**

	\$ GST exclusive
Pilot Exemption Exam Fee	418.64

**3.7.9 All navigation and other fees specified herein are exclusive of Goods and Services Tax**

The fees shall apply for the period 1 July 2018 to 30 June 2019 and will continue to apply until superseded by a subsequent bylaw change fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

**3.7.10 Standard charges under the Maritime Transport Act 1994 – Marine Tier 1 Oil Transfer Sites**

		\$ GST exclusive
<p>Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the director of Maritime New Zealand. The power to approve these plans has been delegated by the director to the Chief Executive Officer (sub-delegated to council employees) of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.</p> <p>A Minimum fee will apply.</p> <p>Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:</p>		
a.	Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments.	279.13
b.	Renewal of Tier 1 site marine oil spill contingency plan, where staff time is less than one hour.	No charge
c.	Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.	Charged at hourly rate of attending staff member

A minimum fee is charged and further charges may apply based on officer's actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged the standard rate as approved by the Inland Revenue Department.

### 3.8 BIOSECURITY

#### 3.8.1 Pest control products

All pest control products, including traps, pesticides, pre-feed, bait (including pindone), bait stations, and associated equipment will be sold to Northland landowners at the price they are purchased from the manufacturer by council.

### 3.9 PROPERTY LAW ACT 2007

		\$ excluding GST
a.	Transfer or assign the lease	171.74
b.	Enter into a sublease	171.74

### 3.10 MISCELLANEOUS MANAGEMENT CHARGES - PLANT AND EQUIPMENT CHARGES

The council's Resolution of 8 December 2004, "that pursuant to Section 150(6) of the Local Government Act 2002, council managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the council as necessary from time to time." The council's labour, plant and equipment charges to external parties are as follows:

#### 3.10.1 Field Test Charges

Job Ref. No.	Description/criteria	Per sample \$ excluding GST	Per sample \$ including GST
7369	Conductivity	5.22	6.00
7368	Dissolved oxygen	5.22	6.00
7370	pH	5.22	6.00
7371	Salinity	5.22	6.00
7372	Temperature	1.30	1.50

Any further tests required, please contact laboratory staff for prices.

**3.10.2 Labour – General**

Labour costs for the council's staff not previously specified in this policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred. When tradesmen are called out, and their service is cancelled, all costs incurred by the council are payable by the hirer, at the above charge-out rates.

**3.10.3 Plant**

Where any of the council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc., shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the council are payable by the hirer.

**3.10.4 Water quality monitoring devices**

	\$ excluding GST	\$ including GST
YSI Sondes per day	68.26	78.50
ISCO Automated Sampler per day	57.39	66.00

All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in Section 3.2.

**3.10.5 Vehicles/quads**

Inland Revenue approved mileage rates for annual work-related kilometres travelled	External rate per km \$ excluding GST	Internal rate per km \$ excluding GST
<b>Motor vehicles</b>		
1 – 3,000km (total kilometres for a job)	0.62	0.28
3,001 kilometres and over (for each km over 3,000)	0.19	0.28
Motor vehicles – flat rate	0.28	0.26
<b>Motor cycles/quad bikes</b>		
1 – 3,000 km	0.31	0.14
3,001 kilometres and over (for each km over 3,000)	0.10	0.14
<b>Other</b>		
Transit van or similar (public service rate)	1.00	0.41
Light truck (public service rate)	1.20	0.55
8 Tonne truck	1.20	0.55

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

**3.10.6 Floating plant – standard rates**

(a) Workboat hire (per hour)	\$ excluding GST	\$ including GST
Workboat – "Waikare"	748.70	861.00
Standby – "Waikare"	283.48	326.00

For significant commercial projects, the council will negotiate hire, standby and total costs with contractors and other parties.

(b) Small launch hire (per hour)	\$ excluding GST	\$ including GST
BOI Patrol Boat - "Karetu"	266.96	307.00
Standby – "Karetu"	106.96	123.00
5 metre - "Mangapai"	160.43	184.50
Standby – "Mangapai"	106.96	123.00
Whāngārei Work Boat - "Ruawai"	266.96	307.00
Standby – "Ruawai"	138.70	159.50
All labour and transport costs incurred in the hire of vessels, are additional and charged at the appropriate staff charge-out rate, with a minimum of two crew members		

Floating plant rates do not include crew labour charges or any relocation charges.

NB: (Additional rates may apply in overtime hours)

### **3.10.7 - Lease of council owned moorings**

Moorings lease	Per day	Per day \$ including GST	Per week	Per week \$ including GST	Per month	Per month \$ including GST
2 Tonne mooring	7.65	9.00	53.55	63.00	170.00	200.00
4 Tonne mooring	10.20	12.00	71.40	84.00	223.55	263.00

Note: vessels temporarily moored on a council owned mooring as a result of council action (eg, seized, abandoned/adrift vessels) will incur the daily mooring lease charge.

#### **Other plant not specified above**

Each request to hire other council plant or equipment is to be referred to the appropriate manager for approval, who shall apply a realistic charge-out rate and notify the finance manager so that an invoice can be raised.

### **3.10.8 Hire charge – council, committee, training/meeting rooms**

Catering is the responsibility of the hirer. Any refreshments provided by the council will be on-charged at cost.

Per day	\$ excluding GST	\$ including GST
Council Room	163.91	188.50

Per day	\$ excluding GST	\$ including GST
Committee Room	54.78	63.00
Council and Committee Rooms	197.39	227.00
Kaipara Training Room	163.91	188.50
Whangaroa Meeting Room	54.78	63.00
Kaipara and Whangaroa Rooms	197.39	227.00

### 3.10.9 Hire charge – council video conference facilities

Hire charge includes a meeting room	\$ excluding GST	\$ including GST
Price per hour	164.35	189.00

Bookings will be subject to the availability of a meeting room and the video conferencing unit. Priority will be given to council business. Video conferencing units are Polycom with 55 inch screens. Connection is IP/Skype for Business only and is not configured for ISDN.

### 3.10.10 Photocopying

Per page	\$ excluding GST			
	Colour A4	Colour A3	Black A4	Black A3
Applicants/Staff	0.10	0.10	0.10	0.10
Other parties	0.10	0.10	0.10	0.10

**Note:** Double-sided is equivalent to two pages.

Labour costs also to be recovered.

### 3.10.11 Publication charges for RMA and miscellaneous documents

Plan	\$ including GST
Regional Policy Statement	17.50
Regional Policy Statement Maps	112.00
Regional Coastal Plan	108.00

Plan	\$ including GST
Regional Coastal Plan Maps	98.00
Regional Air Quality Plan	45.00
Regional Water and Soil Plan	110.00
Proposed Regional Plan	20.00
Proposed Regional Plan on memory stick	no charge
Proposed Regional Plan Section 32 Report	80.00
Statutory Acknowledgements	no charge
Regional Land Transport Plan	51.00
Regional Passenger Transport Plan	51.00
On-site Wastewater Disposal from Households and Institutions	22.50
Plans <sup>(1)</sup> on memory stick	10.00

1. Excluding proposed regional plan

Any council publications not made freely available to ratepayers may be purchased at cost from the council.  
Contact the council for further details.







# Supporting Information

Item 3.5 - Attachment 1

LONG TERM PLAN 2018-2028 CONSULTATION

*Tautoko i ngā kōrero 2018-2028*

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[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

Feedback closes Tuesday 17 April 2018

**Northland**  
REGIONAL COUNCIL





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## Overview

# Introduction to supporting information

Welcome to this Long Term Plan 2018-2028 supporting information document. This document supports the consultation process for the Long Term Plan 2018-2028, and is the place where we've pulled together the detail of our proposals and spending for the next ten years, as well as other policies and strategies that we want you to know about.

If you've read our consultation document and you're coming here for more information on our key issues, you'll find this in the 'Key issues for community feedback' section, which is first up in this document. Further down in the document you'll find our key strategies that set out our approach to infrastructure and finance, information on our proposed activities in the council activities section, and then detailed financial information and policy approaches.

While this document contains some of our proposed policies in full, some of the policies we're seeking feedback on are available separately on our website, including:

- Draft charging policy 2018/19
- Draft rating policies
- Draft revenue and financing policy

To view these draft policies, go to our website:  
[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

We are seeking feedback on our long term plan proposals, and associated policies from **14 March - 17 April 2018**.

During this time we will be hosting a series of 'Have Your Say' events around the north, where you can learn more about our proposals and tell us what you think about them. These events are held in place of traditional hearings, and are your chance to give any feedback directly to councillors.

The proposed dates and locations for these events are:

- **Whangārei** – Tuesday 20 March 2018 4–6 pm.
- **Whangārei** – Wednesday 21 March 2018 10 am–12 noon
- **Kerikeri** – Thursday 22 March 2018 9.30–11.30 am, Cornerstone Church
- **Kaikohe** – Thursday 22 March 2018 2–4 pm, Memorial Hall
- **Kaitiāia** – Saturday 24 March 2018 10.30 am–12.30 pm, Te Ahu Centre
- **Dargaville** – Tuesday 27 March 2018 9.30 am–11.30 am, Town Hall
- **Mangawhai** – Tuesday 27 March 2018 2–4 pm, Mangawhai Domain

The best place to have your say is on our website - go to [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018).

# Council's strategic direction

Behind all of our proposed plans is our strategic direction, which drives both what we do and how we pay for it. The following image sets out our strategic direction for the coming decade.



**OUR VISION**  
**Our Northland - together we thrive**

**OUR MISSION**  
Working together to create a healthy environment, strong economy and resilient communities.

**OUR AREAS OF FOCUS**  
(Community outcomes)

- Continuous improvement in water quality and security of supply
- Enhancement of indigenous biodiversity and biosecurity
- A strong regional economy
- Safe and resilient communities
- Enduring relationships with tangata whenua
- Efficient and effective service delivery
- Continue to subsidise rates with investment income
- Efficient and effective land transport policies and public transport

**OUR VALUES**

- Strong, decisive leadership
- One high-performing team
- Customer-focussed
- Integrity - honest and open
- Transparent and accountable

**OUR ACTIVITIES**

- Governance and engagement
- Regulatory services
- Environmental services
- River management
- Customer services and community resilience
- Corporate excellence



## **Key issues for community feedback**

## Introduction to key issues

Our Long Term Plan will drive what we do, and how we all pay for it, for the next 10 years. We have some big decisions to make, and we need your help to do it.

With growing urgency for more action on fresh water and pests, and rising risk from flood events, we believe it's time to step up a gear – we can't afford not to.

This is echoed in what the community has told us as we've developed our Long Term Plan proposals:

- Do more to clean up our waterways.
- Do more to protect our native species.
- Do more to provide better flood protection.

We've kept a tight rein on rate increases over recent years, stretching our existing budgets as far as we possibly can.

Now we need your support to make some big decisions about boosting our spend on looking after our water, getting rid of pests and protecting communities from the impacts of flooding.

You'll find detail on these three key proposals in 'Improving water management', 'Investing in pest management' and 'Flood risk reduction'. There are a number of other issues we need feedback on too, which are outlined in 'Other proposals'. You can also have your say on anything else we do.

Our proposed new work, outlined through this document, would mean an extra \$66.59 per ratepayer on average for the coming year (this varies widely across the region and excludes local transport and flood rates – see the rates examples in 'How much will my rates be?').

We see this as a hugely important investment for our region's environment to really flourish and to keep our communities safe from flood risk.

These are some big changes, and that's where you come in. We really need your feedback so please read on, find out more, and, most importantly, tell us what you think.

All figures outlined in this section are based on present value. These will be inflation-adjusted annually during the term of the plan.



# Improving water management

Clean, healthy water is a big focus for our Long Term Plan 2018-2028 (LTP). The clear message from government, the community and from within council is that that more work needs to be done to look after this precious resource. Our last Long Term Plan (2015-2025) also identified water as a priority, and budgeted an extra \$175,000 annually to work with catchment groups and increase hydrology capacity. We're now looking to step things up significantly, with additional spending of \$2.2 million by 2020/21 proposed for lake and wetland biodiversity work, progression of land based programmes to prevent sedimentation and pollution of our waterways, monitoring, and hydrological work.

## Looking after our lakes and wetlands

Our lakes and wetlands are some of the jewels in the crown of Northland's natural resources. They have high recreational and cultural values, are home to our native wildlife, and are indicators of water health. We look after these resources through our **biodiversity** activity, and are now required to expand our biodiversity programmes and align them with nationally set priorities in freshwater improvement and biodiversity maintenance. We're looking to resource the work through this LTP.

We're proposing to increase spending in this area by \$222,592 in the 2018/19 year, \$328,585 in the 2019/20 year, and \$385,393 in the 2020/21 year. This funding will support and deliver on a number of priority actions for Northland dune lakes which will protect the lakes and improve or maintain water quality. This means more feet in gumboots removing grass carp, monitoring pest fish and plant health, fencing, and controlling weeds.

The funding will also support the expansion of the lakes ecological monitoring programme to cover a wider network of lakes across the region. It will enable us to do more to understand lake water quality and work to improve it, and will provide for the expansion of our wetland monitoring programme, more than doubling the number of wetlands monitored from 24 to 50.

The proposed spending will be funded from the **freshwater management rate** and the **land management rate**.

To find out more about our biodiversity activity, including proposed changes, please see 'Environmental services'.

## Keeping the soil where it belongs

Improving water quality begins on the land, with Northland's primary freshwater quality issue being the sedimentation of waterways and harbour environments. New stock exclusion rules and a strong regional focus on sediment and soil erosion reduction drive the work in this area. Our **land and water** activity focuses on working with the community and landowners to advance this.

This LTP proposes \$613,727 new spending in the 2018/19 year, \$718,753 in 2019/20, and \$911,211 in the 2020/21 year. This funding will increase the amount of funding available through our Environment Fund to support landowners in fencing waterways, riparian planting, and undertaking other projects and initiatives. It will also provide for more work in the hill country of Kaipara, Far North, and eastern bays, advancing Northland's soil conservation programme.

The additional funding will also make subsidies available to landowners for the establishment of new forests in areas of high erosion risk as identified through our sustainable farm environment plan process, and for the ongoing expansion and management of our poplar and willow nursery, which provides resources to landowners to support our soil conservation programme.

The proposed spending will be funded from the **freshwater management rate** and the **land management rate**.

To find out more about our land and water activity, including proposed changes, please see 'Environmental services'.



## Monitoring our water resources

In order to plan for the management of our water resources we must have a good understanding of the current state of the resource and the pressures being placed on it. Monitoring our environment provides early warning of environmental problems and illustrates where environmental management has been effective. The council is also required under the recently amended National Policy Statement for Freshwater Management 2014 to develop a more comprehensive monitoring plan. Our **monitoring** and **hydrology** activities support this work, and some changes are proposed as part of our focus on water in this LTP.

We're proposing to increase our **monitoring** work, with an associated increase in spending of \$335,226 in the 2018/19 year, \$481,562 in the 2019/20 year, and \$481,807 in the 2020/21 year. This funding will allow more monitoring of our coastal waters to comply with the requirements of the National Environmental Monitoring Standards - Coastal, ensuring that the council has the resources it requires to maintain the coastal monitoring networks. The funding will also get people on the ground required to carry out the level of monitoring and analysis needed to step up this work, and communicate it effectively.

The proposed spending on the monitoring activity will be funded from the **freshwater management rate** and the **council services rate**. To find out more about our monitoring activity, including proposed changes, please see 'Regulatory services'.

Our **hydrology** activity heavily supports the council's water monitoring programme, in addition to the river and natural hazard management, civil defence and emergency management, and consents activities. We are proposing to increase our hydrology work to support the increased need for monitoring of our water resources. This work also supports our river management programmes.

No extra spend is proposed in the 2018/19 year. Extra spend of \$323,394 is proposed in the 2019/20 year, and \$399,429 in the 2020/21 year. This funding will get more feet on the ground to collect and process environmental data, and more feet under desks to carry out the analysis required to understand what's happening, deliver environmental reporting and think about climate change. It will also ensure that equipment is well maintained so that hydrology operations run smoothly and safely.

Because the hydrology activity supports a range of other activities, the proposed spending will be funded from the **freshwater management rate**, the **land management rate**, the **flood infrastructure rate**, and the **civil defence and hazard management rate**.

To find out more about our hydrology activity, including proposed changes, please see 'Environmental services'.

# Investing in pest management

Northland is fortunate to host an incredible array of native life, with a third of the region in native vegetation cover, original wetlands, dune lakes, and an extensive coastline hosting animal and plant life. Our marine environment is also teeming with native life. These native habitats are threatened by introduced pest plants, animals, marine organisms, and pathogens and diseases such as Kauri dieback disease, which are putting our health, culture and regional economy at risk.

Northland's native life is foremost in the minds of many when they think of our environment, and there is a clear message from our communities and central government that protection of these resources is top priority, with an ambitious goal set at a national level to rid New Zealand of possums, rats and stoats by 2050. As a regional council we are at the forefront of the work to protect these resources, and we work closely with the community to achieve shared goals, working toward becoming pest-free in Northland.

We need to boost the work we are already doing to move toward our pest-free goals. We're proposing to increase our current spend on pest management, with spending of around \$2.3 million by 2020/21. This will increase the council's ability to respond to plant, animal and marine pest incursions across the region and eradicate new pest arrivals, will allow even more collaborative work with communities, and will enable us to build capacity for area-specific pest control programmes.

## Work across the region

The council currently spends about \$3.6 million a year to reduce the impact of pest animals, weeds and aquatic invaders and support community involvement in pest management, including a management programme to prevent the spread of Kauri dieback disease which threatens Northland's iconic Kauri. We do this through our **biosecurity** activity, and we are now proposing to increase our capacity in this area for our work across the whole region. We're proposing to increase spending by \$736,945 in 2018/19, \$959,002 in 2019/20 and \$997,577 in 2020/21.

This funding will support the council's goal of a Pest Free Northland, getting more feet on the ground to work with communities, support existing biosecurity partnerships and forge new partnerships, including in urban areas where community action is needed. It will ensure that equipment and pest control methods are available and fit for purpose, and will provide the required level of support to wild ginger biocontrol and feral animal eradication programmes. This funding will also increase the council's capacity to carry out hull surveillance as part of their marine biosecurity programme.

The proposed spending will be funded from the region-wide **pest management rate**.

## Projects in western Northland

Working toward a Pest Free Northland requires a co-ordinated approach across the whole of the region, particularly in areas that aren't as highly populated. The council is looking to build more capacity for pest control along the west coast of the region, with \$439,000 proposed

each year. This funding will provide for increased trapping infrastructure to achieve multi-species pest control across a number of community-led projects, including the Tane Whakapiripiri pest-free project, as well as pest control programmes in areas around Puketi, Mataraua, Waimā, Waipoua and Warawara. The funding will also contribute to the Te Toa Whenua and Te Roroa projects, carrying out work on Māori land at Waipoua to reduce pest numbers, and the Kaitiaki Kiwi programme, which is working to restore kiwi populations near Waipoua and Dargaville.

The proposed spending will be funded from the region-wide **pest management rate**.



## High value pest control areas

There are a number of areas across Northland where high biodiversity and recreational values are matched with strong community interest in pest control. The council is proposing to work with the communities in these areas to achieve

significant biodiversity outcomes, resulting in specific areas that will boost the pest control effort across the region. This type of programme has been developed in the Whangārei Heads area over the past three years, with successes including significant increases in kiwi populations, and community-led weed control. Key pests such as stoats and possums have been reduced to low numbers and the benefits of pest control have also flowed onto surrounding areas not directly covered by the programme.

Funding proposed for these areas will enable specialist predator control contractors, kiwi recovery work, and will support the communities with the development of weed control initiatives and pest control in general. The proposed spending will be funded from the region-wide **pest management rate**.

The areas proposed to receive funding are:

### **Whangārei Heads**

The Whangārei Heads area is a high value area with unique circumstances. Bream Head and Manaia ridge scenic reserves are ecological gems where visitors can get a real feel for what the nearby offshore islands are like. Species from the neighboring pest free islands have now returned to the Whangārei Heads area which also boasts one of New Zealand's fastest growing kiwi populations due to the extensive and long running community led pest control efforts over the last 15 years. Many active weed control groups also lead the way in new weed control initiatives and environmental protection.

To date this work has been paid for by a targeted rate set across the Whangārei Heads area in 2015, which has supported pest and weed control. It is now proposed to discontinue the targeted rate and maintain funding to the area through the region-wide pest management rate, as with the other high value pest control areas.

\$93,000 per year is proposed to support this ongoing work.

### **Mid North/Bay of Islands**

This area is rich in coastal shrublands that support high kiwi densities and threatened species including pateke (brown teal), kukupa, pupu rangi (kauri snail), weka, kakariki and several species of threatened shore birds. The council has supported 14 community pest control programmes in this area over the past 12 years, and 25 Environment Fund projects.

\$300,000 per year is proposed to support growing this ongoing work.

### **Tutukaka**

The Tutukaka area supports extensive high value coastal pohutukawa forest with large areas of privately owned native forest and wetlands. These provide habitat for iconic species such as kiwi and pateke (brown teal) and several rare and endangered native plants, while the coastal margins provide nesting habitat for endangered seabirds such as grey faced petrels (Oi) and red-billed gulls. A high level of community engagement and more than a decade of community-led pest control has seen an increase in the populations of several key species. The Tutukaka community has been working with the council since 2012, with the council supporting the wider community through Community Pest Control Areas and Environment Fund funding.

\$110,000 per year is proposed to support growing this ongoing work.

### **Kai Iwi Lakes**

This area has a fast-recovering ecology including rare and threatened plant species, and water quality that is among the highest of any dune lakes in New Zealand. The lakes provide a much-loved destination for Northlanders and visitors alike. The council has been working with the community to undertake pest and weed control activities at the Taharoa Domain since 2013.

\$150,000 per year is proposed to support growing the ongoing work in this area.

### **Mangawhai/Waipū**

A recent report recorded three threatened and 11 regionally significant plant species within the wider Mangawhai/Waipū area and 10 threatened and five regionally significant fauna. The area also hosts a high number of indigenous vascular plants, the native Hochstetter's frog, and longfin eel. Its diverse forest habitat is home to kaka, tomtit, bellbird, New Zealand pigeon and fernbird as well as other more common species. Red-crowned kakariki are occasional visitors from the Hen and Chicken Islands off the Bream Bay coast.

The council has supported more than 20 biosecurity Environment Fund projects since 2010, which have worked to control a range of introduced pests and weeds, and a growing interest from the community to do more.

\$200,000 per year is proposed to support growing the ongoing work in this area.

To find out more about our biosecurity activity, please refer to 'Environmental services'.



# Flood risk reduction

Water is central to the way of life for many Northlanders, with the majority of our population living near rivers and tributaries, lakes, or on the coast. Northland's geography makes us vulnerable to high intensity rainfalls, and the risk of flood is the most common natural hazard risk in Northland. The council works with communities to understand this risk, create management plans, and to develop long-term solutions to protect vulnerable communities from large flood events. While this is no mean feat - with flood schemes costing millions of dollars and sometimes taking a number of years to construct - the protection of life, property, and infrastructure is paramount.

One of the biggest challenges in developing flood schemes is getting the balance right between the level of protection required, and the cost of developing and constructing the scheme. Currently, the direct costs of all major flood schemes are paid for by the communities that benefit from the scheme, through targeted rates on these properties. The council currently collects targeted rates for ongoing and completed flood works at Awanui, Kāeo-Whangaroa, and Whangārei.

However, there are a number of communities in Northland that simply can't afford to pay for the entire cost of the flood schemes that are needed. In many cases the gap between the cost of the scheme and the number of properties in the area needing to cover this cost is just too wide. Under the current method where those who directly benefit pay for flood schemes; these communities will likely miss out on adequate flood protection, putting people, property, and critical infrastructure at risk.

## A new way to share the cost of new flood schemes

The council has three existing flood schemes in Northland, and four additional areas of major work that have been identified as a priority over the next 10 years. Plus, there is some extra work that needs to be done on some of the existing schemes. The capital cost of flood work planned for the next 30 years, as outlined in council's infrastructure strategy, is estimated to be \$27 million. To help pay for this new work, the council is proposing to set up a new region-wide flood infrastructure rate, to be collected across the region to share the cost of new flood work.

This proposed new rate would fund 50% of new capital works, with the balance funded from new or increased targeted rates across the affected areas. This rate is proposed to be a fixed amount of \$23.93 per property. The rate has been calculated with a view to contributing to the capital cost of thirty years of flood protection work (approximately \$27 million in total), and would likely enable all of this work to be carried out. An example of the impact the rate would have on communities in flood prone areas is shown in the table below.

The proposed new rate would only apply to new flood protection work from the 2018/19 year onward. The completed work at Awanui, Kāeo-Whangaroa, and Whangārei would continue to be paid for by the targeted rates collected in these areas, and those targeted rates would continue until the work is completely repaid. New work in these areas may be partly paid for by the new **flood infrastructure rate**.

A number of criteria would need to be met for new work to be part-funded by the flood infrastructure rate:

- The work must take place in an area that has been identified as a priority rivers area (go to [www.nrc.govt.nz/priorityrivers](http://www.nrc.govt.nz/priorityrivers) to find out more). This currently includes 26 rivers and catchments where priority has been allocated on the basis of flood risk to lives, buildings, road access, infrastructure and agriculture.
- The new rate would fund work for high risk urban or residential areas only, with protection schemes for farmland alone excluded.
- There must be demonstrable community support for the works.
- Funding would only apply to new capital work, with any operational work required funded by targeted rates.
- The new rate would fund 50% of the cost of work where the total cost is \$500,000 or more, with the balance of the work funded from targeted rates on the area.

In areas where proposed capital works will cost less than \$500,000, and it is not practicable to establish a targeted rate, the new flood infrastructure rate would fund 100% of the cost of the flood works. It may not be practicable to establish a targeted rate where there are less than 1,000 rating units, where the benefits of the flood works are limited to a very small area, or where the rate to be collected would amount to less than \$100,000 a year.

We propose that major works are funded (repaid) over 60 years, meaning that the rates required to repay the flood works - both the proposed new region-wide rate and specific targeted rates - are achievable. This also means that the costs are shared across the multiple generations that will benefit from the work.

Should the council choose to proceed with the establishment of the region-wide flood infrastructure rate, it will be used to fund the new flood works set out below, and the

longer-term elements of these flood schemes over the next 60 years.



## Proposed new works

### Awanui flood scheme - urban Kaitāia

\$15 million | 2020 - 2027

The council currently maintains flood protection assets in Awanui worth approximately \$11 million, mostly consisting of stopbanks and floodgates, which aims to provide protection from a 1:100 year flood to urban areas, and 1:20 year flood protection to rural areas. The scheme is not currently achieving this level of protection, and the council is proposing additional works to achieve this level of protection.

The council's preferred option is to undertake river bank protection works for sections of the channel that are high and medium risk, to carry out remediation works at Bell's Hill slip, and re-route the flood flow through Kaitāia to the Whangatane Spillway. This work would achieve the level of flood protection sought at a cost of approximately \$15 million, and would be carried out from 2020 to 2027.

There is an alternative option for the area, which would involve carrying out river bank protection works and Bell's Hill slip remediation works only, at a proposed cost of \$7.9 million. This work would be carried out across 2020 - 2026, but wouldn't improve the current level of flood protection.

This proposed capital work would be funded equally by the proposed flood infrastructure rate and the Awanui River management rate.

### Kāeo-Whangaroa flood scheme

\$400,000 | 2019 - 2021

\$750,000 | 2024 - 2028

The council maintains a series of stopbanks, floodwalls and floodgates in Kāeo that were constructed in 2013/14. These assets have a value of approximately \$880,000, and provide the township with 1:10 year flood protection, with an aim to achieve 1:20 year protection.

There are a number of future projects planned to achieve a greater level of flood protection for Kāeo. The first of these is the construction of 1.5 km of floodway for Matangirau at Wainui Road, along with channel benching. This will cost \$400,000 and the work is planned to take place over 2019-2021. An adjusted programme of works for Stage Two of the Kāeo scheme is scheduled to begin in 2024, which is estimated to cost \$750,000. We will consult with the community closer to the time on these works.

This proposed capital work would be funded equally by the proposed flood infrastructure rate and the Kāeo-Whangaroa River management rate.

### Whangārei urban flood scheme - Whangārei CBD

\$950,000 | 2018 - 2021

\$50,000 | 2022 - 2023

Hopua te Nihoteatea (the floodwater detention dam in Whangārei) is council's newest flood scheme, which was constructed in 2014/15. This scheme has a value of \$10.7 million and provides 1:20 year flood protection. Ongoing works are proposed to achieve a 1:50 year level of flood protection.

Work on the lower Waiarohia Stream to reduce flood overflow into Commerce Street is proposed, at a cost of \$950,000, with the work planned to take place during 2018 - 2021. This is part of an ongoing programme of works to create a floodway from Rust Avenue to Lower Tarewa Road, which are planned to begin from 2028. Additionally, \$50,000 will be spent in 2022/23 to develop a wetland upstream of the dam. We will consult with the communities when these proposals are finalised closer to the time.

This proposed capital work would be funded equally by the proposed **flood infrastructure rate** and the **Whangārei urban rivers management rate**.

#### **Taumārere-Kawakawa flood scheme**

**\$400,000 | 2018 - 2019**

**\$2.5 million | 2023 - 2028**

A new flood scheme is proposed at Taumārere to reduce the impact of flooding at Otiria, Moerewa and Kawakawa. The first part of this work is channel benching at Otiria Stream, which will cost \$50,000, with additional funding to be sought from the New Zealand Transport Authority. This work is planned for 2018 - 2019. The next part of work planned includes channel benching at Waiōmio Stream to widen the channel and increase its flow capacity in times of high flow, and construction of a spillway for overflow, at a cost of \$350,000. This work is planned for 2019-2021, and is intended to provide 100 year flood protection to properties east of the spillway.

These works contribute to the greater Taumārere-Kawakawa flood scheme, which will involve the construction of a spillway near Otiria at a cost of \$2.5 million, in 2023 - 2028. We will consult with our communities when this proposal is finalised, closer to the time.

This proposed capital work would be funded by the proposed **flood infrastructure rate**, and the proposed new **Taumārere rivers management rate**.

#### **Panguru flood scheme**

**\$440,000 | 2025 - 2028**

A longer-term piece of work, scheduled for 2023, is the development of a flood scheme at Panguru, to reduce the risk of flood to Panguru settlement. This work will involve stop-banking and channel benching (widening the channel to increase the flow capacity of the stream in times of high flow), and will cost approximately \$440,000.

This work would be paid for 100% by the proposed new **flood infrastructure rate**, as the capital works will cost less than \$500,000, and striking of a targeted rate is not likely to be practicable.

#### **Kerikeri-Waipapa flood scheme**

A major piece of work proposed for Kerikeri-Waipapa has been put on hold after computer modelling and new mapping showed that a higher level of investigation is required into the downstream effects of any major work in this area.

The Kerikeri-Waipapa river management rate was stopped in light of this, and it is now proposed to spend the balance of the reserve resulting from this rate on some outstanding work, and not re-strike the rate to pay for larger work at this stage. The proposed work includes stopbanks at Waitōtara Drive, as originally planned as part of the spillway scheme, at a cost of \$140,000, and work to protect the Waipapa Industrial Estate, including rerouting and containing of Kerikeri River overflow, at a cost of \$200,000. This work is all planned for 2018 - 2021, and will not require a new rate as it will be funded from the existing scheme balance.

This work will not require any contribution from the proposed region wide flood infrastructure rate, or any targeted flood rate, as the existing reserve balance is sufficient.

There is more information on the flood works outlined above, including the wider context of the schemes, in 'Infrastructure strategy: Flood protection and control' and 'River management'.

## Summary of proposed infrastructure costs and rating impacts

Area of affected ratepayers	Flood work	Cost 2018-2028	Costs not shared - cost to affected community <sup>(1)</sup>	Costs shared with region-wide flood infrastructure rate	
				Cost to affected community <sup>(2)</sup>	Cost to regional ratepayers <sup>(3)</sup>
Awanui River management rate area	Option 1 works	\$15 million	\$224.87	\$135.67	\$3.94
Awanui River management rate area	Option 2 works	\$7.9 million	\$118.43	\$71.45	\$2.07
Kāeo-Whangaroa rivers management rate area	Flood protection at Kāeo	\$1.15 million	\$24.73	\$14.96	\$0.24
Whangārei urban rivers management rate area	Lower Waiarohia Stream works and wetland upstream of the dam	\$1 million	\$8.49	\$5.11	\$0.68
Taumārere rivers management rate area	Channel work and spillway	\$2.9 million	\$86.90	\$58.82	\$0.59
Kerikeri-Waipapa rivers management rate area	Stopbanks and work to protect Waipapa	\$340,000	No cost - covered by existing scheme balance		
Panguru - area not yet defined	Panguru floodway	\$440,000	No cost - capital cost of under \$500,000 and not practicable to strike a targeted rate		\$0.18

1. Approximate annual cost, average per ratepayer in community (GST inclusive)
2. Approximate annual cost, average per ratepayer in community (GST inclusive)
3. Approximate annual cost, average per ratepayer across the region (GST inclusive)



# Other proposals

This section sets out the other key changes proposed for our upcoming Long Term Plan. Proposals include making our rates system more fair and transparent, some spending on other initiatives to improve what we deliver for the region; joining the Local Government Funding Agency to access more low-interest borrowing, locking in funding for emergency services, helping pay for sports facilities, continuing the regional infrastructure rate, changes to transport rates, stopping our contribution to Creative Northland, and updates to several policies. You can also have your say on anything else we do.

## Changing the way we rate

The money required to deliver the outcomes set out in our long term and annual plans comes from a range of revenue sources, with 60% coming from rates that we collect across the region. The council works to ensure that rates are collected as equitably as possible, and regularly reviews the system that we use to collect our rates.

We want our rates to be fair and for it to clear what rates are collected for, so we are proposing to overhaul our rating system as part of this Long Term Plan process.

Currently, the council collects two **targeted region-wide rates** and 10 **specific targeted rates**. The council does not collect a uniform annual general charge. The 10 specific targeted rates apply to discrete areas of the region to fund very specific activities and projects in those areas, and are subject to frequent change as work needs change and projects are completed - our river management rates are a good example of this.

The two **targeted region-wide rates** are our 'core' rates that we collect across the entire region to fund activities that benefit the whole region. These are our **council services rate**, and our **land management rate**.

We are proposing to overhaul our land management rate, and split it into five core rates as outlined below.

The structure of our council services rate is not proposed to change - information on what our council services rate funds and how it is set can be found in 'Rates'.

### Restructuring the land management rate

Currently, our land management rate funds land and general river management planning, minor river works and pest control functions that have a direct relationship to land. We are legislatively obliged or required to carry out these activities under the Biosecurity Act 1993, the Soil Conservation and

Rivers Control Act 1941, the Civil Defence Emergency Management Act 2002 and the Resource Management Act 1991.

This current rate is collected according to the land value of each rating unit across the region - which means that those properties with higher land value fund a greater portion of this work than those with lower land values.

The changes we are proposing to make to the rate are two-fold:

- break the work down into five core rates so that it is clear how much we are collecting from our ratepayers for each of these activities; and
- change the way that we calculate how each of these new core rates so that they are distributed more equitably between rural and urban areas, with a greater portion proposed to be collected based on equalised capital value rather than land value.

In considering how to collect rates - whether the collection method is based on land value, equalised capital value <sup>(1)</sup>, or whether it is set as a flat rate - we considered what type of properties benefited from the work carried out, as well as who exacerbated the problem, or increased the need for the work to be carried out.

As a result, we are proposing that some of the rates change from land value to equalised capital value or a flat rate. This change reflects the regional benefits of the work we undertake on pest management, Civil Defence, and natural hazard management. Having a mix of the three types of rating basis will even out the share between those with large areas of land with higher value, and smaller properties.

The proposed new structure is set out on the following page.

<sup>1</sup> Equalised capital value is where every rating unit within a district pays an equal amount, and the amount the district pays depends on how its total value has changed proportionate to the other two districts

Core rate	What activities it's collected for	Rate basis
Freshwater management	Water quality monitoring (environmental and compliance), water allocation, some land and biodiversity activities.	Land value
Pest management	Plant and animal pest management (on land and in the water), supporting community-led pest control projects.	Equalised capital value
Land management	Erosion control, landowner advice, wetland management, and other activities relating directly to the land.	Land value
Civil Defence and hazard management	Civil Defence and emergency management, natural hazard information and management.	Equalised capital value
Flood infrastructure	River management planning, minor river works, subsidising major flood infrastructure projects.	Flat rate
Council services	Harbour safety, transport planning, regional information and education, community engagement, democracy, corporate services, consents, planning and policy and other activities.	Equalised capital value

## Other new initiatives

In addition to the increase in work across water, pest management, and flood protection, and to support these activities, we are looking to increase the level of service that we deliver across a range of council activities. This impacts our overall rate increase, and is proposed to be funded from our council services rate. These increases follow several years of maintaining our 'business as usual' activities at a zero percent increase. But with the step change in our work and the big priorities that the community, government and council itself has identified, we need to make sure our activities are adequately supported.

### Governance and elections

The council and staff work hard to achieve effective and transparent governance on behalf of the people of Northland, and to ensure that this happens in accordance with statutory requirements. A small increase in funding (\$31,000 per year) is required in this area, in response to a new determination issued by the Remuneration Authority that altered elected members' expenses and allowances. We want to ensure that we comply with this requirement and pay our elected members fairly and in accordance with legal requirements. In addition to this, we have set funds aside for additional costs associated with elections and to make sure that any new elected members are provided with the training needed to do their job (\$40,000 in 2019/20 and every election year after) as this hasn't been budgeted for in the past.

## Working with Māori

With around one third of Northlanders identifying as Māori, cultural competency and awareness is particularly important to the council. The council also has statutory obligations to consult with and involve Māori in planning processes and reviews. We are proposing to increase our capacity to appropriately meet these legislative requirements and to support projects across the council, with a Māori relationships manager (\$100,000 per year). The council is also looking to the future through the building of Māori capacity. Two new initiatives are proposed to support this. Sponsorship of the biennial Māori Business Awards is proposed (\$5000 in 2018/19 and 2020/21, increasing to \$7000 in 2022/23 and continuing every second year following), a Northland Regional Council Taitokerau Māori Scholarship is proposed to support the development of young Māori in Northland (\$2000, increasing to \$6000 in 2020/21), and a new Māori internship position (\$55,000 per year from 2020/21). The council is also looking to increase the Māori initiatives fund from 2019/20 (\$10,000 per year), to support a range of initiatives and projects, including the development of iwi/hapu environmental management plans.

### Connecting with our communities

The council is elected by, and works for, the community. An integral part of what we do is keeping the community informed about the council, what it does, and events and activities that it is engaged in. Getting the message out in a meaningful way, and actively encouraging Northlanders to participate in the council's democratic processes, are a challenging and rewarding part of what we do. With the increase in the council's activities comes a greater requirement to let people know what we are doing.

We are looking to increase our capacity to connect with our communities with more promotion and marketing (\$25,000 per year) and more funding for our online services including better equipment and an online image library (\$21,000). Increasingly, our communities are engaging with us through social media, and so we are proposing a new social media management officer (\$72,000 per year), and to step up the technical support required to facilitate effective social media management (\$20,000 per year).

The council wants to lead the way in recognising community-led conservation and environmental management through an annual community environmental awards programme (\$15,000 per year, increasing to \$20,000 in 2020/21). This would effectively re-establish the Northland Community Conservation and Environmental Awards.

One of the most recognised ways that we engage with our communities is through our highly successful Enviroschools programme, through which we work with the youngest members of our community to foster a love of nature and sustainability. We are planning to ensure that we can meet the demand for the Enviroschools Biosecurity and WaiRestoration courses (\$5000 per year) and continue to expand the programme in to early childhood education centres with a specific early childhood contractor (\$32,500).

### **Economic development**

The council's economic development activity is well established, with a recent review finding that while generally working well, there are opportunities to improve the delivery of economic development, including better cross-organisation alignment and better business cases for project investments. A new economic development position (\$81,000 per year) will allow economic development projects to be actioned faster and more extensively, and will ensure the economic impact of the councils activities and policies are fully analysed and considered by the council.

### **Regional planning**

Our regional plan process has been moving along nicely over the past three years, and is now nearing completion. This has been a complex piece of work that will tie together our regional Coastal, Water and Soil, and Air Quality Plans. One of the final pieces of work that must be completed on this project prior to final adoption, is the hearing process where a panel will hear and consider submissions on the plan and make recommendations to the council. Because this is such a significant piece of work, the council has opted to appoint hearing commissioners for this process, and in line with the remuneration authorities determination, we are now required to allocate funding to our councillor appointed member (\$50,000, one-off). This will result in a more robust planning process and ultimately a better outcome for the plan.

One of the most precious resources that we manage in our plan is our marine environment. There are a number of proposals for marine protected areas in Northland that are

not progressing, and the council is looking to help resource these - to fill information gaps and assist with process costs - so that they can continue to progress (\$20,000 in 2018/19, increasing to \$50,000 in following years).

### **Customer services**

The first interaction that people have with the council is likely to be with one of our customer services team, who are skilled at understanding and responding to enquiries. Customers are increasingly expecting immediate service that is accessible through a number of mediums, and the team are working hard to deliver this. With the continued expansion of the council's activities, and increasingly complicated methods of communication, a re-think of our current staff set-up and some additional staff resourcing is required (\$84,000 per year).

### **Work on the water**

With more than 3000 km of coastline including 14 major harbours, and a large number of lakes, managing the safe movement of recreational and commercial vessels on Northland's waters is no small task. The council's maritime team promotes and regulates safe boating and shipping practices to minimise maritime accidents, and is piloting an increasing number of cruise ships in to the popular tourist destination of the Bay of Islands. The team is also experiencing increasing demand for mooring work, monitoring and bylaw work, and associated administration. An additional staff resource is sought (\$71,000 from 2019/20) to assist the maritime team in continuing to deliver a high level of work.

Our maritime team also works with our harbour wardens who are invaluable 'eyes and ears' around 15 harbours in Northland where maritime staff are not regularly in attendance. These wardens are paid a small allowance, which hasn't been increased in over 10 years. We now want to recognise the work they do with a small increase (\$15,000 (\$1000 per warden) increasing to \$30,000 by 2020/21).

### **Keeping people moving**

The council is responsible for managing public passenger transport across the region, promoting safety on Northland's roads, and planning for future transport needs at a regional level. In 2016 the Northland Regional Council, along with the Far North, Whangārei, and Kaipara district councils and the New Zealand Transport Agency formed the Northland Transportation Alliance, to achieve a more integrated approach to transport in Northland. With activity in this area ramping up, the need has arisen for a transport projects support person (\$50,000 per year) to provide assistance for all transport forums and working parties, as well as daily updates of road safety social media platforms.

A critical part of planning for passenger transport in the region is being aware of how people with disabilities are moving around the region if they are unable to catch a bus. More investigation is needed in to what options are currently

available for people with disabilities, with funding (one-off \$18,400 in 2019/20) to undertake a regional investigation for disability transport needs in Northland.

### Keeping things ticking over

With the step change in our activities, and all the new work and resources proposed as part of this Long Term Plan, an associated increase in the vital support activities that underpin the organisation is required.

Increases in staff numbers in recent years to meet community and legislative requirements have left our current people-management resources too stretched. To enable us to effectively manage our people and provide the appropriate level of support, a human resources manager position is proposed (\$100,000 per year). Similarly, our current accounting resources are stretched, and a management accountant is required to support the financial operations of the organisation (\$70,000 per year).

Our information technology system is critical infrastructure that underpins the organisation. While this is currently being well managed, some projects have been identified that will result in reduced risk to the organisation, increased resilience, and more suitable support for information technology activities – these include digitisation of consent files and consolidation of existing systems (\$152,000 in 2019/20 and 2020/21, reducing to \$112,000 every year thereafter).

The council's Whangārei office needs exterior painting to keep it in good repair (\$90,000 in 2020/21, one off).

We will also need to keep more vehicles running (\$25,000 in 2018/19, increasing to \$55,000 by 2020/21), and to set aside funds to replace our new capital assets as they wear out (\$78,000 in 2018/19, increasing to \$284,000 by 2020/21).

### Join the Local Government Funding Agency

At any one time, we are undertaking a number of large infrastructure projects, including our flood schemes.

To carry out this work in a timely manner, while also keeping rates at an affordable level, we borrow money from external sources. These loans are repaid by rates over time, and it is critical that council secures the best rates of lending to keep the cost to ratepayers as low as possible.

Currently, the most cost-effective funding source available is the Local Government Funding Agency (LGFA). The LGFA is a limited company with 20% of its shares held by the Crown and 80% of its shares held by individual local authorities called principal shareholders. This makes it a Council-Controlled Organisation. The primary purpose of the LGFA is to enable local authorities to borrow at lower interest margins and longer terms than would otherwise be available.

There are different levels of LGFA membership available:

- A borrower (non-guaranteeing local authority), with a maximum borrowing limit of \$20 million;
- A Guaranteeing Local Authority (guarantor member), where the organisation can borrow up to 175% of its revenue, but the organisation also guarantees the LGFA's debt obligations, and;
- A Principal Shareholding Local Authority (which must also be a guarantor).

The LGFA's debt obligations are guaranteed by its council shareholders and guarantor members.

During our 2012 long term plan process, we decided not to participate in the LGFA scheme as a Principal Shareholding Local Authority or as a Guaranteeing Local Authority. However, we retained the right to borrow money externally from the LGFA as a non-guaranteeing local authority, where it was the most cost-effective funding source available. Currently, the amount of borrowings available is capped at \$20 million by the LGFA.

We're proposing some big programmes of work for the next ten years, including important flood protection infrastructure. This work would take us over our \$20 million LGFA borrowing limit by 2020/21, meaning that funds would need to be borrowed from other sources at a higher rate.

We now propose that the council become an LGFA guarantor member, which would allow us access to low-interest borrowing of approximately \$64 million, as per the borrowing limits set out in our Financial Strategy. This will ultimately save ratepayers money.

As with any financial decision, we need to consider the risk associated with becoming a guarantor member. There is a some risk associated with the move, though it is considered to be low. As a guarantor member, the council, along with other guarantor member councils, would be partly responsible for covering the cost of any other member that defaults on its loan payments. Council would be liable for 0.4% of a defaulted loan, which would be \$400,000 on \$100 million loan. In the very unlikely event that this happens, the financial consequences for ratepayers would be low.

We propose that the council start the process of becoming an LGFA guarantor member in the 2019/20 financial year.

### Funding for emergency services

We have been supporting emergency services since 2009, when a rate was established to help fund the rescue helicopter service, allowing the Northland Emergency Services Trust (NEST) to maintain and grow its level of service to the community.

During our last long term plan process in 2015, and following public feedback, the funding for emergency services was expanded into a fully contestable fund of \$900,000, and a set of criteria were developed to guide the assessment of applications to the fund.



Since then, the fund has been supporting four organisations that most closely met the assessment criteria:

- Rescue helicopter service (Northland Emergency Services Trust) - \$525,000 a year
- Surf Life Saving, Northern branch - \$120,000 a year
- St John, Northern branch - \$90,000 a year
- Coastguard, Northern branch - \$84,000 a year

We also budget an allowance for any unpaid rates. Any unallocated funds that are accumulated over the three years will be distributed to these organisations every three years.

This support for emergency services is funded from the **emergency services rate**, which was established in 2015/16.

We're now proposing to:

- continue emergency services rate at \$11.76 (including GST) per rating unit;
- make the fund available non-contestable and allocate it to the four life-saving services listed above, providing certainty of funding for these organisations for three years of 2018-21; and
- potentially include Youth in Emergency Services as an additional recipient.

Under this proposal, we'll work out on how to allocate the funds across the organisations during the deliberations on this long term plan.

More information on the emergency services rate can be found in the 'Rates' section of this document.



## Regional sporting facilities rate

This year we'll finish paying of the debt we drew down to help fund the construction of the Northland Events Centre. We are now looking at providing funding support for other regional sporting facilities.

The regional recreational facilities rate was established 12 year ago to fund the construction of the Northland Events Centre, and once the reserve debt has been paid off, the current rate will have fulfilled its purpose. We are proposing to disestablish the regional recreational facilities rate and

create a new rate, to be known as the **regional sporting facilities rate**. This would enable us to provide funding support to assist in the development of sporting facilities across Northland that are of regional benefit.

It's proposed that the rate be set as a fixed amount, and that all Northland ratepayers - Kaipara, Far North and Whangārei ratepayers - contribute \$17.25 a year under the regional sporting facilities rate. Projects would be funded within each district to ensure that the funding is distributed around the region.

Potential recipient projects will be determined through ongoing work on the Northland Sports Facilities Plan. The Plan is the result of a partnership between council, Sport Northland, Northland's three district councils and Sport New Zealand. The plan, and substantial associated work since, has seen the ongoing prioritisation of regional sporting facility projects that are all in varying states of readiness and are bench-marked against council approved criteria.

Projects that are currently well advanced in terms of planning, meet the funding criteria and are of a nature that could be supported by the regional sporting facilities rate include:

- Sportsville Dargaville (Kaipara district)
- Mangawhai Activity Zone (Kaipara district)
- Te Hiku Sports Hub (Far North district)
- Sportsville Kaikohe (Far North district)
- Pohe Island Sports Hub (Whangārei district)
- Northland Football Hub, Tikipunga (Whangārei district)

If this new rate for sports facilities goes ahead, we would decide on the allocation of funds, and what initial projects to allocate funds to, during deliberations and final decision on this Long Term Plan in May and June this year.

More information on the projects that have potential for funding can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

More information on the regional sporting facilities rate can be found in 'Rates'.

## Regional infrastructure rate

The **regional infrastructure rate** was established in 2007 to fund activities relating to the development and/or completion of regional infrastructure projects, beginning with the Marsden Point rail link. Since then we have progressed this work by collaborating with Kiwirail to secure the designation for the rail corridor to Marsden Point, and purchasing a number of properties along its route.

We are proposing to continue the existing rate, which is set based on land value per district. The rate will drop slightly from previous years and is proposed be set at \$3.49 per \$100,000 land value in the Whangārei district, \$2.78 in Kaipara district and \$3.14 in the Far North district.

More information on the regional infrastructure rate can be found in 'Rates'.

## Changes to transport rates

A key part of ensuring that Northland is a thriving and resilient region is planning for transport and providing effective public transport, a function that is also required of regional councils under the Land Transport Management Act 2003.

We currently provides public transport services in urban Whangārei, in the far north between Kaitāia, Mangōnui and Ahipara, and from South Hokianga to Kerikeri, and in the Mid-North between Kaikohe, Kerikeri, and the Bay of Islands. These services are paid for by targeted rates applied to properties located near the routes of the services in the Far and Mid North, and on a district basis for the Whangārei service.

We are now proposing to apply all targeted rates for transport on a district-wide basis. This means that all properties in the Far North district would pay \$8.80 for the bus services within the Far North district. All properties within the Whangārei district would continue to pay for bus services in the Whangārei district, however this will increase by \$7.56 (taking the total to \$21.46) so that improvements can be made to the service, and new services can be trialled. There is currently no public bus service in the Kaipara district, although we will investigate options for one if interest is registered.

District-specific information is set out below.

### Far North services

There are currently two targeted transport rates in the Far North district. These provide the local-share funding for three contracted, scheduled public bus services which are subsidised by the New Zealand Transport Agency (NZTA) – the Far North Link, Hokianga Link and Mid North Link.

Ratepayers who live near the identified routes (as shown on a map in our rates resolution) currently have the rate applied, with contributions varying from \$15.52 per rating unit for the Far North Link to \$24.32 or \$48.64 per rating unit for the Mid North Link. This method of funding through a targeted rate allows for very little operational flexibility to meet passenger demand by adjusting and re-routing services as required.

The proposed new district-wide rate would be used to fund the investigation and provision of transport services, as appropriate, to meet need and demand. These services may not necessarily be fully fledged contracted bus services, but smaller on-demand type services which could potentially be provided by existing community trusts, or ride or car share schemes, and may incorporate new technologies, including electric vehicles and ride sharing apps. We will

also consider the potential to offer a type of Total Mobility Scheme in conjunction with these alternative services if possible.

The amount of the Far North transport rate is based on the understanding that our application to NZTA for subsidies (for 54% of the total cost) will be approved. However confirmation of this subsidy will not be received until June this year, and if the subsidy is not received the rate will need to be adjusted accordingly if the services are to continue.

### Kaipara services

During our last Long Term Plan process (2015-2025) we sought feedback from Dargaville residents to gauge their support for the introduction of a public transport rate, which would allow for the investigation and implementation of a public transport service.

At that time it was clear there was low appetite for any ratepayer-funded services. However, with the proposed new district-wide set-up of transport rates, we welcome feedback from Kaipara residents on the concept of a transport rate for the district.

### Whangārei services

Ratepayers in the Whangārei district currently fund the management, promotion and operation of the CityLink Bus Service, and the administration of the Total Mobility Scheme, via a district-wide rate.

The CityLink Whangārei bus service operates within an approximate 11 kilometre radius of the city centre. The contact for this service was re-tendered last year, with the new contract commencing in May this year. Under this new contract, and with increased funding from the current Whangārei transport rate, passengers will see an increased number of buses which will provide a more efficient service and better connections. There will also be a new route to Gumdigger Place and Lower Port Road industrial area, an extension to the Fairway Drive route, and Saturday services operating to around 4.00pm. An improved electronic ticketing system will also be introduced this year.

## Stopping our contribution to Creative Northland

In our last Long Term Plan (2015-2025), we decided to fund three community projects that provided benefit to the wider community and aligned with our core objectives. Funding of \$90,000 per year was set aside for Sea Cleaners (\$25,000 a year), Whangārei Native Bird Recovery Centre (\$6000 a year) and Creative Northland (\$59,000 a year). Our support of Creative Northland dated back six years prior to this funding being granted, to support the growth of business capability in Northland's arts sector.

We are now looking to focus all our economic development support through Northland Inc, a Council Controlled Organisation (CCO), so we are proposing to stop our direct funding support for Creative Northland. One of the objectives of Northland Inc is to 'provide and facilitate business support services that enable Northland firms to grow'. Creative Northland is not solely dependent on the council for its funding, and it is not expected that stopping this funding will significantly impact the operation of the organisation.

## Updates to our policies

### Financial policies

#### Financial contribution policy

This policy sets out when financial contributions might be required for activities covered by the council's regional resource management plans. It has been updated to reflect the council's Proposed Regional Plan, and the impact of changes to the Resource Management 1991.

The policy has also been expanded to explain under what circumstances each of the council's operative plans might require financial contributions.

The full policy can be found in 'Financial policies'.

#### Revenue and financing policy

The Revenue and financing policy outlines how the council pays for everything it does. This policy is updated every three years to reflect changes in funding.

The following changes to how the council funds activities are proposed:

1. Consents advice and information - add residual fees/subsidy for advice as per charging policy
2. Natural hazard management - remove residual fees/subsidy as none are collected
3. Biosecurity – remove residual targeted rate, as Whangārei Heads pest management rate is proposed to be removed.

The first two changes reflect minor changes to fee collection, so make no substantial difference to the council's funding approach. The removal of the Whangārei Heads pest management rate reflects the council's proposed new approach to paying for pest management across Northland via a targeted region-wide pest management rate.

The draft policy has been updated to reflect the council's revised grouping of its activities. These changes will not change the way we fund these activities, but will change how we report on them.

The review of the policy as part of this long term plan process was thorough, resulting in significant reduction in the size of the policy, while retaining the required content.

The full policy can be found in 'Financial policies'.

### Rating policies

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's behalf. It is administratively efficient that the council adopts policies on the remission and postponement of rates and penalties, and early payment of rates that are the same as those of the three district councils. The council does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (for example, a policy, or part of a policy, related solely to water rates).

The proposed rating policies for the Far North, Kaipara and Whangārei districts, and the statement of proposal that relates to these, can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

Below is a summary of the proposed amendments to the policies that are relevant to Northland Regional Council:

#### Far North district

Far North District Council's (FNDC) 'Rating Relief Policies' have undergone significant review by the FNDC, resulting in policies with less repetition and duplication, reduced complexity, and a simpler structure. The scope of some policies was reduced to ensure they were equitable, and alterations were made to ensure that the unique history and nature of Māori Freehold Land ownership was recognised. Several policies also seek to reduce rates arrears.

Two new policies are proposed to address specific issues:

- Incentivising Māori economic development - a policy to remit rates on Māori Freehold land where development of the land for economic purposes is planned.
- Treaty settlement lands - a policy recognising post-settlement governance entities.

Three policies affecting the council are proposed to be revoked:

- Remissions of additional penalties - as this policy has become redundant.

- Remission of postponed rates - as each postponement policy now contains a condition (where appropriate) regarding when to remit postponed rates.
- Transitional policy for the postponement of rates on farmland - as agreements are in place and no further applications can be made.

The Rating Relief Policies that relate to rates collected by the Far North District Council on council's behalf, and are proposed to be adopted (or revoked) by council, can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018).

An overview of all changes proposed to be made to the Far North District Council's Rating Relief Policies, and the full suite of proposed policies can be found on their website:

[www.fndc.govt.nz/communication/consultation/long-term-plan-2018-28](http://www.fndc.govt.nz/communication/consultation/long-term-plan-2018-28)

### *Kaipara district*

Kaipara District Council maintains a 'Māori Freehold Land Rates Postponement and Remission Policy', 'a 'Rates Postponement and Remission Policy', 'and an 'Early Payment of Rates Policy'. Minor changes have been made to the policies to update them and be consistent with rating rules applied by Quotable Value New Zealand. There are no major changes to policies that relate to rates collection on the council's behalf.

The rating policies that relate to rates collected by the Kaipara District Council on the council's behalf, and are proposed to be adopted by the council, can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018).

The full suite of policies on the remission and postponement of rates and penalties, and early payment of rates proposed by Kaipara District Council can be found on their website:

[www.kaiparagovt.nz/Our+Council/Council+Publications/Long+Term+Plan+2018/2018.html](http://www.kaiparagovt.nz/Our+Council/Council+Publications/Long+Term+Plan+2018/2018.html)

### *Whangārei district*

Whangārei District Council have made changes to their 'Rates Remission and Postponement Policies'. The majority of changes are for readability and clarification, however some material changes are also proposed.

There is a proposal to add a postponement fee to several types of postponed rates, for the period between the due date and the date the rates are paid. This fee is to cover the council's administrative and financial costs, and may vary from year to year.

There is also an alteration proposed to the policy on remitting rates for minor flats where family members are living rent free. The proposed alteration adds the text "or other dependent Council considers in its absolute discretion, meets the policy intent". This would only apply to targeted rates that are applied on a uniform basis.

One additional policy is proposed, which would permit the remission of rates in cases that are not covered by existing policy, when it is inequitable not to do so.

Whangārei District Council have also clarified the wording of their 'Early Payment of Rates Policy'.

The Rates Remission and Postponement Policies and Early Payment of Rates Policy that relate to rates collected by the Whangārei District Council on the council's behalf, and are proposed to be adopted by the council, can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018).

The full suite of policies on the remission, postponement and early payment of rates proposed by Whangārei District Council can be found on their website:

<http://www.wdc.govt.nz/PlansPoliciesandBylaws/Plans/LTCCP/Pages/default.aspx>

## **Non-financial policies**

### **Policy on fostering Māori participation in council processes**

Previously the 'Policy on the development of Māori capacity', this policy has been refreshed. A clear legislative context and an outline of the council's values have been added. The policy now sets out the specific steps that the council will take to foster capacity and provide opportunities for Māori to contribute to the decision of council.

The full policy can be found in 'Non-financial policies'

### **Policy on the appointment of directors to council organisations**

The council maintains a policy on the appointment of directors to its council organisations, which at the time of writing included Northland Inc. Limited, Regional Software Holdings Limited, and Marsden Maritime Holdings Limited. The reviewed policy maintains its legislative and policy requirements, and has been simplified to remove unnecessary detail and ensure that the policy can apply to existing, and any future, council organisations.

The full policy can be found in 'Non-financial policies'

### **Significance and engagement policy**

The council's significance and engagement policy sets out when and how we will engage our communities in our decision making processes. The policy has been reviewed, resulting in the removal of duplication and a new layout that provides a more straightforward explanation of what is significant, and what this means in terms of consultation with our communities.

The most significant change to the policy ensures that the setting of any new rate, or the increasing of any existing rate by any amount, will be considered significant, and will result in consultation. This reflects the council's desire to let the community know if their rates are going up.



The full policy can be found in 'Non-financial policies'

### **Charging policy**

The council is authorised to set fees and charges to recover the costs of a range of services it delivers. The council's policies and principles for charging, and the schedule of fees and charges it sets are set out in council's charging policy, which is reviewed and updated annually following a period of consultation, which is usually run in conjunction with the relevant annual plan or long term plan process.

We include reference to the Charging Policy in the consultation document to this long term plan process, and in this supporting information document, as our fees and charges make up a significant portion of our income and are part of our financial story. The full draft charging policy can be found on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

Some minor updates and changes have been made to the draft charging policy 2018/19, including:

- The cost of our publication charges have decreased to reflect actual costs, with the option to obtain copies of council plans on memory stick added.
- A note of clarification has been added to the schedule of charges, to explain that the navigation fee for some coastal structures is calculated according to the number of vessels berthed (section 3.5.4.2 of the draft document).
- The section that sets out the marine biosecurity charges for the large port facilities has been altered to include Marsden Point (Refining New Zealand), as this is consistent with the other ports that are eligible for the charge (section 3.5.4.2 of the draft document).
- A section has been added that sets out the rates that the council charges for leasing of council owned moorings (section 3.10.7 of the draft document).
- A section has been added that outlines council's policy on unpaid charges, under the Biosecurity Act. Section 136 of the Biosecurity Act enables regional councils to apply a penalty to charges that remain unpaid for more than 20 working days. The council will now apply a penalty of 10% of unpaid charges to the debt incurred, after a period of 20 working days (section 2.6.7 of the draft document). Footnotes have also been added to the schedule of charges, noting the penalty policy.

These changes can be found in our full charging policy which is on our website [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)



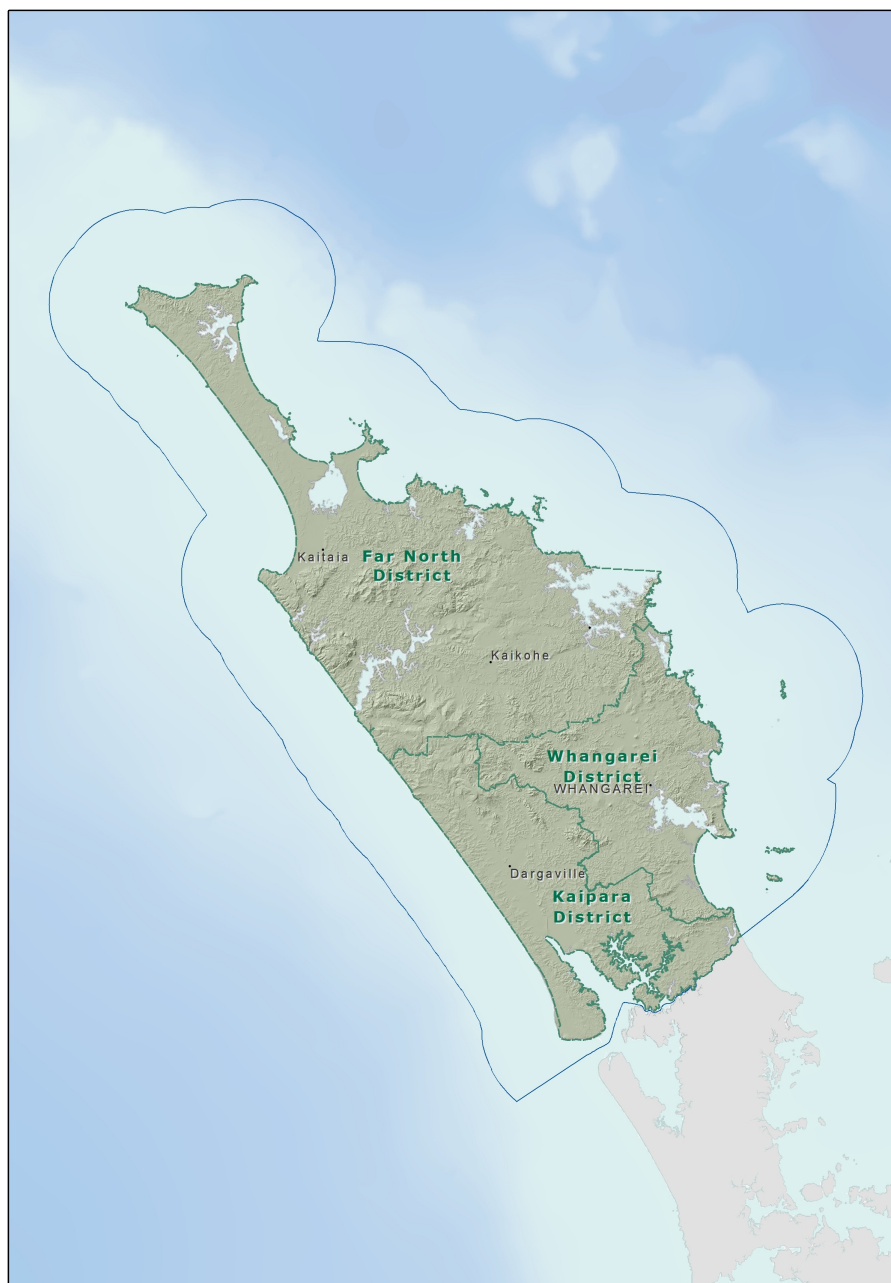
**About our region**

## Our place

Northland is known as “the birthplace of the nation” in recognition of its historic and cultural importance. It is also known for its national icons, such as ancient kauri forest and its scenic and accessible coastline (a national treasure), sheltered harbours, many offshore islands and ecosystems of important conservation value.

Northland is a long, narrow peninsula with a subtropical climate, the mildest of any New Zealand region. It has a land area of 13,286 square kilometres (including freshwater bodies). The region is growing in popularity as a holiday destination due to its outstanding natural environment, warm climate, low population density, and proximity to Auckland. It is a diverse region in both socio-economic patterns and environmental characteristics.

*Map of Northland*



## Our people

Our population continues to grow and is estimated at 175,500 (at June 2017). Over the past five years Northland's population has grown by 1.4% per annum, slightly below the national rate of 1.7%. Population growth has been strongest in the southern and eastern parts of the region. Northland has a different ethnic make-up composition

compared to the rest of New Zealand. About one-third of the Northlanders identify themselves as Māori compared to 16% nationally. Those of Asian ethnicity make-up 12% of the national population but represent just 3% of the Northland population. Only in the Gisborne region does a higher proportion of the population identify itself as Māori (49%).

Over the last five years, almost 70% of the total Northland population increase has occurred in those aged between 65-84 years. People aged over 65 now account for 19% of the Northland population compared to just 4% in 1996. Around 40% of Northland's population is aged over 65 or under 15 years; this compares with 34% nationally.

In the year ended March 2017 Northland received a net international migration inflow of 856 people. This is a year ended March record, breaking the level set in 2016 and in turn 2015. Prior to the last three years, the previous March year record was 168 set in 2003. Over the period 2005-2014 Northland had a net outflow of 590 per annum, with a net loss of over 1300 people in both 2012 and 2013. The net inflow in 2017 represents a population gain of 0.5% compared to a loss of 0.8% in 2012. All three districts show similar net international migration changes.

Over a 10-year period from June 2018, the population of Northland is projected to increase from 176,100 to 188,600 people (based on Statistics NZ medium growth scenario). This is an average annual growth rate of 0.7% over the 10-year period, slightly below the national increase of 1%. Almost 50% of the projected population increase is expected to be people of Māori ethnicity. By 2028, Māori are projected to account for 39% of the total Northland population. The vast majority (92%) of the projected population increase over the 10-year period 2018-2028 is expected to occur in the 65-84 years age group. The number of Northlanders in this age bracket is projected to increase from 31,410 in 2018 to 42,950 in 2028, an average annual increase of 3.4%. People aged over 65 are forecast to account for 26% of the Northland population in 2028 and 30% by 2038.

In 2016, only 12% of Northlanders reported that they had 'more than enough' money to meet their everyday needs for things such as accommodation, food, clothing and other necessities. This compares with the national average of 18%, and is the lowest among the regions for which the data is available. Despite scoring lowest in terms of financial well-being, just over one-third of Northlanders rated their overall life satisfaction as either 9 or 10 on a 0-10 scale. This is the same proportion as the national average and sits Northland in the middle of the regional pack. Just over 4 out of 10 Northlanders has a very strong sense of belonging to the region (they rated 9 or 10 on a 0 to 10 scale). Only respondents from Gisborne and Taranaki indicated a stronger sense of belonging to their region.

## Our culture

Northland has a rich history as the first area settled by a large Māori population and the centre of early European exploration and settlement. There is an extensive range of traditional and archaeological sites, historic buildings and structures. Traditional sites are important because of their historical, cultural and spiritual significance to Māori. This includes everyday sites such as pā sites and traditional food

gathering areas, and wāhi tapu (sacred sites) such as urupā (burial grounds), war sites or tauranga waka (sites where ancestral canoes landed).

Archaeological sites relate to the more recent European occupation during the timber milling and gum digging eras and include camps, dams and coastal shipwrecks. The heritage of Northland is also reflected in the early colonial buildings and structures such as the stone store at Kerikeri, the missionary houses at Waimate, Kerikeri and Russell and the Waitangi Treaty House and National Reserve.

Cultural tourism is an integral part of the experience that Northland offers. Art and heritage trails guide visitors throughout the region along the Twin Coast Discovery Highway. Northland's coastal waters are one of the favourite recreational playgrounds for lovers of anything aquatic. There are few places in the world that can match what Northland has to offer. Beneath the waters lie many attractions too, with some of the world's top and most easily accessible dive and snorkelling sites. The warm waters of Northland make this New Zealand's natural playground.

## Our economy

Northland has a diverse economy. Manufacturing (including Refining New Zealand at Marsden Point) is the largest level 1 industry in the region, accounting for around 17% of Northland's Gross Domestic Product (GDP) valued at \$5.9 billion (2010 prices) in the year ended March 2016 compared to 10% nationally. The primary sector (agriculture, forestry, mining and fishing) contributes about 12% (7% nationally) followed by health care and social assistance (7%).

There has been a steady rise in Northland's GDP growth rate over the past five years following a slow recovery post the Global Financial Crisis (GFC). Over the five-year period 2011-16, the Northland economy grew at an annual rate of 2.5%, the same rate as the national economy. Northland sits towards the top of the regional pack, with only Auckland and Canterbury growing at a faster rate since 2011. A notable feature of Northland's GDP growth over the past three years was the positive contribution of employment. Moreover, GDP per worker in Northland has grown by 1.3% per annum since 2011 – faster than the 0.7% national average. Growth has been very broad based, with private sector dominated services, manufacturing and primary industries all making a strong contribution. Over recent years Northland has experienced record levels of dairy and avocado production, forestry harvest and tourism activity (guest nights and expenditure).

In the year ended March 2016 there were 68,000 full time equivalent positions filled in Northland. This is 4500 more than in 2006, representing a 7% increase. This rise in employment has not been even across the various sectors. Over the 10-year period 2006-16, an additional 3100 jobs have been created within public sector dominated services, with an additional 1600 in other service industries. Conversely, there are now 700 fewer jobs in manufacturing than in 2006, and 20 fewer jobs in the primary industries.

While low skilled jobs make up roughly 40% of total jobs in Northland, the number of low skilled jobs has fallen by 200 since 2006. Over the same 10-year period the number of high skilled jobs has increased by 3800 (23%).

The annual average unemployment rate in Northland was 7.5% in the year ended June 2017. This is lower than the rate recorded in June 2016 (8.2%). Since the post GFC peak in June 2010 of almost 9%, Northland's unemployment rate has been relatively steady at about 8%. Northland has the highest unemployment rate of the 12 regions, with Gisborne / Hawke's Bay recording the next highest with 7%. Unemployment rates for both Māori and European have remained relatively constant over the past five years, averaging 17% for Māori and 5.8% for European. The large rise in unemployment since 2008 has predominately been Māori.

## Our environment

With its proximity to the sea, almost subtropical location and low elevation, Northland has a mild and rather windy climate. Summers tend to be warm and humid. Winters are usually mild with many parts of the region having only a few light frosts each year. The prevailing wind for most parts of the region is from the south-west however, in summer tropical cyclones give rise to north-easterly winds and heavy rainfall.

The mean annual rainfall ranges from about 1000-1300mm in low-lying coastal areas, to over 2500mm on some of the higher country, with approximately one-third of the yearly rainfall total falling in the winter months of June, July and August. High-intensity rains can cause severe flooding. Droughts are also common in Northland during the summer months. Records show that parts of the region, on average, have a drought of economic significance every three years.

Climate change is predicted to cause higher temperatures and extreme weather patterns with greater intensity rain events and periods of drought. Northland's subtropical weather and wide range of places for things to live means we have many different plants and animals, many of them found nowhere else. Our ecosystems of importance include rivers, lakes and wetlands, forest and shrublands and our coastal environment. We also have a range of pest animals and plants we need to eradicate or manage with the help of the community.

Many of Northland's rivers are relatively short with small catchments. The Wairoa River is Northland's largest river draining a catchment area of 3650km<sup>2</sup> (29% of Northland's land area). Most of the major rivers flow into harbours, rather than discharging to the open coast, which has significant implications for coastal water quality. Northland's surface water quality varies and tends to worsen as it flows through modified lowlands. The region has a large number of small and generally shallow lakes but we also have Lake Taharoa of the Kai Iwi group which is one of the largest and deepest dune lakes in the country – it covers an area of 237 hectares and is 37 metres deep. These dune lakes are a

special feature of Northland, with Northland being one of the few places in the world where they are found, particularly in such high numbers and with such diversity. Many are in pristine condition because they are so isolated and difficult to access.

Our groundwater is a valuable resource as it is used by many towns and rural settlements for domestic water supply, irrigation and stock drinking water. Our groundwater quality is generally good with the majority of monitoring samples meeting national standards for drinking water. Groundwater allocation has increased by 40% since 2011 due to increased demand, particularly in the Far North. Northland also has one geothermal field around Ngāwhā Springs, to the east of Kaikohe.

Northland's 3200km of coastline is diverse with 14 major harbours, including the Kaipara harbour which is the largest harbour in the Southern Hemisphere, many smaller estuaries and long stretches of open, sandy coast. Our coastal waters contain the highest diversity of fish and invertebrates of any region in mainland New Zealand, and contain marine ecosystems of national and regional importance. Harbour water quality is affected by both natural and human-influenced contaminants. A major pressure is run-off and discharges of contaminants from land, particularly sediment and nutrients. Sources of contaminants include agriculture and forestry activities, and the direct discharge of contaminants from municipal wastewater plants, stormwater systems and industrial sites.

Overall, water quality in Northland's harbours is generally good. It follows a typical pattern of better water quality in the lower harbour and reduced water quality in the upper harbour, which is nearer to contamination run-off. Testing in Bay of Islands, Whangārei, and Kaipara Harbours shows there have been a number of water quality improvements over the last six years.

Northland's air quality is comparatively good, but in a few localised areas it approaches the limits of national environmental standards from time to time. Dust nuisance from unsealed roads is an on-going issue. Flooding is the most frequent natural hazard affecting our region, putting life and property at risk. Tsunami are also considered a high risk hazard for Northland, especially among our coastal communities.

## Our infrastructure

The present transportation network includes 840 kilometres of state highways and around 5900 kilometres of local roads (60% unsealed), a rail link from Auckland via Whangārei to the Fonterra dairy processing plant at Kauri, a deep-water port at Marsden Point and commercial airports at Whangārei, Kerikeri and Kaitiāia. Public transport services are available in urban Whangārei, between Kaitiāia, Mangōnui and Ahipara, and in the mid-North between Kaikohe, Kerikeri, and the Bay of Islands. In August 2016, a new State



Highway 15 between Ōkaihau and Marsden Point was designated, adding an additional 89 kilometres to the state highway network in the region.

The Marsden Point oil refinery is a nationally significant asset, providing about 40% of New Zealand's energy needs, including: all jet fuel, all fuel oil for ships, nearly 80% of diesel, between 75-85% of bitumen for roading, around 50% of all petrol, and sulphur for farm fertiliser. A major plant upgrade project - Te Mahi Hou - designed to lift production and cut CO<sub>2</sub> emissions was completed in early 2016. A 168 kilometre underground pipeline connects the refinery to the Wiri Oil Terminal in Auckland. The pipeline transports petrol, diesel and jet fuel at up to 400,000 litres per hour. Supply was halted for pipeline repairs in September 2017 after an excavator damaged the pipeline on a rural property near Ruakākā.

The Northport deep-water port offers a number of opportunities. The majority of cargo through the port is of a bulk nature: logs, wood chips, fertiliser and cement. In 2015, Northport purchased a mobile crane to enable it to load dedicated container vessels. The 220 hectares of immediately-available 'green field' commercially-zoned land adjacent to the port boundary provides considerable room for expansion. A rail link between the port and the main trunk line has been in development for a number of years, with designations complete. Further progress on land purchases has been postponed while KiwiRail investigates the economic viability of the Northland-Auckland rail line.

Kerikeri airfield has customs clearance services available and is within flying distance for light aircraft arriving/departing from New Zealand to Norfolk Island, Noumea in New Caledonia or Lord Howe Island, which can be used as a stepping stone to the Australian mainland. Kaitiāia airport has the longest sealed runway in Northland (1405m) and Kaikohe airfield has the longest grass runway in Northland (1500m). A major upgrade to the Whangārei Airport terminal building was completed in 2016.

We also have a very small hydro-electric power station on the Wairua River and a geothermal power plant at Ngāwhā. While the geothermal plant produces around 70% of the electricity consumed in the Far North District, the majority of Northland's power needs are generated from outside the region and transmitted via the national grid from Auckland. A construction programme is about to commence that will double the capacity of the Ngāwhā geothermal power plant to 53MW by June 2021.

As part of a central government programme, an ultra fast broadband (UFB) network was completed in Whangārei in May 2014, providing UFB coverage to around 30% of Northland's population. The uptake of this fibre connection in Whangārei is around 45%, above the national UFB uptake rate of 39%. Residents in a further 38 towns in Northland, containing an additional 28% of our population, will be able to access a fibre connection by 2022 as part of the UFB expansion programme. It is estimated that a further 28% of Northland households are able to access broadband of

at least 20 Megabits per second (Mbps) through the initial Rural Broadband Initiative (RBI). In August 2017, central government announced that further investment will be made on expanding rural broadband and reducing mobile black spots. The deployment of 51 new mobile towers in Northland by the end of 2022 under this programme is estimated to result in 95% of Northland households having access to broadband connection at speeds of at least 20Mbps.

A new 14,000 kilometre trans-Pacific submarine cable which will link New Zealand and Australia to mainland United States is being laid and will make it's New Zealand landfall at Mangawhai Heads. The establishment of the Cable Landing Station in Northland greatly increases the attractiveness of the region for ICT, digital, science and knowledge-based industries. The system will be in service by mid-2018.





## Key strategies

# Financial strategy

## Purpose

The financial strategy brings together financial forecasts from the Long Term Plan and a summary of issues that may affect the council's finances. These factors are used to inform the council's overall financial direction.

The Local Government Act 2002 (LGA) requires local authorities to prepare and adopt a financial strategy as part of its long term plan (section 101A).

The purpose of the strategy is to facilitate:

- Prudent financial management by the local authority by providing a guide to consider proposals for funding and expenditure.
- Consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt and investments.

Note that all figures are GST exclusive, except when we are talking about rates we collect, which are GST inclusive.

## Objectives

The financial objectives are implemented through the policies and plans which make up the complete Long Term Plan.

The council must ensure that infrastructure is resilient in the face of future natural hazards; invest in environmental enhancement and economic growth; and deliver high quality services.

To fund this activity, the council must have a fair rating system, keep rates increases reasonable, achieve returns on investments that meet its risk and return policies, and carefully manage borrowing.

The ongoing challenge for the council is in achieving a balance between meeting community expectations and providing quality services, while keeping rates affordable.

## Increasing expectations

The council is looking at expanding its environmental work programmes to address the growing expectations, from our communities and central government, about the way we manage biodiversity, forestry, flood risk and other natural and physical resources, in particular freshwater.

New work involves increased cost and the council needs to understand what level of investment ratepayers are willing to make towards achieving community aspirations. To assist

ratepayers to make these important decisions, the long term plan sets out the proposed programmes of work for the next ten years and the cost of funding these activities.

Overall, the proposed areas of new and extended work in this Long Term Plan mean significant rates increases.

The three major areas are:

- **Flood protection:** Due to recent flood events in New Zealand, there is greater emphasis to ensure the region has effective flood protection in place.
- **Water:** Implementation of the National Policy Statement for Freshwater Management, including its 2017 amendment, has significant resource impacts for the council.
- **Pests and predators:** The government expects councils to contribute towards its ambitious goal to rid New Zealand of possums, rats and stoats by 2050.

## Current financial position

The council is in a sound financial position.

Rates income for the 2017-2018 year is expected to be \$21 million.

The council holds investment assets (including current cash and cash equivalents with a market value of **\$205 million**<sup>(1)</sup>. These investments are expected to provide annual investment income of approximately **\$9.5 million (2017/2018)**. Investment income is used to further economic development and fund operations, thereby reducing the rating burden for all ratepayers.

At 31 January 2018, the council held flood infrastructure assets valued at **\$22.7 million**.

At 31 January 2018, council debt was **\$15.8 million**.

## Looking ahead

We are not expecting to face significant changes to our region that would affect the services we deliver. Population and housing will continue to grow, but at a slower rate than the national average, high rainfall events are expected to continue, and our communities' ability to pay rates (including payment of rates arrears) remains an issue.

While the Northland economy is performing well overall, the benefits vary throughout each district. The council will continue to take an active role in supporting regional economic development.

<sup>1</sup> The council holds 22,142,907 shares in Marsden Maritime Holdings Limited (53.61%). These shares are recorded at an historical cost of \$7,827,563 (25 cents per share) in the council's balance sheet, but have a current share value (as at 30 June 2017) of \$96,321,645 (\$4.35 per share).

## The world around us

Externally, national and international economic, environmental and political factors impact the council's finances. These can include future changes, interest rates, markets, legislation, natural hazards and climate change. Specifically, the cost of providing public transport is increasing due to increased contract costs and increasing fuel prices.

Price increases associated with inflation are expected to continue to increase at a rate of between 2% and 2.6% per annum across all expenditure categories, except for salaries. Salary costs are expected to increase at between 2.2% and 3% per annum.

## Economic growth

During the past five years the Northland economy has been performing on a par with the national economy, with gross domestic product (GDP) growing at an average annual rate of about 2.5%. This has led to a steady rise in employment over the past few years, with a corresponding lift in the median household income. However, this growth has not been even across the region, with the Far North district growing by just 1.4% per annum on average over the past five years, compared to 4.3% in Kaipara and 2.7% in Whangārei.

While the economy has been performing well, Northland's GDP per capita - an indicator of the region's standard of living - is still the third lowest among all 16 regions in New Zealand (ahead of Gisborne and Tasman) in 2016, and is about 72% of the national average.

The council believes that economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland, such as poor housing, health and education, and will continue to take an active role in supporting the economic development of the region.

## Population

Our population is expected to grow at a slow rate (around 0.7% annually on average) over the life of this plan, around half the rate experienced over the past decade and slightly lower than the 1% average annual increase in the national population. These small population changes generally have very little impact on our services and existing resources can cope with service demands without major adjustments. However, minimal population growth will also restrict any increase in rateable properties over the next 10 years, with no additional ratepayers to help distribute the rates burden.

The average age in Northland is predicted to increase over the next 10 years. The over-65 age group is projected to make up 26% of Northland's population in 2028 compared to 19% nationally. The council recognises that this age bracket is more likely to retire on low fixed incomes and be predominately reliant on superannuation in its later years.

## Land use

The Northland region has extensive development on floodplains. The use of land is not expected to significantly change within our region in a way that would impact on our services and costs over the next 10 years.

## Weather

Our weather is susceptible to high-intensity rains that can cause severe flooding and droughts in the summer months. Climate change is predicted to cause higher temperatures and extreme weather patterns with greater intensity rain events and periods of drought.

Projected increases in rainfall intensity and sea level rise will affect the coping capacity of our flood protection infrastructure. This means we need to do more flood protection work. The Infrastructure Strategy identifies major river/flood-scheme projects over the next 30 years in Awanui, Kāeo-Whangaroa, Taumārere-Kawakawa, Panguru and the Whangārei urban area.

## Payment of rates

Rates arrears are expected to continue. Historically the council budgets for doubtful debts on unpaid rates. This issue predominately relates to the Far North district, where there are significant portions of Māori freehold land. Over the last three years, Far North has collected about 88% of our rates compared with 94% in both Kaipara and Whangārei. Similarly, the Far North collects around 13% of our rates arrears compared with 55% and 64% collected in Kaipara and Whangārei. As a result, Northland Regional Council had a net rates write-off of \$432,000 in the 2016/17 financial year (\$668,000 in 2015/2016). We are anticipating a similar result in the years of this Long Term Plan.

## How we will achieve our objectives

### Focusing on the right activities

The council must balance its role and purpose (as defined in the Local Government Act 2002) with wider community desires and what it believes will make a positive difference. We will listen to the community to ensure we respond to their needs and wants, and we will maintain or increase the services we provide as efficiently as possible.

We plan to increase spending on:

- A number of new initiatives to meet government and community expectations, particularly of the council's role as environmental guardians:
  - Flood protection and control, particularly in the Far North
  - Fresh and coastal water initiatives including government subsidised programmes
  - An increased pest control programme

- More funding for the Environment Fund
- Greater monitoring through State of the Environment and Hydrology
- Recreational facilities
- Support services for increased core business
- Meeting the increased cost of providing public transport.

## Managing flood risks

Managing rivers is essential for Northland, as river flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region's exposure to high intensity rainfall. We plan to continue investing in new flood protection schemes (also referred to as river schemes).

The Infrastructure Strategy in this long term plan sets out the council's role, and how it intends to manage flood protection and control work assets. It helps us make informed decisions in the short-term that will position us to deal with the major decisions and infrastructure investments in the future.

We plan to maintain and - where the affected communities desire - enhance or create new flood protection and control work infrastructure.

## Investing in economic development initiatives

The council will continue to redirect some of its investment income away from subsidising rates (by funding operating expenditure) to invest in economic development initiatives.

\$1.7 million of investment income will be redirected to the Investment and Growth Reserve each year. We believe this level of funding makes a positive difference.

The Investment and Growth Reserve is used to fund specific projects that will increase Northland's economic performance, including increasing the number of jobs and the average household income of the region. This includes funding Northland Inc Limited.

The level of funds transferred can be reviewed and adjusted as needed.

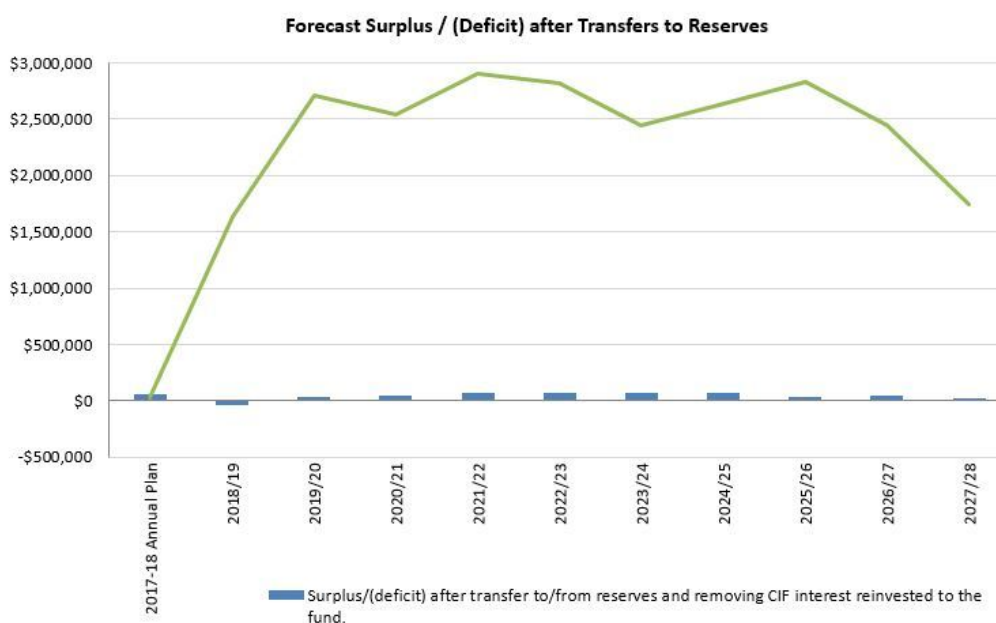
## Maintaining a balanced budget

We aim to operate a 'balanced budget'. That means our operating expenditure including depreciation is covered by our available funding in each year. We are continuing to run the council with a small surplus. Our funding sources, including rates (targeted region-wide rates and specific targeted rates), investment income, user fees and charges, and grants and subsidies, continue to be sufficient to meet operating expenses.

The council holds some of its funds in reserves. We can fund unexpected or unknown expenditure from these reserves rather than budgeting for such expenditure. This enables us to extend and support increased service levels and a range of environmental and economic development initiatives, while limiting fluctuations in rate levels year to year.

We are forecasting conservative cash surpluses of less than \$80,000 for the term of this plan (after transfers to/from reserves and removing reinvestment of Community Investment Fund interest).

Forecast surplus / (deficit) after transfers to reserves

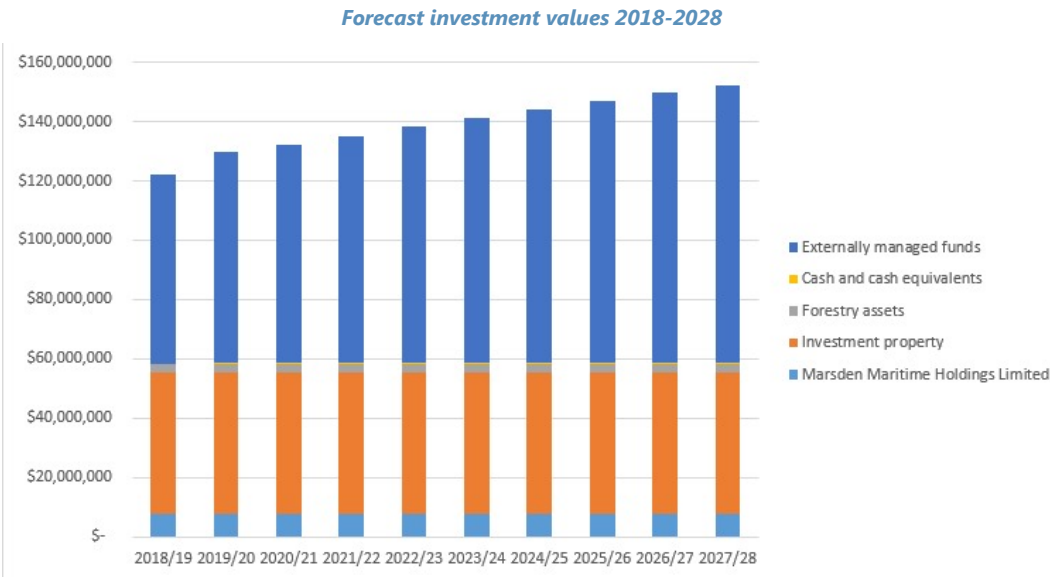


Increasing returns on investments

The council holds investments on behalf of the regional community to produce a revenue stream that reduces the council's reliance on rates revenue, and/or supports the wider economic benefit of the region. We must balance the desire to increase investment returns against the need to safeguard the ratepayers' assets so the benefits can be enjoyed by future generations. Investment returns can be affected by influences outside the council's control. As per its Investment Policy, the council seeks to achieve a net return We invest in the following:

of around 7% per annum across its whole investment portfolio. The Investment Policy is informed by expert advice, and outlines how our investment portfolio is managed.

As an example of our reliance on investment income, a 1% decrease in forecast returns on investments (excluding forestry, which has highly variable returns year to year), and a one cent per share reduction in the dividend from Marsden Maritime Holdings Limited, will result in average rates per rating unit or separable unit or inhabitable part (SUIP) in a single year increasing by \$11.79.



Marsden Maritime Holdings Limited (port company)

The objectives for holding shares in Marsden Maritime Holdings Limited are: to provide an income stream to be available for projects that contribute towards economic wellbeing for Northland; to hold an investment asset on behalf of and for the benefit of Northland; and to hold a strategic asset (the LGA classifies a local authority's shareholding in a port company as a strategic asset).

the development, maintenance and protection of the council's timber plantations to maximise long-term revenue, while meeting the council's environmental responsibilities.

Cash and cash equivalents

The objectives for holding investments in cash and cash equivalents are to maximize returns and to protect council's investment capital.

Property

The objectives for holding investment property are: to provide an income stream to be available for projects that contribute towards the economic wellbeing for Northland; to hold assets on behalf of the regional community for the strategic protection and development of the region; to meet statutory obligations in relation to endowment properties; and to achieve the best possible return subject to the powers and provisions of the LGA, Public Bodies Leases Act 1969 and the Property Law Act 2007.

Externally managed funds

The objectives for holding investments in externally managed funds are to maximize returns and protect the council's investment capital. Further purposes of managed funds are defined in each fund's Statement of Investment Policy and Objectives (SIPO).

Forestry

The objectives for holding forestry investments are: to provide an income stream to be available for projects that contribute towards economic wellbeing for Northland; and

Managing capital values

The capital value of the council's non-cash investments (investment property, forestry, and shares held in Marsden Maritime Holdings Limited) are subject to market fluctuations. Generally, over the long-term, we consider the value will appreciate at a rate similar to, or greater than, inflation and therefore the real value will be maintained. This is important as it ensures the comparative value is maintained for the benefit of today's and tomorrow's ratepayers.

We review and decide on a continuing basis whether to re-capitalise cash and cash equivalent investments (stocks, bonds and convertible notes), to maintain their real values. This decision is made after taking into account the current market conditions, our desire to subsidise rates, and our intention to continue to use investment income for economic development projects.

The Community Investment Fund is available for economic development initiatives. To ensure the integrity of the fund, it should not move below \$12.5 million.

### Balancing affordability and who pays

Getting the right balance in terms of who benefits and who pays for services, against affordability, wider social benefits and important flood protection and control work infrastructure, is essential. These elements are closely scrutinised when the council proposes and establishes its targeted rates.

The same scrutiny is applied (private versus public benefit) in setting user fees and charges. The way that we fund each activity is set out in the Revenue and Financing Policy. The user fees and charges are set out in the Charging Policy.

### Managing the rates arrears

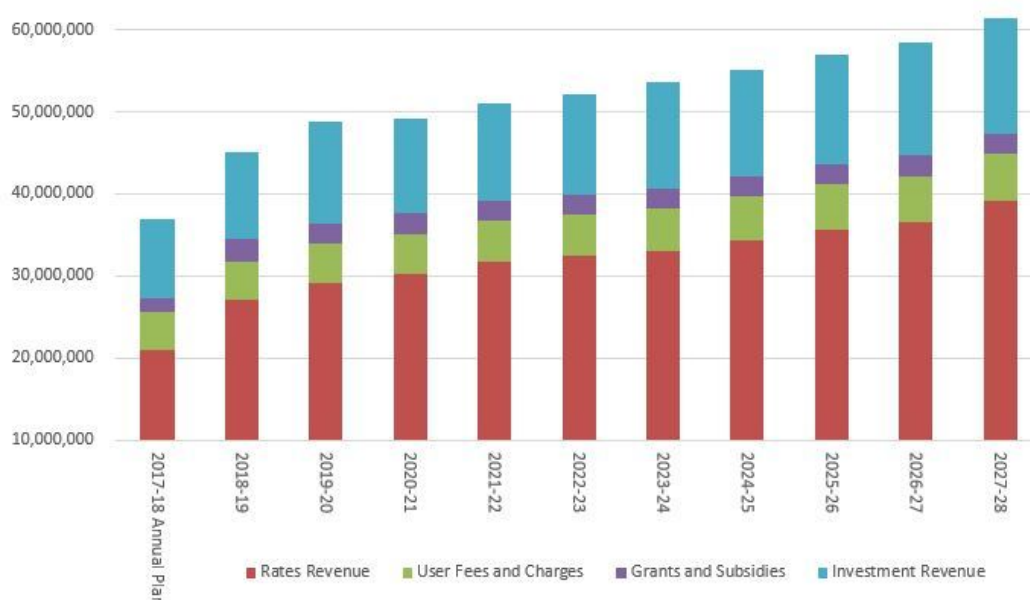
The council makes allowance for unpaid rates when setting its budget. Provision for \$500,000 is included in the budget, funded from rates and general funds. We will continue to work with Far North District Council to try to find workable solutions to reducing the number and value of unpaid rates.

### Funding our expenditure

The council pays for its activities through a range of funding sources. The way we fund each activity is set out in the Revenue and Financing Policy.

The funding mix over the period of the long term plan is set out in the graph below.

*Council funding sources - 2018-2028*



### Rates

#### Rates limits

Total rates will not exceed 65% of total revenue. Total rates increases will not exceed 10% in any one year.

Our rate limits represent a balance between:

- The need to address a range of issues facing the region;
- Increased community and government expectations;

- Continuing to manage our financial resources prudently by maintaining a strong and sustainable financial position; and
- Remaining mindful of the affordability of rates.

Over the 10 years of this plan, the average annual rates increase (excluding targeted transport and river rates) is \$19.01 (6.5%) per rating unit or SUIP.



However, the average increase in 2018/19 is much higher than the average, at \$66.59 (29.2%). This is a one-off, caused by significant increases in service levels, particularly in flood risk reduction, improving freshwater management and increased pest and predator management. In 2018/19 we exceed our total rates increase limit of 10% per year.

For the remaining nine years of this plan, much more modest increases (all within our rates limits) are forecast, between 1.8% (\$6.30) and 8.1% (\$23.73). We achieve this by continuing to use some of our investment earnings and reserves to help fund operating expenditure.

After the initial step-change in year one, we want to smooth any rate increases over the following nine years, to help give ratepayers certainty about their rates bill. We'll do this by conservatively estimating expenditure that is highly variable, on the understanding that the Equalisation Reserve can be used for distinctive and one-off costs if necessary.

The council is confident it can continue to provide and maintain existing levels of service within the rates and borrowing limits, and provide the new initiatives, most of which are introduced in the first year.

### Targeted region-wide rates

We use targeted region-wide rates to fund operational activities where it is impossible or impractical to clearly identify customers or users, or to fully recover costs from those who benefit from the situation, or make the situation worse. Targeted region-wide rates are also used to fund those activities that the council considers provide a public benefit or public good.

The targeted region-wide rates are:

- Council services rate
- Land management rate
- Freshwater management rate
- Pest management rate
- Flood infrastructure rate
- Civil defence and hazard management rate.

### Specific targeted rates

The council will use specific targeted rates where it provides services to a specific area or group within the regional community but there is no mechanism to directly charge those who benefit from the situation, or make the situation worse, or for transparency and accountability reasons.

The specific targeted rates include:

- Transport rates (Whangārei and Far North)
- Flood/river scheme rates (Awanui, Kaihū, Kāeo-Whangaroa, Taumārere-Kawakawa and Whangārei urban rivers)
- Regional sporting facilities rate

- Regional infrastructure rate
- Emergency services rate.

All the flood schemes that have both operational and capital works will be managed to spread the cost (and loan repayment if any) over a suitable period that takes into account the period of benefit, inter-generational equity and affordability. The flood scheme rates are constant throughout the term of the plan, except for the Kāeo-Whangaroa rivers rate which reduces in 2021/22 to fund maintenance only.

The transport, regional infrastructure and emergency services rates are not projected to increase by inflation in this plan. The council may consider these rates for inflation adjustment in the future.

The regional recreational facilities rate, which is funded by the development of the Regional Events Centre, has now been paid off. The council would like to continue with a re-framed rate, known as the regional sporting facilities rate, to fund the development of further sport facilities across Northland which are of regional benefit.

## Managing our infrastructure assets: Flood protection and control

All the council's infrastructure assets are related to our river management activity. They include stopbanks, floodgates and other river scheme assets to protect areas from flooding.

We currently have flood control infrastructure in place in Awanui (asset value of \$11.1 million), Kāeo-Whangaroa (asset value of \$883,000), and the Hopua te Nihotetea (Kotuku Street) detention dam, part of the Whangārei Urban Rivers Scheme (asset value of \$10.7 million). More detailed information can be found in the 'Infrastructure strategy: Flood protection and control' and on the council's website at [www.nrc.govt.nz/priorityrivers](http://www.nrc.govt.nz/priorityrivers).

In conjunction with the affected communities, we aim to find the right balance between providing the necessary infrastructure and the affected communities' (and region's) ability to pay. In response to demand, the Infrastructure Strategy provides for new and extended flood schemes. Assets also need to be maintained so that they keep on functioning as expected. The following table shows the cost of these capital works.

*Forecast spending on new and replacement river assets – 2018-2028*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Scheme	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Kaeo - new	-	-	-	40	360	-	50	250	250	200
Awanui - replacement	1,827	855	2,689	2,646	685	1,814	1,784	1,694	994	-
Whangarei urban rivers - new	800	150	-	-	50	-	-	-	-	-
Kerikeri / Waipapa - new	15	15	220	-	-	-	-	-	-	-
Panguru - new	-	-	-	-	40	260	140	-	-	-
Taumarere - new	50	30	320	-	-	100	150	1,000	1,000	250
<b>TOTAL</b>	<b>2,692</b>	<b>1,050</b>	<b>3,229</b>	<b>2,686</b>	<b>1,135</b>	<b>2,174</b>	<b>2,124</b>	<b>2,944</b>	<b>2,244</b>	<b>450</b>

## Borrowing

Borrowing is intended to achieve a degree of inter-generational equity. It allows ratepayers to fund the new infrastructure over an extended period of time, in part reflecting the life-time of the asset and the benefits from it. The council can borrow externally, or internally from its reserves. The council intends to borrow externally to fund infrastructure assets as investment returns are forecast to exceed its external borrowing costs. This approach will be reviewed. The council's Liability Management Policy is informed by expert advice, and contains the criteria by which our borrowing decisions are made.

At present the council is a borrower from the Local Government Funding Agency (LGFA) but is not a guarantor, so is limited to borrowing a maximum of \$20 million from this source. The council's projected borrowing over the period of this Long Term Plan exceeds \$20 million, so we are proposing that the council becomes a guarantor to the LGFA, which will allow us to borrow over \$20 million, up to our borrowing limits set out below. As a guarantor member, the council, along with other guarantor member councils, would be partly responsible for covering the cost of any other member that defaults on its loan payments. The council would be liable for 0.4% of a defaulted loan, which would be \$400,000 on \$100 million loan. It is considered that in the very unlikely event that this happens, the financial consequences for ratepayers would be low.

### Borrowing Limits <sup>(2)</sup>

- Net debt will not exceed 175% of total revenue

- Net interest will not exceed 10% of total revenue <sup>(3)</sup>
- Liquidity will be greater than 110%.

Compliance with these limits over the 10 years of the Long Term Plan is demonstrated in the Financial Prudence section.

### Policy on securities for borrowing

To borrow money externally, we must offer our lenders some securities, just like residents do with their mortgage. Like most councils, we usually secure our debt against our rates revenue.

When we borrow externally, we will likely need to put in place a debenture trust deed prior to accessing the funds. Under a debenture trust deed our borrowing is secured by a floating charge over all council rates assessed under the Local Government (Rating) Act 2002. In such circumstances, the security offered by the council ranks equally ('pari passu') for all stock issues by the council.

Where appropriate, we may seek project financing which may have a charge over a project or specific assets rather than rates. Physical assets will only be charged where:

- There is a direct relationship between the debt and the purchase or construction of the asset which it funds (such as an operating lease or project finance);
- The council considers a charge over physical assets to be appropriate; and
- Any pledging of physical assets complies with the terms and conditions contained within the debenture trust deed.

<sup>2</sup> Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue, and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total consolidated debt, less liquid financial assets and investments. Net interest is defined as the amount equal to all interest and financing costs, less interest income for the relevant period. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt

<sup>3</sup> Section 21(1) of the Local Government (Financial Reporting and Prudence) Regulations 2014 states that a local authority meets the debt servicing benchmark for a year if its borrowing costs for the year are equal to, or less than, 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) for the year.



The council may use its reserve and special funds, and refers to this activity as 'internal borrowing'. The use of special funds and reserve funds (and internal borrowing of special funds/reserve funds and other funds) will be on an unsecured basis.

### **Loans for infrastructure assets**

The capital infrastructure of our river management schemes is expected to have a useful life of up to 150 years. The council has used internal and external borrowing for the Whangārei urban, Kāeo-Whangaroa and Awanui river schemes, and the Marsden Point Rail Link.

The council will borrow externally to fund future river schemes. The maximum loan period is 30 years. The actual loan period is determined after considering the extent of the capital works and the period of benefit, affordability, and commitment of future generations. Rates will be

collected to ensure the council has sufficient funds to repay these loans when they are due. The rates collected will be held and invested in managed funds until the loans are due.

### **Internal borrowing rates**

In determining the internal borrowing rate, the council considers the long term returns that it earns on its reserves/investments. The actual internal borrowing rate is subject to change and is reviewed by the council annually.

For the purposes of budgeting, the cost of funds applied to internal borrowing for all loans over \$50,000 is 7% per annum. Interest may be applied to funds borrowed and may be paid at a rate (currently 5% per annum) when a reserve is in surplus by \$50,000 or more.

If there are marked changes to the cost of borrowing or the return available on safe investments, the council may (by special resolution) set an internal borrowing rate that reflects the actual market conditions at the time the internal loan is established.

# Infrastructure strategy: Flood protection and control

## Overview

This strategy has been prepared for flood protection and control works infrastructure as required under the Local Government Act 2002, section 101B. The Local Government Act (LGA) 2002 Amendment Act 2014 included provisions that require councils to prepare an infrastructure strategy for at least a 30-year period, and to incorporate this into Long-Term Plans. The purpose of this strategy is to:

- Identify significant infrastructure issues over the period of this strategy
- Identify the principal options for managing those issues, and the implications of those options
- Outline how the regional council intends to manage its flood protection and control assets, and what the most likely scenario is for the management of these assets.

This strategy presents a 30-year plan for the regional council's flood protection and control assets. It will help us make informed decisions in the short term that will position us to deal with the major decisions and investments that will occur in the next 10 to 30 years.

The Northland flood scheme infrastructure currently comprises three main flood management schemes: The Awanui flood scheme, Kaeo-Whangaroa flood scheme, and in Whangārei, the Hopua te Nihotetea detention dam. These three schemes have a combined asset value of \$22.7 million. Relative to other regions, flood infrastructure managed by the council is limited, but in response to demand, this infrastructure strategy provides for new flood schemes.

The Whangārei and Kāeo-Whangaroa flood schemes have been constructed in the last five years and the assets are relatively new. Recent maintenance has been done on the main Kāeo stopbank to top up the crest level following initial settlement, but we anticipate that maintenance on these new assets over the period of this infrastructure strategy will be limited. New capital expenditure is planned to extend both the Kāeo-Whangaroa and Whangārei flood schemes within the first ten years of this strategy.

The Awanui flood scheme is a much older scheme, and its assets are variable in age and condition. This scheme is also much more extensive than the other two schemes, in terms of length of stopbanks and spillway, and number of floodgates that the council has responsibility for. Maintenance and renewal costs are significantly higher for the Awanui flood scheme. A review of the Awanui flood scheme is in progress, which has identified a number of

major upgrades that are likely to be required, and which are included in this Infrastructure Strategy as well as other financial planning included in this Long Term Plan.

There are a number of new areas where flood scheme works are being considered, including the Taumāre catchment which drains through Kawakawa, the Kerikeri-Waipapa catchment, and other smaller settlements including Panguru and Matangirau. Historically, it has been a challenge to implement significant works in areas of low population due to the limited rating base for a targeted rate. The approach to the funding of flood scheme works in Northland is being reviewed, as in many cases, there are broader regional benefits from flood infrastructure, which extend beyond the local community.

## Northland context

Northland is a long, narrow peninsula with a subtropical climate. It has a land area of 13,286 km<sup>2</sup>, of which 526 km<sup>2</sup> is classified as alluvial and estuarine plains and low terraces, much of which is prone to flooding. Over 50% of the land is in pasture and 10% in forests. Northland's coastline is 3,127 kms (mainland), and a high proportion of the population live in coastal settlements, including the main urban centres of Whangārei and Dargaville. The region therefore has a relatively high exposure to potential sea level rise and future coastal inundation, and this is clearly shown in the council's coastal flood hazard maps.

River flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region's exposure to high intensity rainfall events. River flooding affects many of Northland's main urban centres, including Whangārei, Dargaville, Kaitāia, and Kerikeri-Waipapa, and many of the smaller townships. It presents a risk to human life, disrupts communications and access, damages property and infrastructure, including the productivity of farmland. River flood hazard has been mapped for the major urban centres as well as a number of rural catchments.

## Demand assumptions

Unlike a number of the other infrastructure types, the demand for flood protection and control works is not directly related to population growth. Instead, demand is driven by:

- The geographical extent of population centres and assets sited within floodplain areas

- Public perceptions of flood risk, and acceptable levels of flood risk
- Population density within at-risk areas, which has a bearing on level of service expectations.

Future demand for flood protection works can be reduced via alternative interventions such as land use planning, managed retreat from at risk areas, and investment in improving the resilience of assets located within at risk areas. Effective land use planning requires at risk areas to be mapped with some precision. The council has commissioned a land information LIDAR (Light Detection and Ranging) survey across the whole region, which will enable flood risk to be comprehensively mapped, across all catchments, and around the coast. Current flood mapping is based on LIDAR surveys done since 2003, which covers only 16% of the region. This mapping clearly shows the impact of projected sea level rise on coastal flood hazard over 50 and 100 years.

We consider that population growth within floodplains is unlikely to make a significant difference to the funding basis of flood schemes, or on the demand for services over the time frame of this strategy, especially in rural areas. This is primarily due to improved land use planning, based on more accurate flood mapping. However, the identification of flood risk areas across the whole region, including areas which may be affected by future climate change, does have the potential to change public perception of flood risk. If sea level rise becomes evident to the public, public demand for flood protection works in coastal areas is likely to increase significantly over the time frame of this strategy.

In 2008 we identified 26 river catchments where we considered the risks from river flooding were highest to communities and essential infrastructure throughout Northland<sup>(4)</sup>. The rivers and streams in these priority catchments pose potential threats to lives, buildings, road access, infrastructure and agriculture. River management plans were developed for these 26 catchments which documented the potential flood risks and identified mitigation options in order to reduce the impacts of flooding. Our focus has now moved towards implementation of river management plans with communities, and this is reflected in the capital works programme put forward in this strategy.

In many cases it is not physically possible, nor affordable, to provide communities with total protection from flooding in Northland. In this context, we work with communities to identify and map at risk areas, develop community response plans, issue flood warnings and carry out minor river works to reduce flood risks.

### Vision for the community over the next 30 years

The overall vision for this strategy is to progressively reduce the flood risk to defined and achievable levels of service, in a cost-effective manner, and in consultation with the public.

This includes effective prioritisation of flood protection and control interventions based on an updated region-wide overview of flood risk.

A starting point for this vision is the assumption that if no intervention was made, existing levels of service would gradually reduce due to asset deterioration, and projected climate change effects.

When looking ahead, we expect that flood protection will be a major activity for us. The vision includes pro-active consultation and planning to put in place strategies and structures which will endure well beyond the time frame of this strategy.

## Overview of flood protection assets

### Existing flood protection infrastructure

At the current time, we have flood control infrastructure in place to reduce flood risk in three scheme areas:

- Awanui flood scheme (asset value of \$11,118,670)
- Kāeo-Whangaroa flood scheme (asset value of \$882,778)
- Hopua te Nihotetea detention dam, part of the Whangārei urban rivers flood scheme (asset value of \$10,735,055)

Details of each scheme are shown in the following table.

*Summary of existing flood protection infrastructure*

	Awanui flood scheme	Kāeo-Whangaroa flood scheme	Hopua te Nihotetea (Whangārei urban rivers flood scheme)
Total value of assets	\$11.1 million	\$883,000	\$10.7 million
Condition of assets	Good to average.	Excellent	Excellent
Types of assets	89km of stopbanks and 141 floodgates	900m of stopbanks, 160m of floodwall and 4 floodgates	18m high detention dam which can hold up to 1.27 million cubic metres of floodwater
Quality of asset information	Excellent to good, further work required on coastal stopbank condition assessment	Excellent	Excellent
Age of assets	Floodgates: average age 35 years Stopbanks: varies, majority constructed prior to 1970	All assets newly constructed in 2013/14	All assets newly constructed in 2014/15
Depreciation (2018/19)	Depreciated replacement cost (DRC). Depreciation calculated as \$51,266 per annum	DRC. Depreciation calculated as \$6,333 per annum.	DRC: Depreciation calculated as \$34,639 per annum.
Level of service objective (flood protection)	Urban areas: 1:100yr Rural areas: 1:20yr	Township: 1:20 year.	Urban central business district (CBD): 1:50 year.
Current Level of Service	Urban Kaitāia: Awanui: 1:100 year Tarawhataroa: 1:30 year  Rural areas: Variable, Low end < 10 year average recurrence interval (ARI)	Township: 1:10 year.	Urban CBD: 1:20 year.
Performance information	Scheme has performed well, and save for the July 2007 flood, has successfully prevented flooding of the Kaitāia town centre since scheme works were completed in the 1960's. In July 2007 the Tarawhataroa stopbank was over-topped by Awanui River overflow, which resulted in flooding of the southern part of the town centre.	Scheme has performed in accordance with design, as demonstrated during July 2014 flood. The July 2014 flood was less than a 1:10 year event at Kāeo.	Scheme has performed in accordance with design, during minor storm events in 2017.  The extent of the design 50 year ARI has been significantly reduced in the CBD, due to the detention dam, and other works completed since 2012.

## Awanui flood scheme

The key levels of service for the Awanui flood scheme are contained within the scheme Asset Management Plan, including specific details on how we renew or replace our existing assets. Recent upgrades to the flood scheme include the Whangātane Spillway Intake modification works completed in 2016, and the Awanui River channel re-profiling at the “choke”, immediately downstream of the Whangātane spillway intake, which was completed in 2017.

### Level of service

The level of service objective is for 1:100 year river flood protection in urban areas, and 1:20 year river flood protection in rural areas. This objective is not currently achieved. This Infrastructure Strategy includes an option (option 1 for urban Kaitāia) to meet the level of service objective for urban Kaitāia.

### Managing assets

The Awanui flood Scheme Asset Management Plan contains the details on the life cycle maintenance of the scheme assets. Renewal of floodgates and maintenance of stopbank assets is scheduled to be undertaken prior to the end of expected life, which is assessed through the annual condition monitoring process. Renewal prior to failure (beyond anticipated design life) is considered to be the most cost effective and efficient approach for the floodgate assets when viewed in association with the asset management plan risk framework. Stopbanks are maintained in perpetuity.

## Kāeo-Whangaroa flood scheme

The key levels of service for the Kāeo-Whangaroa river scheme are contained within the scheme asset management plan, including specific details on how we renew or replace our existing assets.

### Level of service

The level of service objective is for 1:20 year river flood protection for the Kāeo Township. This objective is not currently achieved.

The completed Stage One of the Kāeo-Whangaroa flood scheme was designed to prevent high velocity floodwaters from the Kāeo River flowing through the township by the use of a series of deflection stopbanks that divert river floodwater to the south of the township. Whilst the Kāeo stopbanks are designed to be above the 1:100 year flood level, the township is still exposed to flooding from the Waikare Creek as well as from backwater from the Kāeo River. The proposed Stage Two of the flood scheme seeks to mitigate flood risk from these two sources, and in so doing, achieve the level of service objective.

### Managing assets

The Kāeo Stage One works were constructed in 2013/14. In 2017 the western section of the main stopbank number two was topped up as settlement had been identified from a monitoring survey. It is assumed that no renewals expenditure will be required to the constructed assets over the 30-year timeframe, as these are newly constructed assets and their design life (before renewal is required) is expected to exceed the 30-year timeframe of this plan. The most likely period for settlement of the stopbanks is in the first three years following construction, and it is therefore considered that settlement issues have now been identified and addressed. As a consequence, we have made no provision during the 30 year time frame of this strategy for further topping up of the stopbanks.

## Hopua Te Nihotetea detention dam (Whangārei urban rivers flood scheme)

The key levels of service for the Hopua te Nihotetea (Kotuku Street) detention dam is contained within the Kotuku Dam Asset Management Plan, including specific details on how we renew or replace our existing assets.

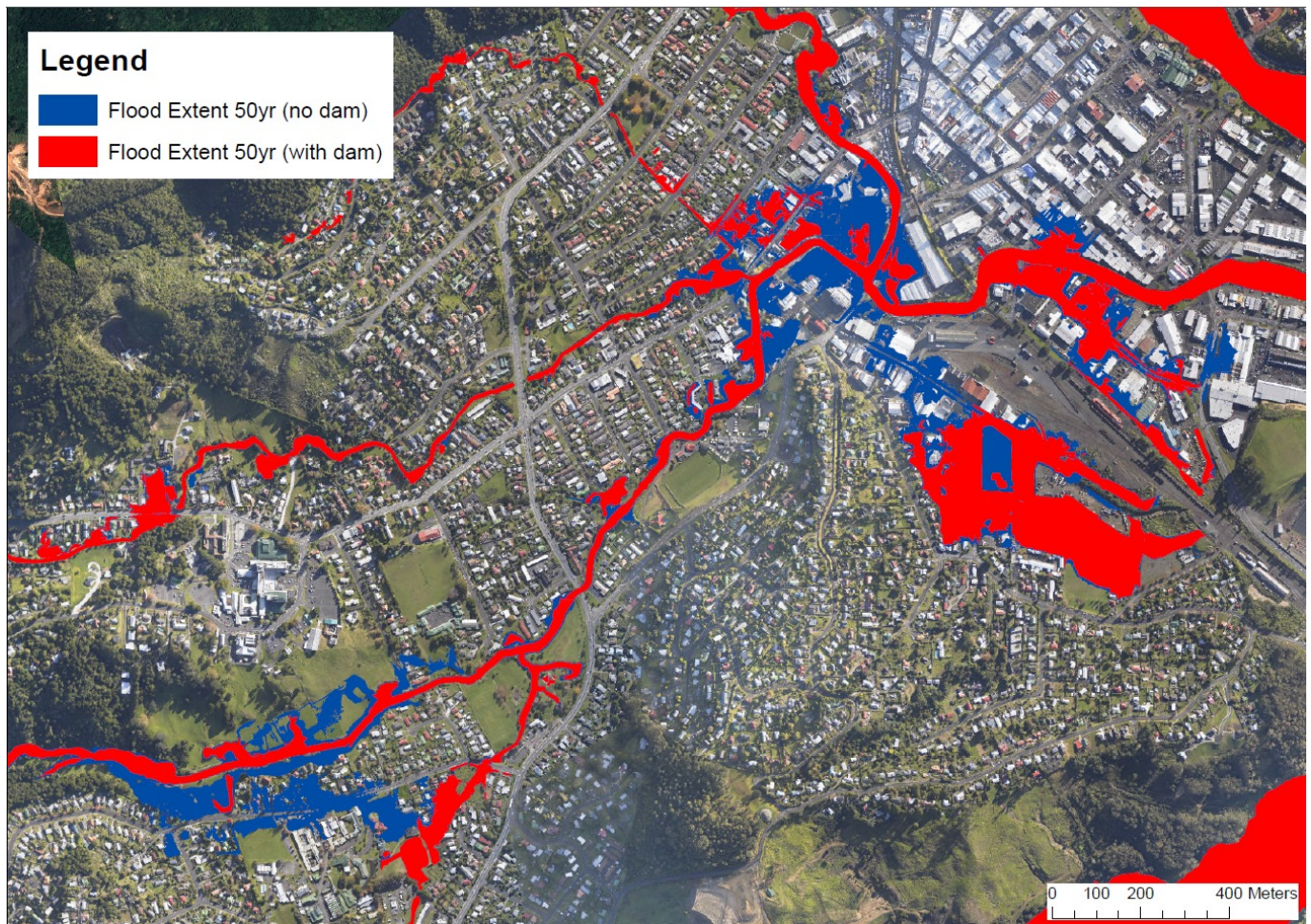
### Level of service

The level of service objective is for 1:50 year river flood protection for the Whangārei CBD.

The Hopua te Nihotetea dam is designed to detain water for up to the 1:100 year flood with an allowance for climate change and freeboard. The dam slowly releases detained flood waters over several days and reduces the peak flood levels in the Whangārei CBD. The detention dam has brought closer achievement of the level of service objective for the CBD, and has largely achieved the level of service objective for the Raumanga Valley Road area. Works options outlined in 'Significant decisions about capital expenditure' for Whangārei CBD are anticipated to enable achievement of the level of service objective for the main stream channels.



*Impact of the 'Hopua te Nihotetea' detention dam of the 1:50yr flood extent in the CBD*



Note that the figure above does not show the impact of the new Limeburners Stormwater overflow channel draining Morningside, nor the Rust Avenue Bridge upgrade.

### Managing assets

We do not anticipate that the Hopua te Nihotetea dam assets will require significant renewal or replacement expenditure in the first 30 years of operation (having been constructed in 2014/15). When we obtain further information through annual condition monitoring of the dam assets, we will make adjustments to forecast renewal expenditure.

## Significant issues, options and implications

The most significant high level strategic issues facing our flood protection and control infrastructure are outlined in 'Strategic overview of issues and options for flood protection assets' below, with options to address them. These issues

also apply more broadly around Northland, and not just to existing flood scheme areas. Decisions over specific works options for existing and proposed flood schemes are outlined in 'Significant decisions about capital expenditure'.

### Strategic overview of issues and options for flood protection assets

Issue	Issue summary	Principal options	Implication of options	Preferred option
Climate change	If climate change projections are realised, protecting flood plains and low lying coastal areas will become less sustainable and more expensive over time. Levels of service associated with flood protection assets will gradually reduce and public demand for protection will be likely to increase	Protect	Depending on the context, may be a preferable short to medium term approach but costs will gradually increase over time, especially for coastal areas vulnerable to sea level rise. Drainage of storm water will eventually require pumped systems. There are also risks associated with intensification of development in protected areas.	The preferred option is likely to be location and context specific. The various options may each be suitable for different areas. Consultation and planning is required to develop adaptation strategies with various stake holders.
		Retreat	There is potential for managed or unmanaged retreat from at risk areas. The main implications are loss of land or development potential, and likely expectation for compensation. Land use planning to regulate new development is a first step in a retreat strategy.	
		Accommodate	Lower intervention strategy means lower initial cost. Gradual adaptation over time through more resilient buildings and infrastructure. Requires acceptance of reducing levels of service over time.	
Renewal / replacement of assets	Aging assets will require renewal or replacement at end of design life. This is primarily an issue for the Awanui flood scheme, as Kāeo and Whangārei assets are relatively new.	Renewal at end of design life to design standard/level	Depends on design standard but likely to result in reduction of level of service over time. Short term saving relative to other options.	The Kāeo and Whangārei flood schemes require no renewal or replacement over next 30 years.  Awanui flood scheme assets are being renewed at or near end of design life. Stopbank re-alignment is preferred to provide for wider floodways.
		Renewal at end of design life with upgrade to maintain or increase level of service.	Maintains level of service for a finite period of time but without flexibility to re-configure areas to be protected to achieve efficiencies.	
		Replace with alternative structure, including potential relocation of asset.	Consistent with a managed retreat option from areas that have highest residual risk, and are more expensive to defend. High initial cost due to asset relocation and lost land. Opportunity to set back stopbanks and create wider flow paths to raise level of service.	



Issue	Issue summary	Principal options	Implication of options	Preferred option
Demand for services	Demand for services likely to increase due to region wide mapping of flood risk. Increased demand is anticipated if/when climate change effects become readily apparent.	Limit increase in demand by identifying at risk areas, and promote regulatory approach to risk avoidance (over at least 100 years) for new development.	Not directly related to management of flood protection assets, but critical to limiting increase in future demand.	Limit increase in demand through land use planning and respond to existing demand and anticipated future demand by expanding number of flood protection schemes, and extent of existing schemes.
		Limit number of schemes, and extent of existing schemes.	Fails to meet current demand, or anticipated increase in demand. Lower flood scheme cost but higher flood damage cost.	
		Increase number of schemes, and extent of existing schemes.	Responds to current demand, and anticipated increase in demand. Higher flood scheme cost is likely to require adjustment to rating policy to make works more affordable. Flood damage cost minimized.	
Levels of service (existing schemes)	Levels of service are not always well defined or met. Actual level of service from existing assets is likely to reduce over time due to climate change impacts and geomorphological changes such as channel migration and flood plain accretion.	Upgrade existing assets in the Awanui flood scheme to meet current levels of service. No change for Kāeo or Whangārei.	Limited initial cost, primarily for Awanui flood scheme, to meet current intended levels of service. Note that considerable cost will still be required to ensure resilience of Awanui assets (see below).	Upgrade and expand assets for existing flood schemes to meet target levels of service.
		Upgrade and expand assets. Raise levels of service to:  Rural: 1:20 year  Urban: 1:50 year – 1:100 year	Awanui: Requires considerable investment to reduce flood risk to urban Kaitāia down to 1% probability in any year. Achieving this Level of Service requires re-routing flood flow through Kaitāia, including upgrade of Whangatane spillway.  Whangārei and Kāeo require additional works downstream of existing assets to raise level of service to protected urban areas.	
Public health and environmental outcomes	Flood schemes are required to prevent or reduce public health and environmental impacts associated with flood events.  Levels of service and resilience for scheme assets is likely to be affected by new regulation such as a National Policy Statement for Natural Hazards, and the outcomes from Public Enquiries (such as into Edgumbe flooding of April 2017).	Implications and principal options not clear until the regulation or information is made available. Presumption is that flood protection assets will need to comply with any new requirements.	Complying with new requirements is likely to incur a cost. Non-compliance is likely to incur a liability risk, however there should be a grace period over which compliance with new requirements can be achieved.	Comply with new requirements in a cost-effective manner

Issue	Issue summary	Principal options	Implication of options	Preferred option
Resilience of infrastructure	Resilience of flood protection infrastructure may be compromised due to structural failure, or higher flow and flood level resulting from climate change.	Maintain assets to design standard.	New scheme works at Whangārei and Kāeo are designed to be resilient over the next 100 years.	Implement measures to safe guard resilience of flood channels that protect urban areas.
		River channel banks through urban Kaitāia require targeted toe protection to ensure bank stability.	Estimated cost of approximately \$7.9 million to complete Kaitāia river bank stabilisation works, and Bells Hill slip remediation works. Potential liability risk if these works are not completed.	

Recurrent themes in the preceding table are the affordability and resilience of assets, and uncertainty associated with current and future flood risk.

Affordability relates to the ability to be able to continue to invest in the maintenance, renewal and upgrade of infrastructure, and depends on the condition of the assets, what increases in service level are required, and the ability of ratepayers to fund the works. We will continue to strive to ensure that the flood protection and control works are affordable by providing options that can be sustained on both a financial and an operational basis. This may mean that the levels of service may be maintained at the current level and it may not generally be possible to provide complete protection from flooding given funding constraints. Funding policies are also being reviewed for flood scheme works, and there may in future be wider regional funding options than a local targeted rate.

Ensuring our infrastructure assets are resilient in the face of future natural hazards is important in continuing to protect our communities in flood prone areas. Flood scheme works implemented since 2010 have been designed to be resilient in a 1:100 year event, and allowing for climate change effects in line with Ministry for the Environment guidance to Local Government (2008).

While we have modelled flood risk and gained an understanding of the risk profile, a degree of uncertainty remains. Flood plains and river channels are dynamic and it is not possible for us to model all potential storm profiles and flood scenarios, including the potential for structural failure of flood protection assets, and long term accretion of floodplains. We will need to continue to monitor storm events and their effect on scheme assets and settlements located in the flood plain to improve our understanding of levels of service and asset resilience. Climate change effects are currently predicted to fall within a wide range, and it is likely that over the course of the next 30 years, climate change projections will be refined, resulting in greater certainty. This will facilitate the design process in relation to replacement or upgrading of affected scheme assets.

## Management of future flood protection works

Significant decisions are needed on management of flood protection works in Northland, including over whether to construct new flood schemes, and whether existing schemes should be expanded or upgraded to increase level of service.

## Significant decisions about capital expenditure

A timeline of new flood infrastructure projects, including upgrades to existing schemes, is shown in the following image. Options and time frame for decisions on upgrades to the three existing flood schemes and four new flood schemes are laid out in the table below.

As can be seen from the time line below, work on all seven proposed schemes is planned to be undertaken within the period of the Long Term Plan 2018-2028, and therefore the timing of a significant number of major decisions in relation to this Infrastructure Strategy is likely to occur following public consultation on this Long Term Plan.

This strategy includes a capital works programme of up to \$27.33 million. While in many cases a decision is required on whether or not to implement new schemes, or upgrades to existing schemes, the most critical decisions relate to the Awanui flood scheme which accounts for up to \$19.2 million (70%) of the total capital works in this strategy.

## Proposed funding methods

New capital expenditure includes investment in new infrastructure for the existing Kāeo-Whangaroa, Whangārei and Awanui flood schemes. Additionally, four new flood schemes are proposed over the planning time frame for this Infrastructure Strategy.

Flood control schemes have historically been funded from targeted rates collected over the properties that are within the defined catchment area of each scheme. Funding for large capital works projects has been borrowed from the council and repaid over a set period from the revenue received from targeted rates. Occasionally these works also receive grant subsidies from central government.

For three of the proposed new flood schemes, the viability of these projects is contingent on adjustments to the regional funding policy for flood works, as the affected communities have an insufficient rating base to cover the full cost of the project.

The council is looking at wider funding options, including a potential flood infrastructure rate levied at a district wide or region-wide level to address priority areas such as the Kaitiāia urban area, and for smaller settlements with a significant flood risk but low rating base. This will need to be agreed on by the council following consultation as part of the Long Term Plan 2018-2028 process.

*Time line of projected flood infrastructure projects (Background photo of Hopua te Nihotetea Detention dam, Whangarei)*



#### Significant decisions about capital expenditure

Flood scheme	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Awanui flood scheme  Urban Kaitiāia	<b>Option 1: Urban Kaitiāia</b>  Urban Kaitiāia resilience upgrade with level of service upgrade for urban areas to 100 year average recurrence interval (ARI) event:  River bank protection works for high and medium risk channel sections, Bells Hill slip remediation works, and re-routing of flood flow through Kaitiāia to Whangatane Spillway.	Upgrades to Whangatane Spillway and urban Kaitiāia river channels, including rock protection. New flow diversion spillways upstream of Kaitiāia.  Total resources: \$15.0 million	2020 - 2027  (LTP years 3–9)	LTP 2018
	<b>Option 2: Urban Kaitiāia</b>  River bank protection works for high and medium risk channel sections through Urban Kaitiāia, with Bells Hill slip remediation works.	Total resources:  \$7.9 million	2020 – 2026  (LTP Year 3-8)	LTP 2018
	<b>Rural scheme upgrade</b> to achieve 20 year ARI flood protection (level of service objective).	Rural stopbanks: \$622,000  Total resources: \$622,000	2028 – 2030  (LTP years 11–13)	LTP 2027

Flood scheme	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Rural and coastal	<b>Rural scheme upgrade</b>  Lake Tangonge drainage upgrade to reduce risk of contamination events associated with drainage of de-oxygenated flood water to the Awanui River, which causes fish die off.	New 2nd flood gate and channel: \$500,000  New lake outlet to Waipapakauri drain, and drain upgrade 5kms: \$640,000  <b>Total resources: \$1.14 million</b>	2032 – 2037  (LTP years 15–20)	LTP 2030
	<b>Rural scheme renewal</b>  Renewal of existing major flood gates (Waihoe and Oinu gates)	<b>Total resources: \$300,000</b>	2038 – 2040  (LTP years 21–22)	LTP 2036
	<b>Option 1: Coastal stopbanks</b>  Increase coastal stopbank crest levels to defend against potential 0.4m of sea level rise over 50 years.	Coastal stopbanks (2.4m RL): <b>\$1.87 million</b>  Note: will require re-assessment once all coastal stopbanks have been surveyed.	2041 – 2047  (LTP Year 23–29)	LTP 2039
	<b>Option 2: Coastal stopbanks</b>  Increase coastal stopbank crest levels to 20 year ARI storm surge and defend against potential 1.0m of sea level rise over 100 years.	Coastal stopbanks (3.0m RL): <b>\$2.15 million</b>  Note: will require re-assessment once all coastal stopbanks have been surveyed.	2041 – 2047  (LTP Year 23– 29)	LTP 2039
Kāeo – Whangaroa flood scheme	<b>Kāeo-Whangaroa flood scheme</b>  Adjusted Stage Two works: <ul style="list-style-type: none"> <li>• Waikare Creek widening (350m)</li> <li>• Kāeo River re-alignment (600m)</li> <li>• Deflection bank number four extension (500m).</li> </ul> The works are to further reduce flood risk and flood level in the Kāeo township.	Waikare Creek widening: \$150,000  Kāeo River re-alignment: \$450,000  Deflection bank number four extension: \$150,000  <b>Total resources: \$750,000</b>	2024 – 2028  (LTP Year 8–10)	LTP 2024
	<b>Matangirau flood scheme</b>  Floodway (1.5 km), including 1km upstream of Wainui Road and 500m downstream.	Flood way construction / channel benching:  <b>Total resources: \$400,000</b>	2019 – 2021  (LTP years 2–3)	LTP 2018
Whangārei flood scheme	<b>Hopua te Nihotetea detention dam basin wetland project</b>  Fencing and planting, earthworks to reduce land levels to create wetland and improve the amenity of the reserve upstream of the dam.	<b>Total resources: \$50,000</b>	2022/23  (LTP year 5)	LTP 2021



Flood scheme	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
	Whangārei CBD level of service upgrade to 50 year ARI flood protection.  <b>Total resources: \$3.3 million</b>	Lower Waiarohia Stream flood overflow reduction to protect Commerce Street.  <b>Total resources: \$950,000</b>	2018 – 2021 (LTP years 1–3)	LTP 2018
		Waiarohia Stream greenway flood corridor (Rust Avenue to Lower Tarewa Road).  <b>Total resources: \$2.15 million</b>	2028 – 2032 (LTP years 11–14)	LTP 2027
		Wharowharo Stream re-alignment at Carruth Park including drop structure.  <b>Total resources: \$150,000</b>	2032 – 2033 (LTP years 14–15)	LTP 2030
Kerikeri / Waipapa flood scheme	Waipapa Industrial Estate Flood Protection including rerouting and containing of Kerikeri River Overflow  <i>and</i>  Waitōtara Drive stopbanks (part of original Kerikeri River flood scheme)	Waipapa Industrial Estate scheme works: \$200,000  Waitōtara Drive stopbanks: \$140,000  <b>Total resources: \$340,000 (within existing reserve)</b>	2018 – 2021 (LTP years 1–3)	LTP 2018
Taumārere (Kawakawa) flood scheme	Otiria Stream channel benching right bank downstream of SH1 Bridge - Turntable Hill (1km).	Otiria Stream channel benching: \$250,000  <b>Total resources: \$50,000 (following NZTA grant)</b>	2018 – 2019 (LTP year 1)	LTP 2018
	Waiōmio Stream channel benching right bank (500m) and spillway for overflow.  Old Whangae Road industrial area stop bank.	<b>Total resources: \$350,000</b>	2019 – 2021 (LTP years 2–3)	LTP 2018
	Otiria flood spillway	<b>Total resources: \$2.5 million</b>	2023 – 2028 (LTP years 6–10)	LTP 2021
New flood scheme – Panguru	<b>Panguru floodway</b>  Whakarapa Stream works (widening) downstream of West Coast Road (200m).  Te Rapa Stream benching left bank upstream of Tautoro Road (200m).  Stopbank re-alignment downstream of Tautoro Road right bank (1km).	Stopbank re-alignment: \$280,000  Stream channel benching: \$120,000  Stream bank re-profiling \$40,000  <b>Total resources: \$440,000</b>	2023 – 2026 (LTP years 5–8)	LTP 2021

Flood scheme	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
	Stream bank re-profiling (lowering to ~2.3m OTP) downstream of Otengi Road - left bank (300m).			

### Proposed levels of service following future works

#### Awanui flood scheme:

A decision is required in relation to level of service for flood protection of Kaitāia urban area. Specifically, the southern part of the CBD adjacent to the Tarawhataroa stream currently has a 30 year ARI level of protection. The most significant flood risk to this area results not from Tarawhataroa catchment runoff, but from Awanui overflow across State Highway 1 (SH1) upstream of Kaitāia. A combination of high flow from both sources caused by two flood peaks approximately 12 hours apart presents the highest risk. Due to constraints along the Tarawhataroa, including the existing height and steep slopes of stopbanks, and built development in close vicinity to stopbanks, the preferred option to achieve the level of service objective is to reduce Awanui River overflow. This involves increasing the flow capacity of the Awanui River through Kaitāia, and accommodating the majority of that increase within the Whangatane spillway (option 1). Planned works would raise the level of service protection provided to the Tarawhataroa from 30 year to approximately 100-year flood protection. The estimated cost of achieving this level of service upgrade is **\$7.1 million** (the difference between the two options for Kaitāia in the table above).

The lower cost option for urban Kaitāia is to retain the current levels of service and accept the relatively higher flood risk for the Tarawhataroa Stream. The cost of **\$7.9 million** is required to stabilise river banks through rock armouring of the river bed and lower bank slopes along

assessed medium and high risk sections of the channel (option two). It is considered that completion of this work is a necessity to safe guard resilience of Kaitāia flood defences, and both options include it.

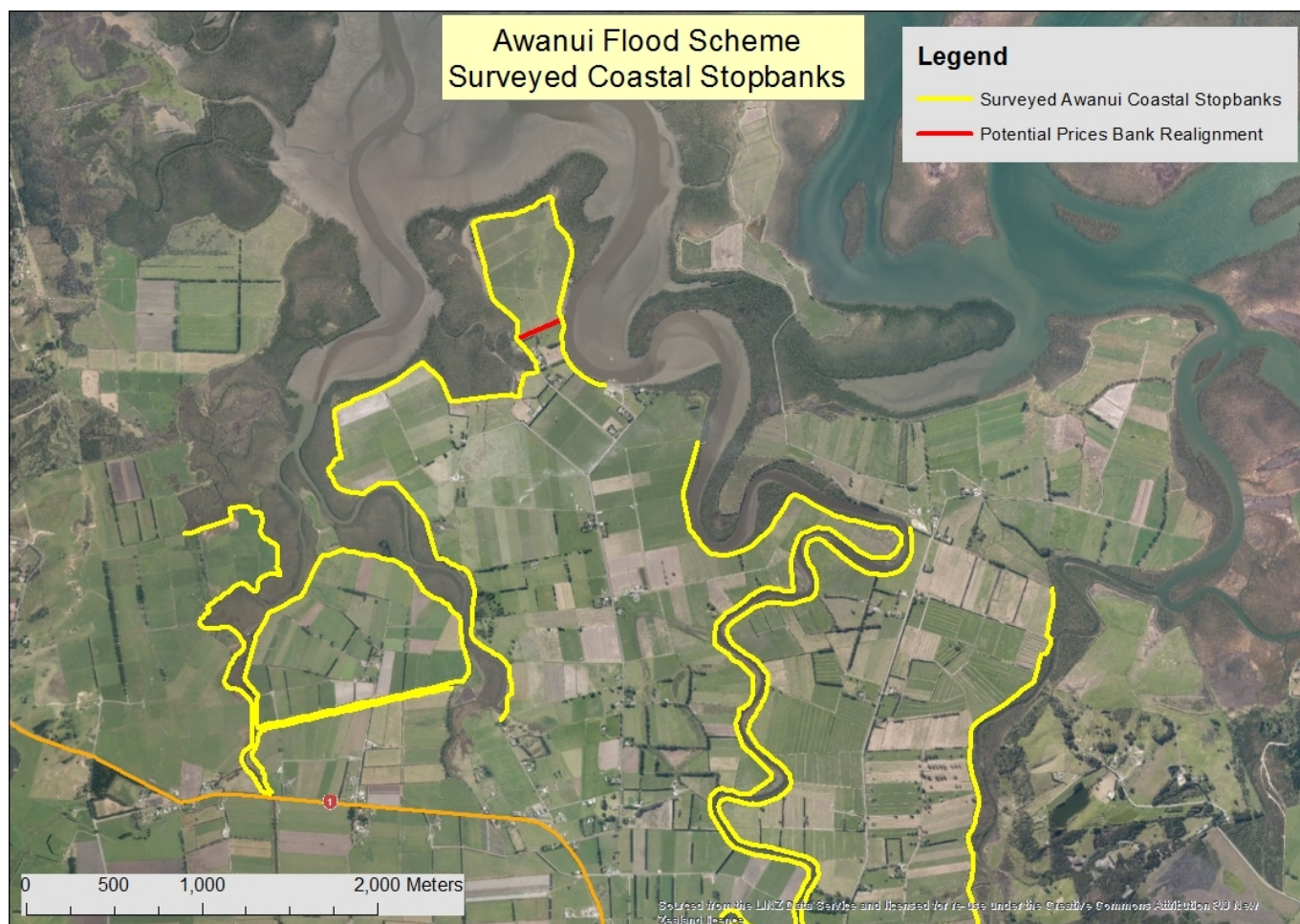
The implications of not progressing option one are likely to increase over time, if climate change results in higher flood flows than currently occur. This is because a high percentage of the additional climate change adjusted Awanui River flow will overflow to the Tarawhataroa Stream on the upstream side of Kaitāia.

Works proposed on Awanui flood scheme rural flood defences include: Stopbank topping up to 20-year flood design levels, Lake Tangonge drainage upgrade and replacement of the two major flood gates on the Waihoe Channel and Oinu Stream. The combined cost of these works is **\$2.06 million**.

Awanui coastal stop bank works aim to raise the level of service to the 20-year coastal storm surge level taking into account potential sea level rise over the next 50 or 100 years. A decision will be required on whether to accommodate sea level rise over 50 years (\$1.87 million) or 100 years (\$2.15 million). As this work is scheduled to be undertaken in the 2040's, it is likely that there will be greater certainty over the rate of sea level rise to be expected, which will assist in making design decisions.

Coastal stopbank upgrade costs given above have been estimated for surveyed sections of stopbank shown in the following map.

*Extent of coastal stopbank survey for the Awanui Flood Scheme*



The Awanui flood scheme has been expanded in recent years to include new coastal areas, and coastal stopbank survey has not yet been undertaken for those areas. This additional survey will be required prior to the final design of the coastal stopbanks.

Re-alignment of coastal stopbanks can be undertaken to reduce long term renewal cost. An example of this is the Prices Bank shown in the map above (Extent of coastal stopbank survey for the Awanui Flood Scheme), where a considerable length of stop bank is required to protect a modest area of coastal farmland. An option would be to exclude this area from the flood scheme, and instead install a short length of stopbank (shown in red on the map) just North of the small settlement near the base of the peninsula.

**Kāeo–Whangaroa flood scheme:**

A decision is required on whether to progress Stage Two works at Kāeo which will increase the level of service to the Kāeo township to 20-year flood protection. Stage Two works are estimated to cost **\$750,000**. Stage One works are estimated to have achieved a 10-year level of service for the township.

A decision is required over whether to progress the **Matangirau** flood scheme, consisting of a 1.5 km floodway. Progressing these works is contingent on an upgrade of the Wainui Road bridge, to provide additional flood flow capacity under the road. The cost of these works is estimated at **\$440,000** (excluding bridge upgrade).

**Whangārei urban rivers scheme:**

A decision is required on whether to undertake further works within the CBD to increase the level of service to a 50-year level of flood protection. These additional works have been estimated to cost **\$3.3 million**.



### Kerikeri-Waipapa flood scheme:

A decision is required on whether to implement works for the Waipapa industrial estate and Waitōtara Drive, which aim to increase the level of service at these locations to almost 50yr level of flood protection. The estimated cost of these works is **\$340,000**.

### Taumārere flood scheme:

Stream bank benching proposed for the Otiria streams will increase stream flow capacity and reduce SH1 bridge over-topping events to a level yet to be assessed. The estimated cost of the works is **\$250,000**, but the majority of this is expected to be met by NZTA.

A decision is required on the Waiōmio Stream works at Kawakawa, which include benching the right bank of the channel downstream of the railway bridge, and then diverting stream flow to the North across farmland, via a spillway. Excavated material will be used to construct a stopbank around the Industrial premises on the Old Whangae Road. These works are estimated to cost **\$350,000**.

The large scale Otiria spillway proposed for years 6–10 is intended to provide 100yr flood protection to properties East of the spillway, at Otiria, and to reduce flood overland flow into Moerewa. It is also likely to provide a reduction in Otiria Stream flood flow. The estimated cost of the spillway

is **\$2.5 million**, due to the extent of earthworks, the requirement for a new bridge on the Otiria Road, and potential requirement for reinforcing a railway bridge over the Waiharakeke Stream.

### Panguru flood scheme:

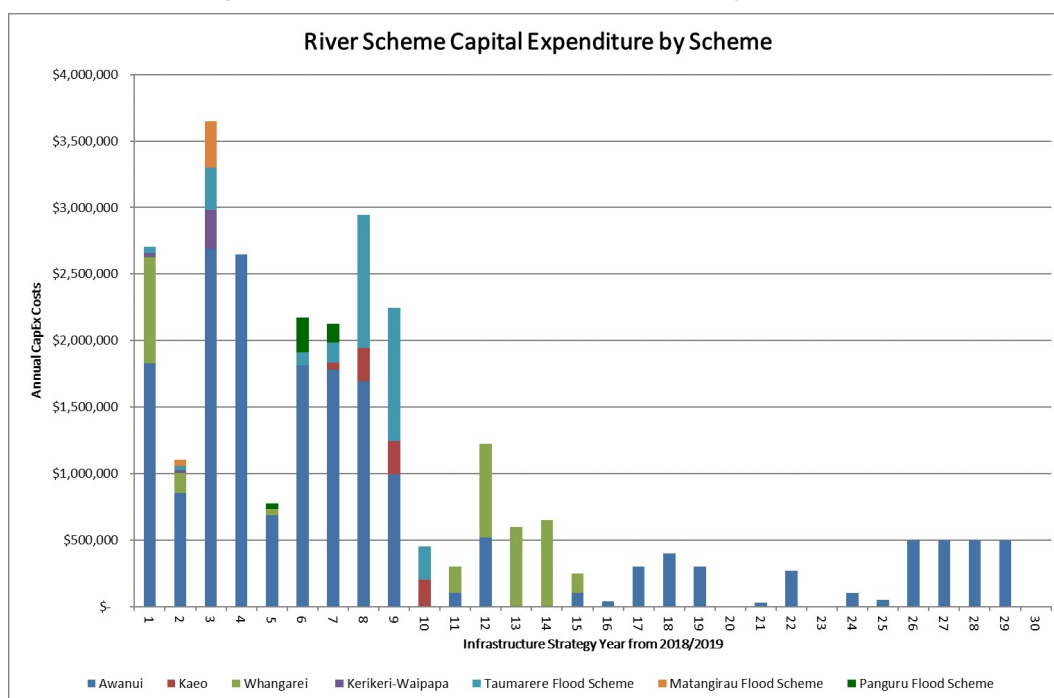
Panguru flood scheme works include re-aligning of 1.0 km of stopbank and additional channel benching works with total estimated cost of **\$440,000**. The works will reduce flood risk to Panguru settlement, but will not significantly improve the access situation along West Coast Road. Improving access along that road, is likely to be a project within the Far North District Council Long Term Plan.

## Indicative estimates of projected and operating expenditure

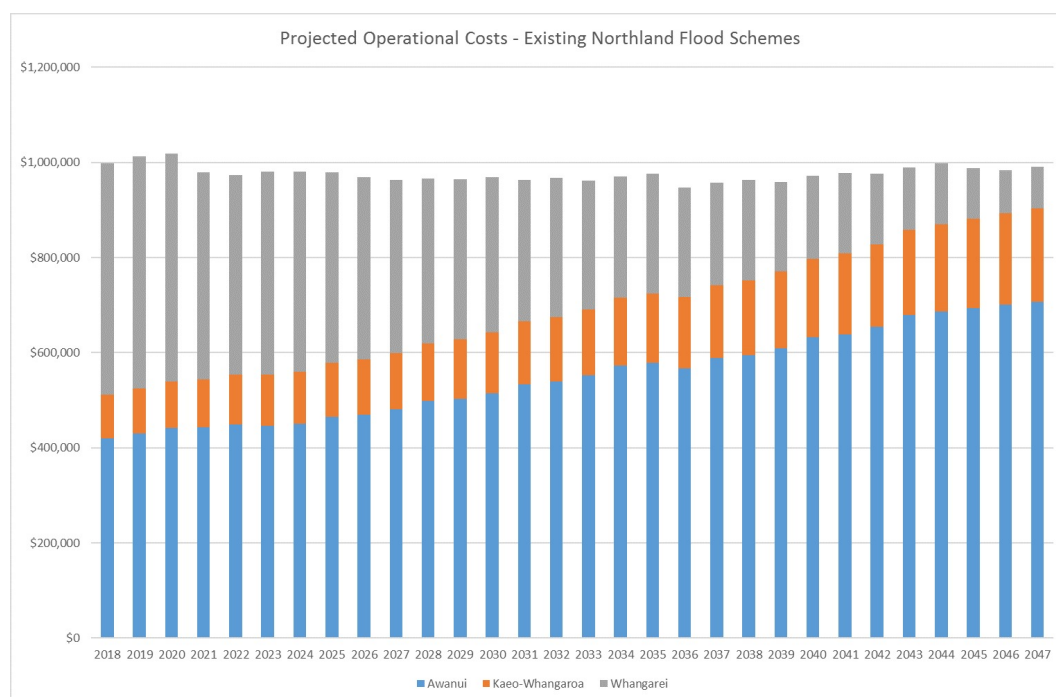
Our indicative estimates of the projected capital and operational expenditure for flood scheme assets are provided below. They show:

- Projected capital expenditure in each of the 30 years covered by the strategy ( see 'Projected capital expenditure for river scheme assets by river scheme ').
- Projected operational expenditure in each of the 30 years covered by the strategy (see 'Projected operational expenditure for river schemes').

*Projected capital expenditure for river scheme assets by river scheme*



*Projected operational expenditure for river schemes*



A summary of total and annualised expenditure is provided in 'Estimated projected capital and operating expenditure summary'. Asset maintenance and renewal expenditure is a relatively small cost that is used to ensure that existing flood control assets are replaced as they reach the end of their design life. Operational expenditure is the costs associated with the running of the three existing river management schemes, including items such as insurance, interest repayment and general maintenance.

The three flood schemes have significantly different opex expenditure forecasts over the 30 year time frame of this strategy. Awanui and Kāeo-Whangaroa operational spend is projected to increase, mirroring increased capital expenditure, while the Whangārei Operational spend progressively reduces over time due to repayment of scheme debt.

All of our scheme assets carry full insurance replacement cover, including cover for the risk of natural hazards. We also ensure that operational expenditure is budgeted at a level sufficient to undertake maintenance to scheme assets from minor storm damage (i.e. damage that is not sufficient to lodge an insurance claim for). The maintenance programme includes repair and long term renewal of stopbank assets, and therefore no depreciation is applied to stopbank assets within the operational spend budget.

*Estimated projected capital and operating expenditure summary*

Expenditure category, all schemes	Total over 30 years	Annualised
Operational	\$29,291,140	\$976,371
New capital	\$27,330,000	\$911,000
Totals	\$56,621,140	\$1,887,371

## Key assumptions

In developing this Infrastructure Strategy, we have identified a number of key assumptions that we have made in determining our future planning and expenditure estimates. These are summarised in the following table.

### Key assumptions

Area	Assumption	Level of uncertainty (low to high)	Nature of that uncertainty	Potential effects of that uncertainty
Life cycle of significant infrastructure assets	Significant renewal expenditure for newly constructed assets will not be required over the first 30 years of asset life (i.e. Kāeo and Whangārei assets).	Medium	Stopbank settlement rates and failure of ancillary components.	Increased expenditure.
	Accuracy of asset data and flood modelling underlying the financial projections is sufficiently robust	Medium to low	Stopbank settlement rates; Flood plain accretion rates;  Flood modelling assumptions.  Large, low probability events have the potential to shift probability estimates.	Increased expenditure, or requirement for upgrade to address increases in assessed risk.
	Potential structural failures are able to be detected and remedied before they occur	Medium	River bank and stop bank conditional surveys are successful in identifying risk. This risk is currently being assessed for Kaitāia	Flooding of protected areas if structural failure occurs during a flood event. Capital expenditure to stabilize river banks at Kaitāia is provided for in this strategy.
	Climate change projections, especially sea level rise, do not exceed RCP 8.5 mid-range trajectory.	Low	More rapid sea level rise would lead to more frequent over-topping of coastal stop banks, and reduced efficiency of natural drainage.	Higher cost of protecting and draining low-lying coastal areas. May trigger managed retreat strategy earlier than anticipated.
Growth or decline in the demand for relevant services	Population growth/decline and land-use development in flood plains is not expected to be a significant driver based on population growth projections and land use planning to reduce risky development.	Low	Accuracy of growth projections and effectiveness of land use planning.  Planning processes are successful in limiting exposure to residual risk in protected areas, particularly in areas protected by stopbanks.	Significant additional growth and development in flood prone areas will lead to additional flood risk and drive additional demand for protection.
	Public perception of flood risk may change due to region wide flood mapping, and demand may increase if climate change effects become apparent.	Medium	Public perception about climate change and personal risk.	Changes in public perception of risk is hard to anticipate and may lead to sudden increase in demand.

Area	Assumption	Level of uncertainty (low to high)	Nature of that uncertainty	Potential effects of that uncertainty
Increases or decreases in relevant levels of service	Adequate provision has been made for the projected impacts of climate change in scheme designs based on MfE climate change projections.	Low	Climate change projections are exceeded resulting in lower levels of service.	Effect is low, as scheme adaptation can take place over decade timescales.
	Adequate operational expenditure is provided to maintain scheme service levels.	Medium	Estimation of extent of maintenance works required	Reduce level of service or increase expenditure to maintain level of service
	Level of service standards for urban areas may eventually be adopted at a national level following public enquiries into flood events.	Medium	May require urban flood schemes to meet a higher level of service, which may not be considered affordable by the community.	Review and change potential funding mechanisms, or maintain or reduce level of service so that national standards are not met.

## Council activities

## Introduction to council activities

Northland Regional Council delivers a range of services. There are a number of core services that the council is required to deliver by law, however we also deliver services to address issues and opportunities that our communities have requested that we respond to, that we can deliver within legislative mandate, and that are important to achieving good outcomes across the region.

This Group Activities section outlines the value you receive in return for your rates. It sets out the services we intend to deliver over the 2018 - 2028 period. We have identified the significant aspects of each service and have set performance measures for these that enable you to assess the level of service we intend to provide - this means the quantum, quality or extent of the service you can expect. We also set out what targets we are aiming to achieve in these key areas and how we will measure our performance. The performance measures and targets are specifically reported on in our annual reports, which we aim to adopt in October each year.

We also undertake comprehensive internal monitoring of the delivery of our programmes of work, which in some cases will contribute to measures included in our Long Term Plan. All programmes of work are supported by detailed activity management plans.

This section sets out:

- Any intended changes from our current levels of service, as set out in our Long Term Plan 2015 - 2025, and the rationale for these changes.
- The reason for any material change to the cost of a service.

The council intends to deliver the proposed levels of service through each activity area. These activities are grouped according to the way that we deliver them, as follows:

- Governance and engagement
- Regulatory services
- Environmental services
- River management
- Customer services and community resilience
- Corporate excellence.

Note to readers:

The services, performance measures and targets set out in this document are proposed. They may change as a result of feedback received from the community during the statutory period of consultation and subsequent council deliberation. The final service information will be included in the council's Long Term Plan 2018 - 2028, which will be adopted by 1 July 2018.

For each performance measure we have provided the most recent performance result available to enable readers to compare how our future targets compare to our current performance. Where we have proposed new measures there may not be a measure of current performance, or where there is, the results were not included in the council's last Annual Report and have therefore not been audited by council's external auditors. The results have been marked with an asterisk \*.

All figures outlined in this section are based on present value. These will be inflation-adjusted annually during the term of the plan.



# Governance and engagement

## About governance and engagement

The Northland regional community is represented by councillors who make decisions collectively as the council. In order to make good decisions, council needs to have a good understanding of the wants and needs of the people of Northland, and needs to consider all aspects of Northland, its environment, economy, and communities.

This activity group provides for the ongoing flow of information between council and the people of Northland, promotes cultural competency so that council fulfills its statutory obligations to Māori, and provides for effective, transparent governance on behalf of the people of the Northland region. This activity group also involves promoting the sustainable economic development of the region.

This group includes the following activities:

- Governance
- Māori relationships
- Communication and engagement
- Economic development

These activities contribute to the following council **areas of focus** (community outcomes):

- Continuous improvement in water quality and security of supply
- Enhancement of indigenous biodiversity and biosecurity
- A strong regional economy
- Safe and resilient communities
- Prosperous relationships with tangata whenua
- Efficient and effective service delivery
- Improved returns on council investments
- Efficient and effective land transport policies and public transport

There are no **significant negative effects** to the community anticipated as a result of delivering any of the activities within the governance and engagement group of activities.

### Changes to levels of service

The level of service provided for the governance and engagement group of activities is either remaining the same or increasing. Changes are also proposed to the way we group and measure these activities:

- The Māori relationships, governance, and communication and engagement activities were previously included in the 'Community Representation and Engagement' activity and have been separated out into their own activities.
- The economic development activity was previously in its own activity group and is now proposed to be included in the governance and engagement group of activities.

## 1.1 Governance

It is proposed that the following service is provided:

### 1.1.1 Maintaining effective, open and transparent democratic processes.

#### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way that we measure this activity:

1. An additional measure has been included for the percentage of time elected members attend council meetings.
2. An additional measure has been included for the percentage of time that council receives a favorable audit opinion on its corporate plans.
3. An additional measure has been included for the timeliness in which council responds to official information requests.

#### Proposed measures and targets

1.1.1 Maintain effective, open and transparent democratic processes.					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of official information <sup>(1)</sup> requests that are responded to within 20 working days.	New measure	100% compliance			
Percentage of time that council receives a favourable ("unqualified") audit opinion on its Long Term Plan, Annual Plan, and Annual Report.	New measure	100% compliance			
Percentage of time that elected members attend council meetings.	New measure	90% compliance			
Percentage of the community surveyed that is satisfied with the way council involves the public in the decisions it makes.	27% (Baseline established)	Improve			

1. LGOIMA - Local Government Official Information and Meetings Act

#### Changes to the cost of delivering services

An increase in the cost of delivering this activity is proposed to ensure that we maintain the required level of service in this area.

- An additional \$31,000 per year is proposed for elected members' expenses and allowances to respond to a new determination issued by the Remuneration Authority in accordance with the Local Government Act 2002.
- An additional \$40,000 is proposed for the 2019/20 year, and every election year following, to cover previously unbudgeted costs associated with elections, including the cost of an induction programme for new councillors.

The increase in the cost of providing this service as outlined above is proposed to be funded from the **Council Services Rate**.

No additional capital expenditure is proposed for the Governance activity.

## 1.2 Māori relationships

It is proposed that the following services are provided:

1.2.1 Establish enduring and robust governance relationships between council and Māori of Taitokerau.

1.2.2 Provide opportunities for Māori to participate in council processes.

### Changes proposed

1. 'Māori relationships' is a new activity proposed under this Long Term Plan. The services it encompasses are currently being provided by council and are not new, however these haven't previously been included as a separate activity before.
2. The current level of service provided is proposed to increase in response to increasing demand for input and advice on issues that impact Māori, and to lift the general cultural competency across the organisation. Council is proposing to increase internal capacity to appropriately deal with legislative requirements and is looking to make funds available to support Māori businesses and initiatives.
3. New measures are proposed to allow council to measure and report on the way that Māori are engaged with.

### Proposed measures and targets

1.2.1 Establish enduring and robust governance relationships between council and Māori of Taitokerau					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Ten meetings <sup>(1)</sup> of the Te Taitokerau Māori and Council Working Party are held each calendar year.	New measure	10 meetings held annually			

1. *Five formal meetings and five marae-based meetings*

1.2.2 Provide opportunities for Māori to participate in council processes					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of time council meets all relevant requirements of Treaty of Waitangi settlement legislation.	New measure	100% compliance			
Percentage of time targeted pre-consultation engagement is undertaken with Māori during council's statutory Resource Management Act planning processes.	New measure	100% compliance			

### Changes to the cost of delivering services

Council is proposing to increase internal capacity to appropriately deal with legislative requirements, and is looking to make funds available to support Māori businesses and initiatives.

- An additional full-time equivalent is sought to effectively resource Māori engagement at a cost of \$100,000 per year, including all overhead costs.
- Sponsorship of the biennial Māori Business Awards is proposed at a cost of \$5000 in 2018/19 and 2020/2021, increasing to \$7000 in 2022/2023 and continuing every second year following.

- An additional \$2000 is proposed for a Northland Regional Council Tai Tokerau Māori Scholarship in 2018/19, increasing to \$6000 every year following.
- \$10,000 per year is proposed from 2019/2020 onward to support the Māori initiatives fund.
- A new Māori internship position is proposed at a cost of \$55,000 every year from 2020/2021, including all overhead costs.

The increase in the cost of providing this service as outlined above is proposed to be funded from the **Council Services Rate**.

No additional capital expenditure is proposed for the Māori relationships activity.

## 1.3 Communication and engagement

It is proposed that the following services are provided:

1.3.1 Support and deliver environmental education initiatives.

1.3.2 Promote effective community engagement.

### Changes proposed

1. The level of service provided for communication and engagement is proposed to increase in line with the need for this activity to support all other council activities, and to respond to increasing demand from the community for better and more advanced communication channels.
2. The significant levels of service remain the same, however the way that they are measured has been changed.
3. The measures for 'Support and deliver environmental education initiatives' continue to focus on the Enviroschools programme, but are expanded to incorporate kindergartens. The specific project measures have been removed as they were not a reflection of the effectiveness or success of the programme.
4. The measures for 'Promote community engagement' have been expanded to include social media reach and the measures of participation in specific groups have been replaced by a measure of collaborative community engagement groups.

### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

#### 1.3.1 Support and deliver environmental education initiatives

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of schools and kindergartens participating in the Enviroschools programme. <sup>(1)</sup>	New measure	Establish baseline	Maintain or increase		

1. *Schools include primary, intermediate and secondary schools.*

#### 1.3.2 Promote effective community engagement

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Number of subscribers to online and social media channels <sup>(1)</sup>	7,908*	25% annual increase (number and percentage increase to be reported)			

### 1.3.2 Promote effective community engagement

Frequency of engagement with council's Collaborative Community Engagement Groups <sup>(2)</sup>	100%*	Annual engagement with 100% of groups (actual number of groups and percentage compliance to be reported)
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1. Includes social media, eNewsletters and Web Alerts
2. Collaborative Community Engagement Groups are defined as any group that the council engages with at least annually, that contributes knowledge and resources to achieve outcomes in a defined area. For example - CoastCare groups, catchment management groups, river liaison committees or civil defence community response groups.

### Changes to the cost of delivering services

The communication and engagement activity supports the work of all council activities and is having to respond to increasing demand, both from within the organisation and from the community, for better and more advanced communication channels. A number of areas of new spend are proposed as a response to this:

- \$25,000 per year is proposed for marketing and promotions.
- An additional \$5000 per year is proposed to meet the demand for Enviroschools Biosecurity and WaiRestoration courses.
- An additional Enviroschools early childhood contractor is sought at a cost of \$32,500 per year from 2019/20 onward.
- A community environmental awards programme is proposed, at a cost of \$15,000 for 2018/19 and 2019/20, increasing to \$20,000 from 2020/2021.
- \$21,000 per year is proposed for work and equipment required to maintain online services, including an online image library.
- A new full time equivalent position for social media management is proposed at a cost of \$72,000 per year, including all overheads.
- Additional funding is proposed to facilitate social media management at a cost of \$20,000 per year for the first three years, increasing to \$22,500 from 2021/2022, and to \$25,000 from 2024/2025.

The increase in the cost of providing this service as outlined above is proposed to be funded from the **Council Services Rate**.

Capital expenditure is also proposed for the communication and engagement activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$18,300 in 2018/19, \$25,250 in 2020/21, with a total proposed spend over 10 years of \$130,800. This capital expenditure is proposed to be funded from council's retained earnings, with depreciation funded from the **Council Services Rate**.

## 1.4 Economic development

It is proposed that the following services are provided:

1.4.1 Invest in economic development projects and ventures within Northland to improve Northland's economic performance.

### Changes proposed

There are a number of changes proposed to this activity:

1. It is proposed that the level of service increases slightly in response to an increase in the number and complexity of economic development opportunities and obligations, and to enable council to engage more effectively with other agencies including those of central government.
2. The measure relating to Northland Inc's level of compliance with its approved statement of intent has been expanded out to two separate measures - covering its compliance with Local Government Act requirements and its achievement of key performance indicators.

### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

#### 1.4.1 Invest in economic development projects and ventures within Northland to improve Northland's economic performance

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Northland Inc's compliance with Local Government Act requirements relating to its Statement of Intent (SOI) <sup>(1)</sup>	New measure	100% compliance			
Percentage of Northland Inc's SOI key performance indicators achieved by 30 June each year.	100% - achieved *	100% compliance			

1. Requirements are to provide council with a draft Statement of Intent (SOI) by 1 March, consider council comments by 1 May, and deliver final SOI by 30 June each year.

#### Changes to the cost of delivering services

- A full time equivalent position is sought to support council's economic development activities at a cost of \$81,000 per year including all overhead costs.

The increase in the cost of providing this service as outlined above is proposed to be funded from the **Council Services Rate**.

No additional capital expenditure is proposed for the Economic development activity.

#### Investment and Growth Reserve

The objective of the Investment and Growth Reserve is to provide a fund that enables council to make strategic investments that lift the long-term growth of the Northland economy. The reserve, established in the Annual Plan 2011/12, is funded by an annual input of \$1.7 million from council's investment income, with discretionary additional input from the Community Investment Fund. Council is proposing to inflation-adjust the \$1.7 million with an annual transfer from the Community Investment Fund.

For more information on this proposal refer to the 'Financial strategy'. In addition to providing operational funding for Northland Inc (a Council-Controlled Organisation - please refer to the 'Council-controlled and subsidiary organisations' section of this document for more details on Northland Inc), the Investment and Growth Reserve is used to fund projects that are deemed to be eligible for funding under the council adopted 'Procedures for the Allocation of Funding' (PAF). One of the key functions of Northland Inc is to be the gateway through which projects are assessed, developed and recommended for funding from the reserve.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	3,951	4,245	4,386	4,481	4,541	4,859
Grants and subsidies for operating purposes	-	-	-	-	-	-
Fees charges and targeted rates for water supply	60	60	60	60	60	60
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	1,226	1,356	1,394	1,433	1,511	1,591
<b>Total Operating Funding</b>	<b>5,237</b>	<b>5,661</b>	<b>5,839</b>	<b>5,974</b>	<b>6,111</b>	<b>6,509</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	6,880	8,234	7,958	7,452	7,502	7,815
Finance costs	273	253	253	253	253	253
Internal charges and overheads applied	619	761	801	834	835	853
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>7,772</b>	<b>9,247</b>	<b>9,012</b>	<b>8,538</b>	<b>8,589</b>	<b>8,921</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(2,536)</b>	<b>(3,586)</b>	<b>(3,173)</b>	<b>(2,564)</b>	<b>(2,477)</b>	<b>(2,412)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	-	6	-	-	-	-
- To replace existing assets	-	13	-	26	14	5
Increase / (Decrease) in reserves	(1,680)	(2,822)	(2,409)	(1,790)	(1,752)	(1,752)
Increase / (Decrease) in investments	(856)	(783)	(763)	(801)	(739)	(665)
<b>Total Applications of Capital Funding</b>	<b>(2,536)</b>	<b>(3,586)</b>	<b>(3,173)</b>	<b>(2,564)</b>	<b>(2,477)</b>	<b>(2,412)</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>2,536</b>	<b>3,586</b>	<b>3,173</b>	<b>2,564</b>	<b>2,477</b>	<b>2,412</b>
<b>FUNDING BALANCE</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>



Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of Operating Funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
4,686	4,780	5,105	4,949	5,026	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
60	60	60	60	60	Fees charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
1,674	1,756	1,848	1,940	2,035	Local authorities fuel tax, fines, infringement fees and other receipts
<b>6,419</b>	<b>6,596</b>	<b>7,012</b>	<b>6,949</b>	<b>7,121</b>	<b>Total Operating Funding</b>
<b>Applications of Operating Funding</b>					
7,727	7,876	8,231	8,178	8,333	Payments to staff and suppliers
253	253	253	253	253	Finance costs
885	919	952	976	1,005	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>8,865</b>	<b>9,048</b>	<b>9,436</b>	<b>9,407</b>	<b>9,590</b>	<b>Total Applications of Operating Funding</b>
<b>(2,446)</b>	<b>(2,453)</b>	<b>(2,424)</b>	<b>(2,458)</b>	<b>(2,470)</b>	<b>Surplus / (Deficit) of Operating Funding</b>
<b>Sources of Capital Funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Sources of Capital Funding</b>
<b>Applications of Capital Funding</b>					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
-	-	-	-	-	- To improve levels of service
-	61	6	-	13	- To replace existing assets
(1,785)	(1,820)	(1,858)	(1,896)	(1,937)	Increase / (Decrease) in reserves
(661)	(694)	(572)	(562)	(546)	Increase / (Decrease) in investments
<b>(2,446)</b>	<b>(2,453)</b>	<b>(2,424)</b>	<b>(2,458)</b>	<b>(2,470)</b>	<b>Total Applications of Capital Funding</b>
<b>2,446</b>	<b>2,453</b>	<b>2,424</b>	<b>2,458</b>	<b>2,470</b>	<b>Surplus / (Deficit) from Capital Funding</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>FUNDING BALANCE</b>

# Regulatory services

## About regulatory services

The natural and physical resources of Northland are central to our economy, culture and communities. These resources are under pressure and council has the responsibility for managing them for community use and enjoyment, today and into the future.

The regulatory services group of activities aims to ensure our resources are well governed and managed to meet the needs of Northlanders. Effective resource management begins by setting goals and rules through carefully considered plans, bylaws and strategies. It continues by ensuring that activities are consistent with these plans and national legislation through the resource consents process. The final step is monitoring compliance with any issued resource consents, monitoring the state of the environment to detect any environmental problems, identifying where environmental management has been effective, and providing quality information to enable good decision making which feeds back into the planning process.

This group includes the following activities:

- Planning and policy
- Consents
- Monitoring

These activities contribute to the following council **areas of focus** (community outcomes):

- Continuous improvement in water quality and security of supply
- Safe and resilient communities
- Prosperous relationships with tangata whenua
- Efficient and effective service delivery

There are no **significant negative effects** to the community anticipated as a result of delivering any of the activities within the regulatory services group of activities.

## Changes to levels of service

The level of service provided for the regulatory services group of activities is either remaining the same or increasing. These activities were previously grouped under 'Resource and Catchment Management'.

## 2.1 Planning and policy

It is proposed that the following services are provided:

- 2.1.1 Develop and maintain regional planning documents for the management of Northland's natural and physical resources.
- 2.1.2 Respond to other local and central government resource management documents and policy initiatives.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way that this activity is measured:

1. The previous significant level of service to 'Provide and maintain an up-to-date resource management framework to sustainably manage the environment and access to and use of the region's natural and physical resources' has been merged with a non-significant level of service 'Developing and maintaining a number of regional planning documents for the management of the region's natural and physical resources'. The new measure sets out detailed targets for the ongoing development of the new Regional Plan and the Regional Policy Statement to ensure the sustainable management of resources.
2. A previous level of service relating to council's response to other organisations' documents has been altered to specifically refer to central government, and a new measure added for the submission process.

### Proposed measures and targets

2.1.1 Develop and maintain regional planning documents for the management of Northland's natural and physical resources.						
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	2025/26	By 2027/28
Develop a new Regional Plan.	New measure	Hold hearings and release council decisions on the proposed Regional Plan.	Engage Māori and stakeholders in plan preparation process.	Notify any plan changes required to implement the National Policy Statement for Freshwater Management (NPS Freshwater).	Efficiency and effectiveness review of the new Regional Plan.	
Make changes to the new Regional Plan and Regional Policy Statement (RPS) as necessary to implement national direction and to respond to resource management issues.	New measure	NPS Freshwater implementation programme is notified by 31 December 2018.  Regional targets to improve water quality at specified swimming sites identified and publicly available.	Engage Māori and stakeholders in plan preparation process.	Notify plan change to identify and protect significant freshwater biodiversity sites in the Regional Plan <sup>(1)</sup>	Further necessary changes to RPS and Regional Plan in response to national planning standards completed.	

1. If not addressed through proposed plan process in 2018.

### Changes to the cost of delivering services

In order to maintain the required level of services in this area and respond to changes in legislation, additional funding is required:

- An additional \$20,000 is proposed in 2018/19, and \$50,000 in 2019/20 and 2020/21 to progress stalled proposals for marine protected areas.
- A one-off spend of \$50,000 is proposed for 2018/19 to complete the hearings process for the new Regional Plan.

The increase in the cost of providing this service is proposed to be funded from the **Council Services Rate**.

No capital expenditure is proposed for the planning and policy activity.

## 2.2 Consents

It is proposed that the following services are provided:

2.2.1 Provide efficient and effective processing and administering of resource consents.

### Changes proposed

There are no changes proposed to this activity.

### Proposed measures and target

2.2.1 Provide efficient and effective processing and administering of resource consents					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of all resource consent applications that are processed within the statutory time frames.	100% - achieved	98% compliance			

### Changes to the cost of delivering services

There are no material changes to the cost of delivering the consents activity.

No capital expenditure is proposed for the consents activity.

## 2.3 Monitoring

Our monitoring activity comprises **compliance monitoring** and **state of the environment monitoring**.

It is proposed that the following services are provided:

### Compliance monitoring:

2.3.1 Provide efficient and effective compliance monitoring of resource consents.

2.3.2 Efficient and effective response to, and resolution of, reported environmental incidents.

### State of the Environment Monitoring:

2.4.1 Gather and make available information on the suitability of water bodies for swimming and shellfish collection.

2.4.2 Monitor the life-supporting capacity of water (fresh and marine), uses and values.

2.4.3 Monitor the standard of ambient air quality in Northland.

2.4.4 Support informed policy decision-making regarding water resources.

**Changes proposed**

1. An increase in the level of service provided for the monitoring activity is proposed to address water quality and soil erosion in Northland. Council is also increasing the service to meet the requirements of the NPS Freshwater, resulting in an expansion of council's freshwater monitoring networks and more robust data collection planning and standards.
2. Changes are proposed to the way that these services are divided and measured, with levels of service and measures within the activity being split into compliance monitoring activities and monitoring the state of the environment.

**Compliance monitoring:**

1. Two of the level of service statements for compliance monitoring have been combined, and the associated measures altered slightly, to better reflect what we aim to achieve. Otherwise these measures remain largely the same.

**State of the Environment monitoring:**

1. The level of service statement for monitoring water quality for swimming and shellfish collection has been re-worded to reflect the focus on gathering and making information available, and the measures also altered slightly to reflect this.
2. The level of service statement relating to monitoring life-supporting capacity of water remains largely the same, however a number of new measures have been added to this to reflect the increased level of service being provided.
3. The level of service statement relating to maintaining air quality has been altered to reflect that council monitors the standard of air quality, rather than maintains it.
4. A new level of service statement has been added, to 'Support informed policy decision making regarding water resources', with associated measures.

**Proposed measures and targets****Compliance monitoring:**

2.3.1 Provide efficient and effective compliance monitoring of resource consents					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of monitored resource consents that are not graded as significantly non-compliant.	97% - achieved *	90% compliance			
Percentage of monitored permitted farm dairy effluent activities that are not graded as significantly non-compliant.	75% - not achieved *	90% of farms monitored annually			
Percentage of consents for industrial, municipal sewage and farm discharges, and major water takes requiring monitoring, that are monitored as per the council's consent monitoring programme	92% - not achieved	100% compliance			

2.3.2 Efficient and effective response to and resolution of reported environmental incidents					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of environmental incidents with more than minor effects reported to the Environmental Hotline resolved within 30 working days.	80.9% -achieved	80% resolved within 30 working days			

## State of the environment monitoring:

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

### 2.4.1 Gather and make available information on the suitability of water bodies for swimming and shellfish collection.

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Monitor at least 50 popular swimming sites weekly during the summer for faecal indicator bacteria and publish the results. <sup>(1)</sup>	59 - achieved *	50 or more sites monitored weekly during summer			
Monitor at least 15 popular shellfish collection sites weekly during the summer and publish the results. <sup>(2)</sup>	15 - achieved *	15 or more sites monitored weekly during summer			

1. Sites are monitored weekly in the summer from late November/early December to late February/early March
2. Sites are monitored weekly in the summer from late November/early December to late February/early March.

### 2.4.2 Monitor the life-supporting capacity of water (fresh and marine), uses and values

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of sites monitored for macroinvertebrates showing improved or maintained trend in their Macroinvertebrate Community Indices (MCI).	New measure	At least 90%			
Percentage of fish monitoring sites showing improved or maintained trend in their Index of Biotic Integrity (IBI).	New measure	At least 90%			
Percentage of lake sites monitored for ecological status showing improved or maintained trend in their Submerged Plant Indices (SPI).	New measure	At least 90%			
Percentage of lake sites monitored for level of nutrient enrichment showing improved or maintained trend in their Trophic Level Indices (TLI) .	New measure	At least 90%			
Comprehensively monitor at least 40 coastal sites monthly for general water quality.	New measure	40 sites monitored annually			

#### 2.4.3 Monitor the standard of ambient air quality in Northland

How we'll measure our performance	Latest result:	2018/19	2019/20	2020/21	By 2027/28
	2016/17				
Percentage of air sheds meeting the national air quality environmental standards	100% - achieved	100% compliance			

#### Changes to the cost of delivering services

The proposal to increase the level of service provided for the monitoring activity has an associated increase in cost. A number of new areas of spend are proposed:

- \$69,500 per year is proposed for council's coastal state of the environment monitoring programme.
- Two additional staff members are sought for environmental science reporting and freshwater ecology, at a cost of \$152,000 per year, including all overhead costs.
- An additional staff member for freshwater monitoring is sought at a cost of \$81,000 per year from 2019/20, including all overhead costs.
- An additional \$56,000 is proposed for 2018/19, and \$103,500 from 2019/20 and every year following, to cover the cost of field and digital equipment and lab testing associated with state of the environment monitoring. Some of these resources are shared with the hydrology activity, which is part of the Environmental Services group of activities.
- \$15,000 per year is proposed from 2019/20 for a regional sediment monitoring programme.
- An additional compliance monitoring officer is sought at a cost of \$71,000 per year, including all overhead costs.

The increase in the cost of providing this service is proposed to be funded primarily from the **Freshwater Management Rate**, with some contribution from the **Council Services Rate**, the **Land Management Rate**, and user charges.

Capital expenditure is also proposed for the monitoring activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$167,000 in 2018/19, \$51,000 in 2019/20, and \$88,000 in 2020/21, with a total proposed spend over 10 years of \$1.08 million. This capital expenditure is proposed to be funded from **council's retained earnings**. Depreciation will be funded from the **Freshwater Management, Land and Biodiversity, and Council Services Rates**.



	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	4,939	6,024	6,314	6,485	6,606	6,791
Grants and subsidies for operating purposes	-	-	-	-	-	-
Fees charges and targeted rates for water supply	1,661	1,868	1,909	1,951	1,994	2,040
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-
<b>Total Operating Funding</b>	<b>6,600</b>	<b>7,892</b>	<b>8,224</b>	<b>8,437</b>	<b>8,600</b>	<b>8,831</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	5,511	5,965	6,289	6,548	6,703	6,975
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	2,752	3,051	3,220	3,359	3,353	3,429
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>8,263</b>	<b>9,016</b>	<b>9,509</b>	<b>9,907</b>	<b>10,057</b>	<b>10,404</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(1,663)</b>	<b>(1,124)</b>	<b>(1,285)</b>	<b>(1,470)</b>	<b>(1,457)</b>	<b>(1,573)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	8	67	10	-	-	19
- To replace existing assets	8	100	43	92	123	119
Increase / (Decrease) in reserves	(95)	-	-	-	-	-
Increase / (Decrease) in investments	(1,584)	(1,291)	(1,338)	(1,562)	(1,580)	(1,711)
<b>Total Applications of Capital Funding</b>	<b>(1,663)</b>	<b>(1,124)</b>	<b>(1,285)</b>	<b>(1,470)</b>	<b>(1,457)</b>	<b>(1,573)</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>1,663</b>	<b>1,124</b>	<b>1,285</b>	<b>1,470</b>	<b>1,457</b>	<b>1,573</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					<b>Sources of Operating Funding</b>
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
6,978	7,181	7,396	7,618	7,854	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
2,087	2,137	2,190	2,245	2,304	Fees charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
9,065	9,318	9,586	9,863	10,158	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
7,186	7,424	7,699	7,946	8,217	Payments to staff and suppliers
-	-	-	-	-	Finance costs
3,560	3,705	3,841	3,940	4,055	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
10,747	11,129	11,540	11,885	12,272	<b>Total Applications of Operating Funding</b>
(1,682)	(1,811)	(1,954)	(2,022)	(2,114)	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	- To meet additional demands
-	-	-	9	23	- To improve levels of service
60	168	138	95	123	- To replace existing assets
-	-	-	-	-	Increase / (Decrease) in reserves
(1,742)	(1,979)	(2,092)	(2,126)	(2,261)	Increase / (Decrease) in investments
(1,682)	(1,811)	(1,954)	(2,022)	(2,114)	<b>Total Applications of Capital Funding</b>
1,682	1,811	1,954	2,022	2,114	<b>Surplus / (Deficit) from Capital Funding</b>
0	0	(0)	0	0	<b>FUNDING BALANCE</b>

# Environmental services

## About environmental services

Managing the natural resources of Northland is a complex task encompassing social, economic, environmental and cultural factors. The Environmental Services group of activities focuses on improving the natural environment through programmes of management, protection and enhancement and protecting Northland from natural hazards. These activities rely heavily on collaboration with other agencies, communities, and landowners to achieve outcomes.

Freshwater improvement and pest management have been identified as two of council's biggest priorities. The Environmental Services group of activities contributes to the improvement of freshwater through the promotion of sustainable land practices that aim to reduce erosion and sediment load and improve water quality, and works to maintain biodiversity through habitat protection, enhancement and monitoring. Through the biosecurity activity this group also manages pest plants, animals and marine organisms, which threaten our forests, waterways and marine life, including a management programme to prevent the spread of Kauri dieback disease which threatens Northland's iconic Kauri.

The Northland region is exposed to a range of natural hazards, and the Environmental Services group of activities works to protect Northland communities through natural hazard management. This involves identifying, assessing and providing information on natural hazards and associated risks, and preparing and implementing risk reduction plans. These programmes of work are supported by the information gathered through council's hydrometric network which is also a key part of council's environmental monitoring programme, as discussed in the [Regulatory Services](#) group of activities.

This group includes the following activities:

- Natural Hazard Management
- Hydrology
- Biosecurity
- Biodiversity
- Land and water

The activities contribute to the following council **areas of focus** (community outcomes):

- Continuous improvement in water quality and security of supply
- Enhancement of indigenous biodiversity and biosecurity
- Prosperous relationships with tangata whenua
- Efficient and effective service delivery

Any **significant negative effects** to the community anticipated as a result of delivering any of the activities within the Environmental Services group of activities, have been identified and addressed. These include the potential impact of hazard mapping on individual properties, and additional costs to landowners resulting from farm management plans.

## Changes to levels of service

The level of service provided for these activities is either remaining the same or increasing.

The activities included in the Environmental Services group were previously grouped under 'Resource and Catchment Management' and 'Hazard Management'.

## 3.1 Natural Hazard Management

It is proposed that the following services are provided:

3.1.1 Identify and make available information on areas potentially affected by natural hazards through mapping.

### Changes proposed

The level of service provided for natural hazard management is unchanged, however some changes are proposed to the way that the activity is grouped and measured:

1. Natural hazard management was previously a group of activities in itself but has been brought under the umbrella of the Environmental Services group of activities as this better reflects its synergies with river management and hydrology.
2. The level of service statement 'Maintaining natural hazard information and assessments to protect life and property' has been re-worded to focus more on making the hazard mapping information available.
3. The current measures relating to the frequency with which priority beach profile sites are updated, and the time taken to update flood level monitoring at priority rivers following flood events, have been removed and replaced with a measure relating to the number of river catchments flood-mapped.

### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

3.1.1 Identify and make available information on areas potentially affected by natural hazards through mapping					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Number (and percentage) of river catchments flood-mapped to identify river flooding hazards.	26 (20.2%) *	28 (21.7%)	29 (22.5%)	129 (100%)	-

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- Development of a GIS programme to allow less time-intensive data extraction is proposed at a cost of \$20,000 in 2019/20, and \$2000 every year following.
- A region wide LIDAR (Light Detection and Ranging) survey is currently in progress as of 2017/18, which will underpin region-wide flood mapping by 2020/21. A renewal LIDAR survey for the region is proposed to be undertaken in 2027/28, with a proposed 33% contribution of \$750,000 made by the regional council.

The increase in the cost of providing this service is proposed to be funded from the **Civil Defence Emergency Management Rate**.

Capital expenditure is also proposed for the hazard management activity to replace survey equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$13,900 in 2018/19 and \$11,500 in 2019/20, with a total proposed capital spend over 10 years of \$200,000. This capital expenditure is proposed to be funded from council's **retained earnings**, with depreciation funded from the **Council Services Rate**.

## 3.2 Hydrology

It is proposed that the following services are provided:

3.2.1 Provide accurate rainfall and flood level information

### Changes proposed

1. The hydrology activity previously resided within the river management group of activities, however the level of service statement and measures relating to hydrology remains the same.
2. The level of service provided for hydrology is proposed to increase in line with the need for this activity to support the increased river management activity, and in response to the National Environmental Monitoring Standards.

### Proposed measures and targets

3.2.1 Provide information on water resources including rainfall, flood levels and ground water					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of time that flood level monitoring is accurate to enable flood warnings to be developed.	100% - achieved	100% compliance			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- Additional full-time equivalent positions are sought for hydrology at a cost of \$147,000 in the 2018/19 year and \$223,000 every year following, including all overhead costs.
- An additional groundwater scientist is sought at a cost of \$81,000 per year, including all overhead costs.
- \$55,000 per year is sought for a junior hydrology officer, including all overhead costs.
- Additional funding is required to support the increase in hydrometric operations, at a cost of \$40,000 per year for 2018/19 and 2019/20, \$37,000 for 2020/21, and up to \$45,000 every year following.

These costs are proposed to be funded from the **Land and Biodiversity, Freshwater Management, Flood Infrastructure, and Civil Defence Emergency Management Rates**.

Capital expenditure is also proposed for the hydrology activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$289,200 in 2018/19, \$406,700 in 2019/20, and \$354,750 in 2020/21, with a total proposed capital spend over 10 years of \$2.36 million. This capital expenditure is proposed to be funded from **council's retained earnings**. Depreciation will be funded from the **Land and Biodiversity, Freshwater Management, Flood Infrastructure, Civil Defence Emergency Management, and Council Services Rates**.

### 3.3 Biosecurity

It is proposed that the following services are provided:

3.3.1 Promote community involvement in pest management.

3.3.2 Implement measures to slow the introduction and spread of new and established marine pests.

#### Changes proposed

1. The level of service for biosecurity is proposed to increase in line with increasing demand for pest control both regionally and nationally, including the national Predator Free 2050 programme and council's Pest Free Northland programme. This includes building council's capacity for area-specific pest control programmes, urban pest control, incursion response, marine pest management, and working collaboratively with communities.
2. New pest management programmes are proposed for high value pest control areas in the Bay of Islands, Tutukaka, Kai Iwi Lakes, and the Mangawhai/Waipū area.
3. It is proposed that the existing Whangārei Heads pest management rate will be withdrawn, but that the funding level will be maintained for this project for the three years, 2018/19 - 2020/21.
4. An additional level of service statement and measures have been included to better reflect the variety of biosecurity work that is undertaken.
5. A change is proposed to the way that area-specific pest management schemes are funded, with the introduction of a region-wide pest management rate that will fund area-specific works in place of targeted pest management rates.

#### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

3.3.1 Promote community involvement in pest management					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	76,849ha *	Increase by 5000 hectares annually			
Increase in kiwi populations within council supported programmes	New measure	Increase by 2% annually			

3.3.2 Implement measures to slow the introduction and spread of new and established marine pests					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Survey at least 2000 vessel hulls for marine pests each year as part of the Marine Pathway Management Plan	New measure	2,000 hulls annually			

**Changes to the cost of delivering services**

Council is looking to significantly expand pest management programmes in Northland. A number of new areas of spend are proposed as a response to this:

- An additional \$10,000 per year is proposed, until 2022/23, for the control of wild ginger
- A feral animal eradication response programme is proposed at a cost of \$40,000 per year.
- Additional staff resources are sought to implement the Pest Free Northland programme, at a cost of: \$190,000 for the 2018/19 year, \$330,000 for two years from 2019/20, \$470,000 for three years from 2021/22, \$610,000 for three years 2024/25, and \$750,000 for 2027/28.
- Operational costs associated with the Pest Free Northland programme are sought to enable urban pest control programmes, community coordinators, and continuation and expansion of Community Pest Control Areas, at a cost of \$430,000 in 2018/19, \$531,000 in 2019/20, \$607,000 in 2020/21, and increasing incrementally after this to a total of \$1.5 million by 2027/27.
- Additional funding is sought for Western Northland projects associated with Pest Free Northland, including projects at Tane Whakapiripiri, Puketi, Mataraua, Waimā, Waipoua and Warawara at a cost of \$439,000 per year.
- A vessel hull surveillance database is sought for marine biosecurity at a cost of \$60,000 in 2018/19, and \$40,000 in 2019/20.
- Additional costs associated with pest control and monitoring equipment are proposed at \$5800 in 2018/19, and increasing approximately \$2500 per annum every year following.
- Additional funding is sought for identified high value pest control areas including the Bay of Islands (\$300,000 per year), Tutukaka (\$110,000 per year), Whangārei Heads (\$93,000 per year), Kai Iwi Lakes (\$150,00 per year) and Mangawhai/Waipū (\$200,000 per year).

These costs are proposed to be funded from the **Pest Management Rate**.

Capital expenditure is also proposed for the biosecurity activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$50,000 in 2018/19, \$37,000 in 2019/20, and \$37,000 in 2020/21 with a total proposed capital spend over 10 years of \$383,000. This capital expenditure is proposed to be funded from **council's retained earnings**, with depreciation funded from the **Council Services** and **Pest Management Rates**.



## 3.4 Biodiversity

It is proposed that the following services are provided:

3.4.1 Maintain and enhance indigenous biodiversity and ecosystems around our rivers, lakes, wetlands, terrestrial habitats and coastal margins.

### Changes proposed

1. The biodiversity activity was previously included within the 'Land and biodiversity' activity but has been separated out to reflect the specificity of the work undertaken.
2. It is proposed that the level of service increase to align with nationally set priorities in freshwater improvement and biodiversity maintenance.
3. A new level of service statement and measure is proposed, to allow council to measure and report on the way that biodiversity is maintained and enhanced.

### Proposed measures and targets

3.4.1 Maintain and enhance indigenous biodiversity and eco-systems around our rivers, lakes, wetlands and coastal margins.					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Number of wetland <sup>(1)</sup> enhancement and protection projects funded via Efund annually.	12 - baseline *	13	14	15	20
Number of plants provided through CoastCare programme	10,170 - baseline *	11,000	12,000	13,000	20,000
Number of objectives met that are set out in annual work plan for Freshwater Improvement <sup>(2)</sup>	New measure	100% of objectives met			

1. Includes Top Wetlands

2. Objectives are set out in Ministry for the Environment project work plans for the Northern Wairoa and Dune Lakes Freshwater Improvement Fund projects

### Changes to the cost of delivering services

A number of new areas of spend are proposed to enable council to increase the level of service for biodiversity:

- Additional staff resources are sought to progress freshwater improvement in the Northern Wairoa and Northland dune lakes, at a cost of \$280,000 per year from 2018/19 to 2021/22, inclusive of all overhead costs.
- Council's contribution toward the operational costs of the Northern Wairoa and dune lakes freshwater improvement projects varies over five years from 2018/19, with \$163,800 proposed for 2018/19, then \$71,600, \$127,500, \$119,000, and \$12,000 over the following four years.
- Future additional funding of \$400,000 per year is proposed from 2021/22 to continue freshwater improvement projects.
- Expansion of council's wetland monitoring programme is proposed at a cost of \$7,800 in 2019/20 and 2020/21, and then every second and third year after that.
- Expansion of council's annual lakes ecological monitoring programme is proposed at a cost of \$48,500 in 2018/19, \$5000 in 2019/20, and \$6000 in 2020/21. The cost varies from \$8000 to \$66,000 in the eight years following.

The work resulting from this funding will also contribute to the **Land and Water** activity.

These costs are proposed to be funded from the **Freshwater Management**, and **Land and Biodiversity Rates**. Depreciation on capital expenditure, as outlined below, is funded by these rates and the **Council Services Rate**.

Capital expenditure is also proposed for the biodiversity activity, to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$4000 in 2018/19, \$2000 in 2019/20, and \$2000 in 2020/21, with a total proposed capital spend over ten years of \$21,000. This capital expenditure is proposed to be funded from council's retained earnings. Depreciation will be funded from the Land and Biodiversity, Freshwater Management, and Council Services Rates.

### 3.5 Land and water

It is proposed that the following services are provided:

3.5.1 Promote improved water quality by providing advice and funding on sustainable land management, soil conservation, and biodiversity through farm management and catchment management initiatives.

#### Changes proposed

1. The land and water activity has been separated from the previous 'Land and biodiversity' activity.
2. It is proposed that the level of service increase in response to increased demands for an increased focus on water quality, particularly associated with stock exclusion and soil erosion.
3. The level of service statement and measures have been altered to better reflect the focus on water quality as a result of the work undertaken as part of this activity.

#### Proposed measures and targets

3.5.1 Promote improved water quality by providing advice and funding on sustainable land management, soil conservation, and biodiversity through farm management and catchment management initiatives.					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Area (ha) of land being actively managed under a sustainable farm environment plan.	19,827ha *	Increase 25,000 ha per annum			
Area (ha) of highly erodible land being actively managed under a farm environment plan.	New measure	Maintain or increase (from baseline data)			
Number of subsidised poplar poles provided for erosion-prone land by the Flyger Road Nursery.	5000 poles (baseline) *	6000	7000	8000	20,000
Kilometres of waterway margins protected to reduce sediment, nutrient run-off and general contamination of water, funded by the Environment Fund.	New measure	Increase (from baseline data)			

#### Changes to the cost of delivering services

The proposed increase in level of service for the land and water activity requires additional spend in several areas:

- Three additional hill country erosion staff resources are sought to progress council's soil conservation programmes and priority catchment management plans, at a cost of \$229,000 in 2018/19, increasing to four additional staff in 2019/20 at a cost of \$307,000 each year following.

- It is proposed to increase funding to create a council afforestation grant scheme, which makes funds available to assist landowners in creating sustainable land use change to native or productive forestry, from 2020/21; beginning with \$85,500 and increasing to \$303,000 by 2027/28.
- Additional funds are proposed to be made available in council's Environment Fund, which supports land management and biodiversity projects; \$508,000 is proposed for 2018/19, with \$370,00 and \$388,000 proposed for the two years following. The amount rises incrementally over the following seven years to \$923,000 by 2027/28.
- To support on-farm soil conservation and riparian management projects, an expansion of council's Flyger road nursery is proposed at a cost of \$36,000 in 2018/19, with \$47,000 and \$58,000 proposed for the two years following. The proposed increase fluctuates over the following seven years between \$66,500 and \$71,000 each year.
- An additional \$66,000 per year is proposed for a full time equivalent Flyger road nursery manager, inclusive of all overhead costs.
- Additional equipment to support the increase in level of services is proposed at a cost of \$3,500 in 2018/19, and \$6,500 each year following.

These costs are proposed to be funded from the **Land and Biodiversity** and **Freshwater Management Rates**.

Capital expenditure is also proposed for the land and water activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$92,500 in 2018/19, \$45,500 in 2019/20, and \$31,000 in 2020/21, with a total proposed capital spend over 10 years of \$445,200. This capital expenditure is proposed to be funded from **council's retained earnings**. Depreciation will be funded from the **Land and Biodiversity, Freshwater Management, and Council Services Rates**.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	4,731	7,395	8,062	8,566	9,753	9,702
Grants and subsidies for operating purposes	206	206	30	30	30	30
Fees charges and targeted rates for water supply	711	741	746	756	766	777
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-
<b>Total Operating Funding</b>	<b>5,647</b>	<b>8,342</b>	<b>8,839</b>	<b>9,352</b>	<b>10,549</b>	<b>10,509</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	6,222	9,100	9,409	10,040	11,301	11,377
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	1,796	2,318	2,447	2,552	2,547	2,605
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>8,017</b>	<b>11,417</b>	<b>11,856</b>	<b>12,592</b>	<b>13,849</b>	<b>13,983</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(2,370)</b>	<b>(3,075)</b>	<b>(3,017)</b>	<b>(3,240)</b>	<b>(3,300)</b>	<b>(3,473)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	51	151	96	71	99	121
- To replace existing assets	-	9	2	2	14	-
Increase / (Decrease) in reserves	(234)	(234)	-	-	-	-
Increase / (Decrease) in investments	(2,187)	(3,002)	(3,115)	(3,313)	(3,413)	(3,594)
<b>Total Applications of Capital Funding</b>	<b>(2,370)</b>	<b>(3,075)</b>	<b>(3,017)</b>	<b>(3,240)</b>	<b>(3,300)</b>	<b>(3,473)</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>2,370</b>	<b>3,075</b>	<b>3,017</b>	<b>3,240</b>	<b>3,300</b>	<b>3,473</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of Operating Funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
10,189	11,085	11,938	12,590	13,587	Targeted rates (other than targeted water rates)
30	30	30	30	30	Grants and subsidies for operating purposes
788	799	811	824	838	Fees charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
<b>11,007</b>	<b>11,914</b>	<b>12,779</b>	<b>13,444</b>	<b>14,455</b>	<b>Total Operating Funding</b>
<b>Applications of Operating Funding</b>					
11,926	12,893	13,529	14,208	16,175	Payments to staff and suppliers
-	-	-	-	-	Finance costs
2,705	2,816	2,919	2,994	3,082	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>14,631</b>	<b>15,708</b>	<b>16,449</b>	<b>17,202</b>	<b>19,257</b>	<b>Total Applications of Operating Funding</b>
<b>(3,625)</b>	<b>(3,795)</b>	<b>(3,669)</b>	<b>(3,758)</b>	<b>(4,802)</b>	<b>Surplus / (Deficit) of Operating Funding</b>
<b>Sources of Capital Funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Sources of Capital Funding</b>
<b>Applications of Capital Funding</b>					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
45	245	75	79	46	- To improve levels of service
3	14	-	4	15	- To replace existing assets
-	-	308	308	617	Increase / (Decrease) in reserves
(3,673)	(4,053)	(4,053)	(4,149)	(4,246)	Increase / (Decrease) in investments
<b>(3,625)</b>	<b>(3,795)</b>	<b>(3,669)</b>	<b>(3,758)</b>	<b>(4,802)</b>	<b>Total Applications of Capital Funding</b>
<b>3,625</b>	<b>3,795</b>	<b>3,669</b>	<b>3,758</b>	<b>4,802</b>	<b>Surplus / (Deficit) from Capital Funding</b>
<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>FUNDING BALANCE</b>

# River management

## About river management

Northland's geography makes it vulnerable to high intensity rainfalls which, the coupled with extensive development on floodplains, means that the risk of flood is one of the greatest natural hazard risks to this region. Flooding presents a threat to life, property and infrastructure, and can also severely impact the region's productivity and economy.

The River Management activity focuses on managing this risk, and protecting Northland communities from flood hazards. These activities rely heavily on collaboration with other agencies, communities, and landowners to achieve outcomes. River management involves the preparation and implementation of risk reduction plans, and developing, implementing and maintaining flood control works and assets in conjunction with local river management liaison committees.

This group includes the **River Management** activity.

The activities contribute to the following council areas of focus (community outcomes):

- Safe and resilient communities

Any **significant negative effects** to the community anticipated as a result of delivering the river management activity have been identified and addressed. This includes the potential for siltation resulting from flood schemes and unanticipated downstream effects resulting from diverted floodwater.

## Changes to levels of service

The level of service provided for this activity is increasing.

It is proposed that the following service is provided:

4.1.1 Build, monitor and maintain flood protection schemes to protect life and property.

## Changes proposed

1. The level of service provided for river management is proposed to increase in line with ongoing demand for flood protection infrastructure and works.
2. The measures relating to the number of failures of flood protection schemes below specified design levels for Kaitāia and Whangārei have been removed, and are covered by an overall measure of all schemes.
3. The level of service statement and measures relating to the delivery of river management work has been removed.
4. The level of service statement and measure relating to accurate rainfall and flood level monitoring has been moved to the 'Hydrology' activity.
5. **Awanui river scheme.** A major piece of work is planned for the period 2018 to 2027 with the focus on increased flood resilience for Kaitāia. Two options have been explored for consideration. Option one (urban Kaitāia resilience and level of service upgrade) will provide increased flood protection asset resilience through river bank protection works. In addition, option one would increase the level of service for flood protection in urban areas of Kaitāia to a 1 in 100 plus climate change Average Recurrence Interval event. Level of service increase for urban Kaitāia is proposed to be achieved by reducing Awanui flood overflow to the Tarawhataroa Stream, and upgrading Awanui River and Whangātane spillway capacity to accommodate the additional flow. Option one also comprises the Bell's Hill slip remediation works. Option two comprises only the resilience upgrade component of option one, which includes river bank toe-armouring, and Bell's Hill slip remediation works. These resilience works are required to reduce the risk of a structural failure which would compromise the effectiveness of flood protection assets during a flood event.
6. **Whangārei river management.** Stage three of the Whangārei urban rivers flood scheme was completed with construction of the Hopua te Nihotetea detention dam. An upgrade of the Whangārei Central Business District (CBD) to a 50-year Average Recurrence Interval is planned to be carried out in stage four of the scheme, which will continue beyond this long term plan. The first project in the stage four works is flood overflow reduction on the lower Waiarohia stream, planned for the period 2018-2021. This will increase the level of service for properties situated in the Commerce Street area of the CBD through a reduction in flood overflow across Wood Road.

7. **Kāeo-Whangaroa.** The adjusted Kāeo stage 2 work is scheduled for 2024-2028 which includes increasing the level of protection for Kāeo township through Waikare Creek widening and relocating the confluence of the Kāeo River and Waikare Creek approximately 600 metres downstream. This will help reduce the backwater flooding in the township. Floodway construction at Matangirau is scheduled for 2019-2021. The floodway is proposed to be progressed in conjunction with the Far North District Council bridge capacity upgrade at the Wainui Road.
8. **Taumārere.** Three projects are proposed for this catchment. First, Otiria Stream channel-benching works, to reduce the flood over-topping of State Highway 1 at Turntable Hill Bridge, are scheduled for 2018-19 and are to be implemented in collaboration with the New Zealand Transport Agency. Second, the proposed Waiōmio Stream channel benching works, spillway overflow, and old Whangae Road stopbanking works, to reduce flooding from the Waiōmio Stream at Kawakawa, are scheduled for 2019-2021. Third, the larger Otiria flood spillway project is proposed to divert floodplain flow to the Waiharakeke Stream at Pokapu Road. This project, scheduled for 2023-2028, would reduce flooding to the Otiria area and Moerewa.
9. **Kerikeri-Waipapa spillway flood scheme.** Two projects are planned for this catchment, to reduce flooding from the Kerikeri River to the Waipapa Industrial Estate and Waitōtara Drive.
10. **Panguru.** Floodway construction and streambank-widening works are scheduled for 2023-2026 to help reduce flooding to Panguru settlement and the West Coast Road.
11. A change is also proposed to the way river management, and in particular large infrastructure projects associated with river management, is funded with a new **Flood Infrastructure Rate** proposed. Please see 'Changes to the cost of delivering services', below.

### Proposed measures and targets

4.1.1 Build, monitor and maintain flood protection schemes to protect life and property					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Number of flood events occurring as a result of failures of flood protection systems for the Awanui, Whangārei, and Kāeo schemes below specified design levels.	Zero	Zero			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity.

For more information on the programmes of work outlined below, please refer to the [Infrastructure Strategy](#).

#### Whangārei flood scheme

- The first piece of work planned to upgrade Whangārei CBD flood protection to a 50 year Average Recurrence Interval design level (scheme stage four), is the lower Waiarohia stream flood overflow reduction project. This will result in increased protection for the Commerce Street area of the CBD at a proposed cost of \$950,000.
- A basin wetland creation project is proposed at the Hopua te Nihotetea detention dam at a cost of \$50,000.

These costs are proposed to be funded from the **Whangārei urban rivers management rate** and the **flood infrastructure rate**.

#### Awanui flood Scheme

- Option 1: River bank protection works, Bell's Hill slip remediation works, and proposed upgrades to the Whangatane Spillway and urban Kaitiā river channels, including new Awanui River spillways, are projected to cost \$15 million.
- Option 2: River bank protection works and Bell's Hill Slip remediation works are proposed at a cost of \$7.9 million, as an alternative to option 1.

These costs are proposed to be funded from the **Awanui River management rate** and the **flood infrastructure rate**.



**Kāeo-Whangaroa flood scheme**

- Kāeo: Widening of Waikare Creek is proposed at a cost of \$150,000.
- Kāeo: Re-alignment of the Kāeo River is proposed at a cost of \$450,000.
- Kāeo: Deflection bank extension work is proposed at a cost of \$150,000.
- Matangirau: Floodway construction and channel benching is proposed at a cost of \$400,000.

These costs are proposed to be funded from the **Kāeo-Whangaroa Rivers management rate** and the **flood infrastructure rate**.

**Kerikeri/Waipapa flood scheme**

- Waipapa Industrial Estate flood scheme works are proposed at a cost of \$260,000.
- Waitōtara Drive stopbanks are proposed at a cost of \$180,000.

These costs are proposed to be funded from within the existing flood scheme reserve.

**Taumārere/Kawakawa flood scheme**

- Channel benching is proposed in the Otiria Stream at a cost to council of \$50,000 (an NZTA grant is also applied to this project).
- Channel benching, spillway for overflow, and Old Whangae Road stopbank is proposed along the Waiōmio Stream at a cost of \$350,000.
- Otiria Flood Spillway diverting flood plain flow to the Waiharakeke Stream is proposed at a cost of \$2.5 million.

These costs are proposed to be funded from the **Taumārere/Kawakawa Rivers management rate** and the **flood infrastructure rate**.

The impact on ratepayers in our flood management areas is set out in the rating examples section of this document - see 'How much will my rates be?'

**Flood infrastructure rate**

The proposed **flood infrastructure rate (FIR)** only applies to new capital flood protection works (that is, from 2018). It will not be applied retrospectively, so existing scheme debts will be funded from existing targeted rates. The FIR only applies to high-risk urban/residential areas, including rural settlements but not farmland. The FIR will fund 50% of new capital works for projects above \$500,000, with the balance from a targeted rate. The FIR funds 100% of new capital in catchments that cannot afford a targeted rate, or where it is not practicable to establish a targeted rate, but this 100% contribution is capped at \$500,000 to avoid situations of low cost/benefit. Examples of where it is not practical to establish a targeted rate include: river catchment areas with less than 1000 SUIPS/Rating Units, and areas where rates collected would be less than \$100,000 per year.

The FIR is only proposed to be made available for works in identified Priority River catchments and where the proposed work has demonstrable community support.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	3,389	4,778	5,164	5,308	5,392	5,453
Grants and subsidies for operating purposes	-	-	-	-	-	-
Fees charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	28	34	17	4	3	1
Local authorities fuel tax, fines, infringement fees and other receipts	36	36	36	36	41	41
<b>Total Operating Funding</b>	<b>3,452</b>	<b>4,847</b>	<b>5,217</b>	<b>5,347</b>	<b>5,436</b>	<b>5,495</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	2,285	2,273	2,707	2,983	3,040	3,212
Finance costs	409	419	518	557	719	848
Internal charges and overheads applied	809	848	896	935	933	954
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>3,504</b>	<b>3,541</b>	<b>4,121</b>	<b>4,475</b>	<b>4,691</b>	<b>5,014</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(52)</b>	<b>1,306</b>	<b>1,096</b>	<b>872</b>	<b>744</b>	<b>481</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	2,677	1,035	3,009	2,686	1,135
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>2,677</b>	<b>1,035</b>	<b>3,009</b>	<b>2,686</b>	<b>1,135</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	203	1,937	905	2,081	1,673	902
- To replace existing assets	145	1,044	561	1,528	1,399	427
Increase / (Decrease) in reserves	483	1,662	1,483	1,356	1,246	1,059
Increase / (Decrease) in investments	(883)	(660)	(818)	(1,084)	(887)	(772)
<b>Total Applications of Capital Funding</b>	<b>(52)</b>	<b>3,984</b>	<b>2,131</b>	<b>3,881</b>	<b>3,431</b>	<b>1,616</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>52</b>	<b>(1,306)</b>	<b>(1,096)</b>	<b>(872)</b>	<b>(744)</b>	<b>(481)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of Operating Funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
5,393	5,492	5,604	5,685	5,793	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
-	-	-	-	-	Fees charges and targeted rates for water supply
0	0	0	0	0	Internal charges and overheads recovered
41	41	41	41	41	Local authorities fuel tax, fines, infringement fees and other receipts
<b>5,434</b>	<b>5,533</b>	<b>5,646</b>	<b>5,727</b>	<b>5,835</b>	<b>Total Operating Funding</b>
<b>Applications of Operating Funding</b>					
3,342	3,448	3,664	3,808	3,925	Payments to staff and suppliers
873	967	1,055	1,190	1,277	Finance costs
991	1,032	1,070	1,098	1,130	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>5,205</b>	<b>5,447</b>	<b>5,789</b>	<b>6,095</b>	<b>6,332</b>	<b>Total Applications of Operating Funding</b>
<b>229</b>	<b>86</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>Surplus / (Deficit) of Operating Funding</b>
<b>Sources of Capital Funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
2,174	2,124	2,944	2,244	450	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>2,174</b>	<b>2,124</b>	<b>2,944</b>	<b>2,244</b>	<b>450</b>	<b>Total Sources of Capital Funding</b>
<b>Applications of Capital Funding</b>					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
1,301	1,554	2,168	1,747	450	- To improve levels of service
997	916	983	594	133	- To replace existing assets
855	774	620	439	363	Increase / (Decrease) in reserves
(751)	(1,033)	(969)	(904)	(993)	Increase / (Decrease) in investments
<b>2,403</b>	<b>2,210</b>	<b>2,801</b>	<b>1,876</b>	<b>(47)</b>	<b>Total Applications of Capital Funding</b>
<b>(229)</b>	<b>(86)</b>	<b>143</b>	<b>368</b>	<b>497</b>	<b>Surplus / (Deficit) from Capital Funding</b>
<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>FUNDING BALANCE</b>

# Customer services and community resilience

## About customer services and community resilience

Council is continually working to improve the safety and resilience of Northland. This includes working to keep people safe on the roads and on the water, preparing the region for emergency situations, and ensuring that council provides professional and timely interaction with the people of Northland. This group of activities works to ensure that excellent customer service is delivered across all activities,

Ensuring that people have access to the information that they need when they need it, and that inquiries are acknowledged and responded to in a timely manner, is a critical part of council operations that underpins all of the services that council offers. Council information and services need to be accessible, regardless of location or ability.

Preparing for, and being able to respond to and recover from significant emergencies, is key to building a resilient region. Council takes a lead role in the Northland Civil Defence and Emergency Management group, co-coordinating and managing the civil defence emergency management activities in Northland. This involves working with the three district councils and other key groups and stakeholders. Northland council's have a partial shared service model for Civil Defence Emergency Management delivery, and it is proposed to strengthen the shared service with the inclusion of all four councils.

With its deep water port and high shipping volume, one of the more likely emergency scenarios for Northland is a marine oil spill. This activity works to address this risk by undertaking planning, training and resourcing necessary to prevent and respond to oil spills.

Also key to ensuring the safety and resilience of Northland is the management of the way that people move around the region, both on the water and on our roads, and council works to promote and regulate navigation safety on all coastal waters and lakes. This activity also encompasses the work involved in strategic planning and resourcing land transport needs for the region, working to ensure road safety, and providing a public bus service to help people move around the region. One of the biggest challenges in this area is the declining number of passengers on public bus services, a national trend that within Northland can be directly attributed to low fuel prices.

This group includes the following activities:

- Customer services
- Civil defence emergency management
- Oil pollution response
- Harbour safety and navigation
- Transport

These activities contribute to the following council **areas of focus** (community outcomes):

- Thriving regional economy
- Safe and resilient communities
- Efficient and effective service delivery
- Efficient and effective land transport policies and public transport

There are no **significant negative effects** to the community anticipated as a result of delivering any of the activities proposed within the governance and engagement group of activities.

## Changes to levels of service

The level of service provided for these activities is either remaining the same or increasing. Changes are also proposed to the way that we group and measure these activities:

1. The customer services activity has been separated out as an activity, it was previously included within support services.

2. The civil defence and emergency management and oil pollution response activities included in this group of activities was previously included within the 'Hazard Management' group of activities.
3. The harbour safety and navigation, and transport activities included in this group of activities were previously included within the 'Transport' group of activities.

## 5.1 Customer services

It is proposed that the following services are provided:

### 5.1.1 Providing meaningful customer service.

#### Changes proposed

1. 'Customer services' is a new activity proposed under this Long Term Plan. The services it encompasses are currently being provided by council and are not new, however these haven't previously been considered an individual activity.
2. The current level of service provided is proposed to increase slightly in response to the growing scope of council work, and a commitment to excellent customer service.
3. A level of service statement and measures are included to allow council to measure and report on meaningful customer service.

#### Proposed measures and targets

5.1.1 Providing meaningful customer service					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of customers surveyed that are satisfied with the quality of service received following an interaction with council.	New measure	Maintain or increase (specific targets will be set once baseline established)			

#### Changes to the cost of delivering services

- A restructure and increase in capacity of the customer services front line team is proposed at a cost of \$84,000 per year, including all overhead costs.

These costs are proposed to be funded from the **Council Services Rate**.

Capital expenditure is also proposed for the customer services activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$425,000 in 2018/19, with a total proposed spend over 10 years of \$425,000. This capital expenditure is proposed to be funded from council's **retained earnings**, with depreciation funded from the **Council Services Rate**.

## 5.2 Civil defence emergency management

It is proposed that the following services are provided:

5.2.1 Provide accurate and timely flood warnings to enable communities to take precautionary measures to protect life and property.

5.2.2 Maintain an effective civil defence emergency management system.

### Changes proposed

1. The level of service provided for civil defence emergency management is unchanged. The civil defence emergency management activity was previously included within the 'Hazard Management' group of activities.

### Proposed measures and targets

5.2.1 Provide accurate and timely flood warnings to enable communities to take precautionary measures to protect life and property					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of time that accurate flood warnings are issued in accordance with the council's flood warnings procedures	100% achieved	100% compliance			

5.2.2 Maintain an effective civil defence emergency management system					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of time that emergencies <sup>(1)</sup> are debriefed within one month, and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	Not applicable (no events occurred)	100% annually			

1. *Emergencies that require the activation of an emergency operations centre*

### Changes to the cost of delivering services

There are no changes to the cost of delivering the Civil Defence Emergency Services activity.

No additional capital expenditure is proposed for the Civil Defence Emergency Services activity.

## 5.3 Oil pollution response

It is proposed that the following services are provided:

5.3.1 Maintain an efficient and responsive oil pollution response.

### Changes proposed

While the level of service provided for oil pollution response is unchanged, there are changes proposed to the way that the activity is grouped, as the oil pollution response activity was previously included within the 'Hazard Management' group of activities.

The way that we measure the level of service has been altered to more practically reflect the requirements in this area.

### Proposed measures and targets

5.3.1 Maintain an efficient and responsive oil pollution response					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Maintain a regional oil spill response plan, including a minimum of 30 up-to-date trained responders <sup>(1)</sup> .	New measure	Maintain a minimum of 30 responders at all times			

1. The number of trained responders required is set by Maritime Pollution Response Services, Maritime New Zealand in accordance with a national plan

### Changes to the cost of delivering services

There are no changes to the cost of delivering the oil response activity.

No capital expenditure is proposed for the oil pollution response activity.



## 5.4 Harbour safety and navigation

It is proposed that the following services are provided:

5.4.1 Provide regional navigational safety control of shipping and small craft, provide aids to navigation to ensure Northland's navigable waters are safe for people to use, and manage the region's moorings.

### Changes proposed

While the level of service proposed for harbour safety and navigation remains unchanged, there are a number of changes to the level of service statements and the way that the activity is measured.

1. The harbour safety and navigation activity was previously included within the 'Transport' group of activities.
2. The previous level of service statements has been combined in to one, and the measures refined to allow council to effectively measure and report on the harbour safety and navigation activity.

### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

5.4.1 Provide regional navigational safety control of shipping and small craft, provide aids to navigation to ensure the region's navigable waters are safe for people to use, and manage the region's moorings.

How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Percentage of time that the operational safety management system for the pilotage areas of Whangārei and Bay of Islands complies with the Port and Harbour Safety code. <sup>(1)</sup>	100% - achieved*	100% compliance			
Percentage of time that pilotage in the Bay of Islands is provided in accordance with the safety management system. <sup>(2)</sup>	New measure	100% compliance			
Percentage of reported aids to navigation faults that are responded to within five working days.	New measure	100% compliance			
Percentage of moorings either serviced within the past three years or booked to be serviced.	New Measure	95% of moorings			

1. Operational safety management system compliance with the Port and Harbour Safety Code is measured by conducting an annual self-assessment and periodic peer review.
2. Operational safety management system compliance with the Port and Harbour Safety Code is measured by conducting an annual self-assessment.

### Changes to the cost of delivering services

In order to maintain the required level of service in this area, some additional costs are proposed:

- An additional full time equivalent is sought to increase the capacity of the maritime team at a cost of \$71,000 per year, including all overhead costs, from 2019/20 and every year following.
- An increase in remuneration for the region's harbour wardens is proposed at a cost of \$15,000 in 2018/19, \$22,500 in 2019/20, and \$30,000 every year following.

These costs are proposed to be funded from the **Council Services Rate**.

Capital expenditure is also proposed for the harbour safety and navigation activity to replace equipment and purchase additional equipment where required. In the first three years of this LTP the proposed cost is \$194,500 in 2018/19, \$24,300 in 2019/20, and \$40,500 in 2020/21, with a total proposed spend over 10 years of \$359,000. This capital expenditure is proposed to be funded from council's retained earnings and pilotage revenue with depreciation funded from the Council Services Rate.

## 5.5 Transport

It is proposed that the following services are provided:

4.5.1 Provide an efficient and effective public bus service.

4.5.2 Plan for the future transport needs of the region.

### Changes proposed

1. The transport activity was previously a group of activities in itself but has been brought under the umbrella of the Customer Service and Community Resilience group of activities, along with the harbour safety and navigation activity.
2. The level of service for transport remains unchanged, however additional measures have been added to allow council to more accurately measure and report on the two main elements of the transport activity - public transport and transport planning.

### Proposed measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.

5.5.1 Provide an efficient and effective public bus service					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Number of passengers for the Whangārei urban bus service. <sup>(1)</sup>	309,414	Maintain 310,000 per annum			
Percentage of passengers satisfied with overall Whangārei bus service. <sup>(2)</sup>	96% - achieved *	95% compliance			

1. Other bus services apart from Whangārei not included as they are either minor, temporary or trial services only.
2. Passenger satisfaction rating of six or above on a 10 point scale.

5.5.2 Plan for the future transport needs of the region					
How we'll measure our performance	Latest result: 2016/17	2018/19	2019/20	2020/21	By 2027/28
Develop and maintain statutory transport planning documents including the Regional Land Transport Plan (RLTP) and Regional Public Transport Plan (RPTP)	New measure	Adopt RPTP Adopt RLTP		Adopt RLTP	Adopt RLTP

### Changes to the cost of delivering services

In order to maintain the required level of service for transport, some additional costs are proposed:

- An additional full time equivalent to increase the capacity of the transport project planning is sought at an additional cost of \$50,000 per year, including all overhead costs.
- A one-off payment of \$18,400 is proposed for 2019/20 to enable a regional investigation into disability transport needs.

These costs are proposed to be funded from the **Council Services Rate**.

No additional capital expenditure is proposed for the transport activity.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	3,954	4,371	4,599	4,656	4,725	4,800
Grants and subsidies for operating purposes	1,703	2,539	2,539	2,539	2,539	2,539
Fees charges and targeted rates for water supply	1,958	1,820	1,859	1,899	1,939	1,983
Internal charges and overheads recovered	8	8	8	8	8	8
Local authorities fuel tax, fines, infringement fees and other receipts	-	221	367	470	470	380
<b>Total Operating Funding</b>	<b>7,623</b>	<b>8,959</b>	<b>9,373</b>	<b>9,573</b>	<b>9,683</b>	<b>9,710</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	6,634	8,051	8,295	8,649	8,426	8,527
Finance costs	-	221	367	470	470	380
Internal charges and overheads applied	1,449	1,526	1,607	1,674	1,675	1,713
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>8,083</b>	<b>9,798</b>	<b>10,269</b>	<b>10,794</b>	<b>10,572</b>	<b>10,619</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>(461)</b>	<b>(839)</b>	<b>(896)</b>	<b>(1,221)</b>	<b>(889)</b>	<b>(909)</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	123	434	-	-	-	-
- To replace existing assets	79	185	25	42	107	-
Increase / (Decrease) in reserves	210	31	23	(232)	91	92
Increase / (Decrease) in investments	(873)	(1,490)	(944)	(1,031)	(1,086)	(1,001)
<b>Total Applications of Capital Funding</b>	<b>(461)</b>	<b>(839)</b>	<b>(896)</b>	<b>(1,221)</b>	<b>(889)</b>	<b>(909)</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>461</b>	<b>839</b>	<b>896</b>	<b>1,221</b>	<b>889</b>	<b>909</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of Operating Funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
4,876	4,957	5,044	5,133	5,227	Targeted rates (other than targeted water rates)
2,539	2,539	2,539	2,539	2,539	Grants and subsidies for operating purposes
2,027	2,075	2,125	2,177	2,233	Fees charges and targeted rates for water supply
8	8	8	8	8	Internal charges and overheads recovered
251	105	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
<b>9,702</b>	<b>9,685</b>	<b>9,717</b>	<b>9,858</b>	<b>10,008</b>	<b>Total Operating Funding</b>
<b>Applications of Operating Funding</b>					
8,891	8,738	8,854	9,240	9,110	Payments to staff and suppliers
251	105	-	-	-	Finance costs
1,776	1,845	1,911	1,960	2,017	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>10,917</b>	<b>10,688</b>	<b>10,765</b>	<b>11,200</b>	<b>11,127</b>	<b>Total Applications of Operating Funding</b>
<b>(1,215)</b>	<b>(1,004)</b>	<b>(1,048)</b>	<b>(1,342)</b>	<b>(1,119)</b>	<b>Surplus / (Deficit) of Operating Funding</b>
<b>Sources of Capital Funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Sources of Capital Funding</b>
<b>Applications of Capital Funding</b>					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
-	-	-	-	-	- To improve levels of service
-	-	-	-	-	- To replace existing assets
(168)	95	97	(167)	91	Increase / (Decrease) in reserves
(1,047)	(1,098)	(1,145)	(1,174)	(1,210)	Increase / (Decrease) in investments
<b>(1,215)</b>	<b>(1,004)</b>	<b>(1,048)</b>	<b>(1,342)</b>	<b>(1,119)</b>	<b>Total Applications of Capital Funding</b>
<b>1,215</b>	<b>1,004</b>	<b>1,048</b>	<b>1,342</b>	<b>1,119</b>	<b>Surplus / (Deficit) from Capital Funding</b>
<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>FUNDING BALANCE</b>

# Corporate excellence

## About corporate excellence

The corporate excellence group encompasses all the corporate and support function sub-activities required to ensure that council business is run in an efficient, accountable, and legislatively compliant manner. This includes management of council's financial operations and investments, human resources and health and safety, information management, information technology, property, and other administration.

This service underpins all the work that council undertakes in the areas of community representation and engagement, regulatory services, environmental services, and customer service and community resilience. Without it council could not deliver any of the levels of service discussed above.

This group includes the **corporate services** activity.

This activity contributes to all council **areas of focus** (community outcomes), in particular:

- Continuous improvement in water quality and security of supply
- Enhancement of indigenous biodiversity and biosecurity
- A strong regional economy
- Safe and resilient communities
- Prosperous relationships with tangata whenua
- Efficient and effective service delivery
- Improved returns on council investments
- Efficient and effective land transport policies and public transport

There are no **significant negative effects** to the community anticipated as a result of delivering the corporate services activity.

## Changes to levels of service

The level of service provided for corporate excellence is increasing in line with the need for this activity to support all other council activities. There is also an increase in service resulting from the proposed Regional Sporting Facilities Rate.

Changes are also proposed to the structure of the group.

1. The customer services, Māori engagement, and communications activities are no longer included in this activity.
2. The remaining activities encompassed by corporate excellence were previously grouped together as 'Support Services'.

## Proposed measures and targets

There are no specific level of service statements and measures included for the corporate excellence group.

## Changes to the cost of delivering services

An increase in the cost of this activity is proposed to ensure that we maintain the required level of service in this area.

- A human resources manager is sought at a cost of \$100,000 per year, inclusive of all overhead costs. Staff costs are a significant cost to council and ensuring the efficient management of human resources is critical to the effectiveness of council operations.
- An additional \$70,000 per year is proposed for a full time equivalent to respond to increasing need for financial management, inclusive of all overhead costs.
- Costs associated with necessary information technology consolidation and improvement are proposed at a cost of \$152,000 for 2019/20 and 2020/21, and \$112,00 every year following.
- An additional one-off cost of \$90,000 in 2020/21 to repaint the exterior to the council's Whangārei office to keep it in good repair.

The increase in the cost of providing this service is proposed to be funded from the **Council Services Rate**.

Capital expenditure is also proposed to replace equipment and purchase additional equipment where required, including Information technology, office and vehicle fleet costs. In the first three years of this LTP the proposed cost is \$961,400 in 2018/19, \$1.03 million in 2019/20, and \$596,000 in 2020/21 with a total proposed spend over 10 years of \$6.11million. This increase in capital expenditure is proposed to be funded from **council's retained earnings**, with depreciation funded from the **Council Services Rate**.



	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	-	266	583	793	724	785
Grants and subsidies for operating purposes	-	-	-	-	-	-
Fees charges and targeted rates for water supply	121	120	123	126	128	131
Internal charges and overheads recovered	7,528	8,612	9,085	9,473	9,462	9,676
Local authorities fuel tax, fines, infringement fees and other receipts	8,212	8,967	10,614	9,624	9,823	10,184
<b>Total Operating Funding</b>	<b>15,860</b>	<b>17,966</b>	<b>20,405</b>	<b>20,016</b>	<b>20,138</b>	<b>20,777</b>
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	7,137	7,184	8,449	7,788	7,809	7,954
Finance costs	80	86	89	105	137	271
Internal charges and overheads applied	103	108	114	119	119	122
Other operating funding applications	-	-	-	-	-	-
<b>Total Applications of Operating Funding</b>	<b>7,321</b>	<b>7,378</b>	<b>8,653</b>	<b>8,012</b>	<b>8,065</b>	<b>8,347</b>
<b>Surplus / (Deficit) of Operating Funding</b>	<b>8,540</b>	<b>10,588</b>	<b>11,752</b>	<b>12,004</b>	<b>12,074</b>	<b>12,430</b>
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase / (Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	14,194	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total Sources of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>14,194</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	114	787	565	395	74	68
- To replace existing assets	784	524	14,916	462	473	483
Increase / (Decrease) in reserves	1,288	2,077	2,595	2,126	2,181	2,253
Increase / (Decrease) in investments	6,354	7,199	7,870	9,020	9,345	9,627
<b>Total Applications of Capital Funding</b>	<b>8,540</b>	<b>10,588</b>	<b>25,946</b>	<b>12,004</b>	<b>12,074</b>	<b>12,430</b>
<b>Surplus / (Deficit) from Capital Funding</b>	<b>(8,540)</b>	<b>(10,588)</b>	<b>(11,752)</b>	<b>(12,004)</b>	<b>(12,074)</b>	<b>(12,430)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

Please note that in Year 2, council is showing gross proceeds from asset sales of \$14.2m. This is offset by capital expenditure budgets to replace existing assets. This is the result of selling properties and reinvesting in further commercial properties. While we are budgeting for this all to happen in Year 2, there is a possibility that it may happen over two to three years. Any surpluses or deficits as a result of this process will be held or funded using the Property Reinvestment Fund.,

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					<b>Sources of Operating Funding</b>
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
831	888	951	997	1,043	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
134	138	141	145	148	Fees charges and targeted rates for water supply
10,044	10,449	10,829	11,108	11,433	Internal charges and overheads recovered
10,809	11,025	11,418	11,707	12,004	Local authorities fuel tax, fines, infringement fees and other receipts
<b>21,818</b>	<b>22,500</b>	<b>23,340</b>	<b>23,957</b>	<b>24,628</b>	<b>Total Operating Funding</b>
					<b>Applications of Operating Funding</b>
8,309	8,344	8,540	8,760	8,998	Payments to staff and suppliers
450	641	797	853	913	Finance costs
126	132	137	140	144	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>8,886</b>	<b>9,117</b>	<b>9,473</b>	<b>9,754</b>	<b>10,056</b>	<b>Total Applications of Operating Funding</b>
<b>12,933</b>	<b>13,383</b>	<b>13,866</b>	<b>14,203</b>	<b>14,573</b>	<b>Surplus / (Deficit) of Operating Funding</b>
					<b>Sources of Capital Funding</b>
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase / (Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total Sources of Capital Funding</b>
					<b>Applications of Capital Funding</b>
					Capital expenditure
-	-	-	-	-	- To meet additional demands
69	80	73	75	86	- To improve levels of service
495	507	520	533	548	- To replace existing assets
2,335	2,335	2,404	2,449	2,522	Increase / (Decrease) in reserves
10,033	10,461	10,870	11,146	11,418	Increase / (Decrease) in investments
<b>12,933</b>	<b>13,383</b>	<b>13,866</b>	<b>14,203</b>	<b>14,573</b>	<b>Total Applications of Capital Funding</b>
<b>(12,933)</b>	<b>(13,383)</b>	<b>(13,866)</b>	<b>(14,203)</b>	<b>(14,573)</b>	<b>Surplus / (Deficit) from Capital Funding</b>
<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>FUNDING BALANCE</b>



## **Funding impact statement**

# Rating funding impact statement

This statement is GST exclusive. It shows total gross expenditure and lists (by rate and income type) the funding derived from each source, for easy reference.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Excluding GST	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Operational Expenditure	35,396	41,694	44,274	44,863	46,407	47,666
Capital Expenditure	2,014	5,243	2,913	4,471	3,974	2,143
<b>TOTAL GROSS EXPENDITURE</b>	<b>37,410</b>	<b>46,938</b>	<b>47,188</b>	<b>49,334</b>	<b>50,382</b>	<b>49,810</b>
<b>Funded By:</b>						
Council Services Rate	8,701	6,747	7,461	7,875	7,933	8,440
Land Management Rate	7,006	2,058	2,341	2,599	3,050	2,853
Freshwater Management Rate	-	4,336	4,745	4,983	5,313	5,316
Pest Management Rate	-	4,185	4,527	4,690	5,195	5,444
Flood Infrastructure Rate	-	1,920	2,043	2,106	2,150	2,197
Civil Defence and Hazard Rate	-	1,445	1,604	1,648	1,692	1,739
Targeted Regional Infrastructure Rate	611	611	611	611	611	611
Targeted Regional Recreational Facilities Rate	1,046	1,385	1,385	1,385	1,385	1,385
Other Targeted Rates	3,598	4,391	4,391	4,391	4,412	4,416
Grants and Subsidies	1,804	2,652	2,476	2,476	2,476	2,476
User Charges	4,615	4,703	4,791	4,885	4,982	5,084
Rental Income	2,461	2,575	2,575	2,575	2,580	2,580
Interest Income	3,802	4,407	4,717	4,893	5,003	5,132
Dividend Income	3,210	3,598	3,708	4,096	4,262	4,483
Forestry Income	-	-	1,410	-	-	-
Sundry Income	-	-	-	-	-	-
Cash Reserves from/(to)	555	1,924	(1,597)	120	(662)	(2,348)
<b>TOTAL FUNDING</b>	<b>37,410</b>	<b>46,938</b>	<b>47,188</b>	<b>49,334</b>	<b>50,382</b>	<b>49,810</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	Excluding GST
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
49,259	50,745	52,675	54,492	57,254	Operational Expenditure
2,972	3,544	3,962	3,136	1,437	Capital Expenditure
52,230	54,289	56,638	57,627	58,691	<b>TOTAL GROSS EXPENDITURE</b>
<b>Funded By:</b>					
8,445	8,736	9,273	9,318	9,606	Council Services Rate
3,012	3,225	3,392	3,608	3,867	Land Management Rate
5,504	5,729	5,938	6,174	6,442	Freshwater Management Rate
5,691	6,268	6,569	6,882	7,480	Pest Management Rate
2,246	2,299	2,357	2,411	2,472	Flood Infrastructure Rate
1,788	1,841	2,203	2,266	2,337	Civil Defence and Hazard Rate
611	611	611	611	611	Targeted Regional Infrastructure Rate
1,385	1,385	1,385	1,385	1,385	Targeted Regional Recreational Facilities Rate
4,381	4,278	4,296	4,303	4,317	Other Targeted Rates
2,476	2,476	2,476	2,476	2,476	Grants and Subsidies
5,189	5,302	5,422	5,544	5,675	User Charges
2,580	2,580	2,580	2,580	2,580	Rental Income
5,275	5,420	5,580	5,739	5,909	Interest Income
4,705	4,926	5,148	5,369	5,590	Dividend Income
215	-	-	-	-	Forestry Income
-	-	-	-	-	Sundry Income
(1,272)	(787)	(591)	(1,039)	(2,057)	Cash Reserves from/(to)
52,230	54,289	56,638	57,627	58,691	<b>TOTAL FUNDING</b>



# Draft prospective funding impact statement

This statement is GST exclusive. It is required under the Local Government Act 2002 (Schedule 10, Clause 15) and conforms to Form 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to Funding Impact Statements as stated in section 111(2) of the Local Government Act 2002. Key divergences from GAAP are not including depreciation; including internal charges; and combining capital and operational items in one financial statement.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operational funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	20,962	27,079	29,108	30,289	31,741	32,390
Grants and subsidies for operating purposes	1,909	2,746	2,569	2,569	2,569	2,569
Fees Charges	4,510	4,610	4,698	4,792	4,888	4,991
Interest and dividends from investments	7,013	8,005	8,425	8,989	9,265	9,616
Local authorities fuel tax, fines, infringement fees and other receipts	2,461	2,575	3,985	2,575	2,580	2,580
<b>Total sources of operating funding</b>	<b>36,855</b>	<b>45,013</b>	<b>48,785</b>	<b>49,214</b>	<b>51,044</b>	<b>52,146</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	34,670	40,807	43,107	43,460	44,781	45,861
Finance costs	726	936	1,201	1,372	1,568	1,742
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>35,396</b>	<b>41,743</b>	<b>44,308</b>	<b>44,832</b>	<b>46,349</b>	<b>47,603</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>1,459</b>	<b>3,270</b>	<b>4,477</b>	<b>4,382</b>	<b>4,695</b>	<b>4,543</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	2,677	1,035	3,009	2,686	1,135
Gross proceed from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>2,677</b>	<b>1,035</b>	<b>3,009</b>	<b>2,686</b>	<b>1,135</b>
<b>Applications of capital funding</b>						
Capital expenditure	-	-	-	-	-	-
- To meet additional demands	-	-	-	-	-	-

- To improve levels of service	498	3,383	1,576	2,548	1,846	1,109
- To replace existing assets	1,016	1,875	15,547	2,153	2,128	1,034
Increase/(Decrease) in reserves	(91)	715	1,691	1,460	1,766	1,651
Increase/(Decrease) in investments	35	(26)	(13,302)	1,230	1,641	1,884
<b>Total Applications of capital funding</b>	<b>1,459</b>	<b>5,948</b>	<b>5,512</b>	<b>7,391</b>	<b>7,381</b>	<b>5,678</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>(1,459)</b>	<b>(3,270)</b>	<b>(4,477)</b>	<b>(4,382)</b>	<b>(4,695)</b>	<b>(4,543)</b>
<b>Funding balance</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

Please note that in Year 2, council is showing gross proceeds from asset sales of \$14.2m. This is offset by capital expenditure budgets to replace existing assets. This is the result of selling properties and reinvesting in further commercial properties. While we are budgeting for this all to happen in Year 2, there is a possibility that it may happen over two to three years. Any surpluses or deficits as a result of this process will be held or funded using the Property Reinvestment Fund.,

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operational funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
32,953	34,383	36,037	36,973	38,532	Targeted rates
2,569	2,569	2,569	2,569	2,569	Grants and subsidies for operating purposes
5,096	5,208	5,328	5,451	5,582	Fees Charges
9,979	10,346	10,727	11,108	11,499	Interest and dividends from investments
2,795	2,580	2,580	2,580	2,580	Local authorities fuel tax, fines, infringement fees and other receipts
<b>53,393</b>	<b>55,087</b>	<b>57,242</b>	<b>58,681</b>	<b>60,763</b>	<b>Total sources of operating funding</b>
<b>Applications of operating funding</b>					
47,381	48,723	50,519	52,139	54,758	Payments to staff and suppliers
1,817	1,957	2,095	2,287	2,434	Finance costs
-	-	-	-	-	Other operating funding applications
<b>49,199</b>	<b>50,680</b>	<b>52,614</b>	<b>54,426</b>	<b>57,192</b>	<b>Total applications of operating funding</b>
<b>4,194</b>	<b>4,407</b>	<b>4,628</b>	<b>4,255</b>	<b>3,571</b>	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	Development and financial contributions
2,174	2,124	2,944	2,244	450	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Other dedicated capital funding
<b>2,174</b>	<b>2,124</b>	<b>2,944</b>	<b>2,244</b>	<b>450</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
1,416	1,879	2,315	1,909	605	- To improve levels of service
1,556	1,665	1,647	1,226	831	- To replace existing assets
1,236	1,384	1,571	1,132	423	Increase/(Decrease) in reserves
2,159	1,604	2,039	2,231	2,162	Increase/(Decrease) in investments
<b>6,368</b>	<b>6,531</b>	<b>7,572</b>	<b>6,499</b>	<b>4,021</b>	<b>Total Applications of capital funding</b>
<b>(4,194)</b>	<b>(4,407)</b>	<b>(4,628)</b>	<b>(4,255)</b>	<b>(3,571)</b>	<b>Surplus/(Deficit) from capital funding</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>Funding balance</b>

**Reconciliation to Statement of Comprehensive Revenue and Expense**

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Capital expenditure included above not in Comprehensive Revenue and Expense	1,514	5,243	17,107	4,471	3,974	2,143
Investment movements included above not in Comprehensive Revenue and Expense	35	6 9	95 7	1,432	1,617	1,856
Other Gains included in Comprehensive Income not above	-	-	-	-	-	-
Gross Proceeds included above not in Comprehensive Income	-	-	14,194	-	-	-
Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-	-	-	-
Property revaluation adjustments included in comprehensive income but not above	-	-	-	-	-	-
Proceeds from Borrowings included above not in comprehensive revenue	-	(2,677)	(1,035)	(3,009)	(2,686)	(1,135)
Transfers to/(from) special reserves included above not in comprehensive Income	(91)	684	1,676	1,457	1,731	1,628
Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-	-	-	-
Depreciation Expense included in Comprehensive Income not above	(1,434)	(1,636)	(1,763)	(1,847)	(1,788)	(1,720)
<b>Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense</b>	<b>26</b>	<b>1,683</b>	<b>2,748</b>	<b>2,504</b>	<b>2,848</b>	<b>2,771</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
2,972	3,544	3,962	3,136	1,437	Capital expenditure included above not in Comprehensive Revenue and Expense
2,136	1,576	2,015	2,203	2,138	Investment movements included above not in Comprehensive Revenue and Expense
-	-	-	-	-	Other Gains included in Comprehensive Income not above
-	-	-	-	-	Gross Proceeds included above not in Comprehensive Income
-	-	-	-	-	Financial Asset fair value adjustments included in comprehensive income but not above
-	-	-	-	-	Property revaluation adjustments included in comprehensive income but not above
(2,174)	(2,124)	(2,944)	(2,244)	(450)	Proceeds from Borrowings included above not in comprehensive revenue
1,310	1,335	1,520	1,080	369	Transfers to/(from) special reserves included above not in comprehensive Income
-	-	-	-	-	Infrastructure asset revaluation adjustments included in comprehensive income but not above
(1,745)	(1,773)	(1,802)	(1,816)	(1,828)	Depreciation Expense included in Comprehensive Income not above
2,498	2,558	2,751	2,359	1,665	<b>Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense</b>

# Depreciation by activity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Governance and Engagement	-	-	-	-	-	-
Environmental Services	37	-	-	-	-	-
River Management	170	91	91	95	95	95
Regulatory Services	298	348	401	438	475	512
Customer Services / Community Resilience	94	123	127	127	127	127
Corporate Excellence	829	1,075	1,144	1,186	1,091	986
<b>Total Depreciation by Activity</b>	<b>1,428</b>	<b>1,636</b>	<b>1,763</b>	<b>1,847</b>	<b>1,788</b>	<b>1,720</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
-	-	-	-	-	Governance and Engagement
-	-	-	-	-	Environmental Services
99	99	99	99	99	River Management
533	561	590	604	616	Regulatory Services
127	127	127	127	127	Customer Services / Community Resilience
986	986	986	986	986	Corporate Excellence
1,745	1,773	1,802	1,816	1,828	Total Depreciation by Activity



# Capital expenditure

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Governance and Engagement</b>						
Improvement	-	6	-	-	-	-
Replacement	-	13	-	26	14	5
<b>Environmental Services</b>						
Improvement	51	151	96	71	99	121
Replacement	-	9	2	2	14	-
<b>River Management</b>						
Improvement	203	1,937	905	2,081	1,673	902
Replacement	145	1,044	561	1,528	1,399	427
<b>Regulatory Services</b>						
Improvement	8	67	10	-	-	19
Replacement	8	100	43	92	123	119
<b>Customer Services / Community Resilience</b>						
Improvement	123	434	-	-	-	-
Replacement	79	185	25	42	107	-
<b>Corporate Excellence</b>						
Improvement	114	787	565	395	74	68
Replacement	784	524	14,916	462	473	483
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,514</b>	<b>5,258</b>	<b>17,122</b>	<b>4,701</b>	<b>3,974</b>	<b>2,143</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					<b>Governance and Engagement</b>
-	-	-	-	-	Improvement
-	61	6	-	13	Replacement
					<b>Environmental Services</b>
45	245	75	79	46	Improvement
3	14	-	4	15	Replacement
					<b>River Management</b>
1,301	1,554	2,168	1,747	450	Improvement
997	916	983	594	133	Replacement
					<b>Regulatory Services</b>
-	-	-	9	23	Improvement
60	168	138	95	123	Replacement
					<b>Customer Services / Community Resilience</b>
-	-	-	-	-	Improvement
-	-	-	-	-	Replacement
					<b>Corporate Excellence</b>
69	80	73	75	86	Improvement
495	507	520	533	548	Replacement
2,972	3,544	3,962	3,136	1,437	<b>TOTAL CAPITAL EXPENDITURE</b>

# Rates

The amounts of the rates stated include the amount of the council's GST obligations.

The council does not accept lump sum contributions in respect of any targeted rate.

## Uniform annual general charge

The council does not set a uniform annual general charge.

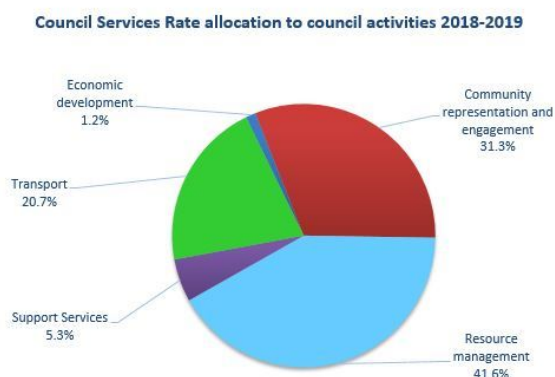
## Targeted region-wide rates

The council sets six rates, which are applied as targeted region-wide rates – the council services rate, land management rate, fresh water management rate, pest management rate, flood infrastructure rate and the civil defence and hazard management rate. Targeted region-wide rates are assessed on all rateable properties in the Northland region.

## Council services rate

### What it funds

#### Council services rate allocation to council activities 2018/19



The council uses the council services rate to fund some activities that are carried out under the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act 1994, maritime bylaws and any other activities that are not covered by any other funding source. This rate will fund the costs remaining after appropriate user fees and charges and a share of investment income, where available, have been taken into account.

### How it is set

The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed

amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide \$73,100 to fund the ongoing maintenance of the Hātea River channel.

### How much is the rate?

The estimated total council services rate amounts to **\$7,759,733** for the 2018/19 financial year.

The council services rate payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

The funding impact statement recognises that a differentiated, fixed amount on each rating unit (property) or SUIP of a rating unit links better to resource management planning, strategic planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

#### Council services rate

District	Rate	Rateable unit
Far North district	\$71.83	per SUIP
Kaipara district	\$94.00	per rating unit
Whangārei district	\$91.46	per SUIP

## Land management rate

### What it funds

This land value based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991.

The land management rate will specifically fund land management activities that have a direct relationship to land. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The land management rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

### How it is set

The land management rate is a targeted rate authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of the land value. The rate per dollar of land value is different for each constituent district because the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The council does not apply a differential on this rate.

### How much is the rate?

The estimated total land management rate is **\$2,367,175** for the 2018/19 financial year.

The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

#### Land management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North district	7,749,526	8,816,770	\$10.60
Kaipara district	4,953,588	4,953,588	\$9.36
Whangārei district	9,442,807	11,974,364	\$11.79

## Fresh water management rate

### What it funds

This land value based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991, and the National Policy Statement for Freshwater Management, including its amendments.

This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The fresh water management rate will specifically fund planning and works to improve freshwater quality.

The fresh water management rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

### How it is set

The freshwater management rate is a targeted rate authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of the land value. The rate per dollar of land value is different for each constituent district because the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The council does not apply a differential on this rate.

### How much is the rate?

The estimated total freshwater management rate is **\$4,986,199** for the 2018/19 financial year.

The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

#### Freshwater management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North district	7,749,526	8,816,770	\$22.31
Kaipara district	4,953,588	4,953,588	\$19.73
Whangārei district	9,442,807	11,974,364	\$24.84

## Pest management rate

### What it funds

The council uses the pest management rate to fund activities that are carried out under the the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For new activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan under the Biosecurity Act 1993, consideration is given to the requirements of Section 100T of the Biosecurity Act. An analysis required under section 100T of the Biosecurity Act 1993 is set out below. This is a draft analysis, with any final analysis to be considered by council when setting rates in June 2018.

The pest management rate will specifically fund pest plant and pest animal management activities.

### How it is set

The pest management rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district.

### How much is the rate?

The estimated total pest management rate amounts to **\$4,812,456** for the 2018/19 financial year.

The pest management rate is payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

This funding impact statement recognises that a differentiated, fixed amount on each rating unit (property) or SUIP of a rating unit links better to pest management activities, where the link to land value is very weak.

#### Pest management rate

District	Rate	Rateable unit
Far North district	\$44.97	per SUIP
Kaipara district	\$58.85	per rating unit
Whangārei district	\$56.18	per SUIP

## Analysis under S100T of the Biosecurity Act

Council carries out its pest management activities in accordance with its Northland Regional Pest and Marine Pathway Management Plan 2017-2027 (Marine Pathway Management Plan not yet operative at time of writing). Section 100T of the Biosecurity Act requires that a regional council must decide the extent to which it funds the implementation of its regional pest management plan from a general rate, targeted rate, or a combination of both. The factors that council must have regard to in making this decision, and council's analysis in relation to considering the pest management rate, are set out here.

### 100T (2)(a) The extent to which the plan relates to the interests of occupiers of the properties on which the rate would be levied:

It is proposed that a targeted Pest Management Rate be collected from all properties within Northland to fund land, freshwater and marine pest control activities. In total \$4.8 million would be collected (GST inclusive).

Property owners in Northland have an interest in pest control and protecting economic, environmental and cultural values that pests have a negative impact upon. The Pest Management Rate provides a single clear rate for land and freshwater biosecurity activities and for raising funds for pest control throughout Northland.

In regards to the Marine pest activities the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boatsheds, commercial ports and mooring owners and 35% general rates. This is expected to raise \$480k to fund all marine pest activities in the Proposed Northland Regional Pest and Marine Pathway Management Plan 2017-2027.

In regard to the Marine Pathway Plan the rate is levied on vessel owners not properties. In the case of the Marine Pathway Plan the vessel owners can be both beneficiaries and exacerbaters of bio-fouling and marine pest activities. The pathway rule rules aim to prevent the spread of biofouling and marine pests and therefore will benefit vessel owners who are at risk of being infected by other craft or structures.

### 100T (2)(b) The extent to which the occupiers of the properties on which the rate would be levied will obtain direct or indirect benefits from the implementation of the plan:

Northland ratepayers receive both direct and indirect benefits from the implementation of the Northland Regional Pest and Marine Pathway Management Plan 2017-2027, including protection of native forests and wetland ecosystems found on private land, and supporting communities who are involved in the restoration of iconic fauna such as kiwi, coastal seabirds and kukupa.

In regard to marine pest activities the charges will provide protection both now and into the future of the northland marine environment and damaging impacts of marine pests on:

- recreational and commercial fishing
- marine tourism
- indigenous marine biodiversity

In regard to the marine pathway plan vessel owners will directly benefit from having cleaner hulls and a reduced risk of marine pest colonisation. Owners of aquaculture farms will also benefit from the reduced spread of biofouling and marine pests

The extent to which the benefits are direct rather than indirect depends on how ratepayers use and appreciate the marine environment. Direct benefits may accrue to vessel owners, owners of marine structures, as a result of less bio fouling and those that harvest kai moana.

The extent to which the benefits are direct rather than indirect depends on how ratepayers use and appreciate the environmental values which can be impacted upon by pests. Direct benefits may accrue to land owners because of fewer plant pests, marine or animal pests such as possums, stoats and rats.

**100T (2)(c) The collective benefits of the implementation of the plan to the occupiers of the properties on which the rate would be levied compared with the collective costs to them of the rate:**

It is considered that the collective benefits of a pest management rate outweigh the costs and a differentiated targeted rate also means that everyone benefits.

For terrestrial, freshwater and marine pests, only those that have met the requirements for a positive cost benefit analysis have been included in the Northland Pest and Marine Pathway Management plan 2017 - 2027.

In regard to the Marine Pathway Plan the cost benefit analysis shows that there is a high net positive benefit of implementing this plan.

**100T (2)(d) for the regional pest management plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the presence or prevalence of the pest or pests covered by it:**

Pests cross property boundaries regardless of tenure and establish on land and in water across Northland. Therefore, a differentiated targeted rate which applies to all properties is appropriate and considered fit for purpose.

In regard to the Marine Pathway Plan biofouling on vessels pose the greatest risk of marine pest transfer. Marine pests are not bound by territorial boundaries nor restricted by the type of craft which uses a marine environment.

**100T (2)(e) for the regional pathway management plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the actual or potential risks associated with the pathway:**

Bio-fouling on vessels pose the greatest risk of marine pest transfer and the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boat sheds, commercial ports and mooring owners, with the remaining costs of 35% to be met from general rates.

## Flood infrastructure rate

### What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meets specified criteria as approved by the council. Targeted rates will be used to fund the portion of flood protection infrastructure that is not met by the flood infrastructure rate, and operational river schemes works.

### How it is set

The flood infrastructure rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit in the Kaipara district.

### How much is the rate?

The estimated total Northland flood infrastructure rate amounts to **\$2,207,845** for the 2018/19 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$23.93.

## Civil defence and hazard management rate

### What it funds

The council uses the civil defence and hazard management rate to fund activities that are carried out under the the Civil Defence Emergency Management Act 2002, Resource Management Act 1991 and Soil Conservation and Rivers Control Act 1941. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account.

### How it is set

The civil defence and hazard management rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district.

### How much is the rate?

The estimated total civil defence and hazard management rate amounts to **\$1,662,203** for the 2018/19 financial year.

The civil defence and hazard management rate payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

This funding impact statement recognises that a differentiated, fixed amount on each rating unit or SUIP of a rating unit links better to civil defence and hazard management activities where the link to land value is weak.

#### *Civil defence emergency management rate*

District	Rate	Rateable unit
Far North district	\$15.53	per SUIP
Kaipara district	\$20.33	per rating unit
Whangārei district	\$19.41	per SUIP



## Specific targeted rates

The following specific targeted rates are for 2018/19.

### Emergency services rate

#### What it funds

The council will collect the emergency services rate to provide a funding pool for selected organisations whose primary purpose is to save lives that are in immediate or critical danger, or to respond to serious injury. The funds must be applied to the provision of services in Northland. The fund recipients will be granted funding for a three-year period.

#### How it is set

The emergency services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit in the Kaipara district.

#### How much is the rate?

The estimated total emergency services rate is **\$1,084,916** for the 2018/19 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.76.

#### How is the rate applied?

The emergency services rate will be applied to approved recipients.

### Regional sporting facilities rate

#### What it funds

The council will collect the regional sporting facilities rate to contribute funds towards the development of sporting facilities across Northland that are of regional benefit. Potential recipient projects will be determined through ongoing work on the Northland Sports Facilities Plan. More details about this plan are in 'Regional sporting facilities rate'.

#### How it is set

The regional sporting facilities rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and each rateable rating unit in the Kaipara district.

#### How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to **\$1,591,394** for the 2018/19 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$17.25.

#### How is the rate applied?

This rate is applied to the development of sporting facilities that are of regional benefit.

### Regional infrastructure rate

#### What it funds

The regional infrastructure rate will fund activities relating to the development and/or completion of regional infrastructure projects.

## How it is set

The regional infrastructure rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The council does not apply a differential on this rate.

## How much is the rate?

The estimated total regional infrastructure rate is **\$702,555** for the 2018/19 financial year.

The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

### Regional infrastructure rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North district	7,749,526	8,816,770	\$3.14
Kaipara district	4,953,588	4,953,588	\$2.78
Whangārei district	9,442,807	11,974,364	\$3.49

## How is the rate applied?

This rate is applied to the infrastructure facilities reserve.

## Whangārei transport rate

### What it funds

This rate forms the local contribution required to fund the Whangārei bus passenger transport and Whangārei Total Mobility service.

### How it is set

The Whangārei transport rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

### How much is the rate?

The estimated total Whangārei transport rate is **\$909,410** for the 2018/19 financial year.

The rate will be set at \$21.46 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

### How is the rate applied?

The Whangārei transport rate will be applied to the passenger transport administration activity to subsidise bus passenger transport and the Total Mobility service provided in the Whangārei district.

## Far North transport rate

### What it funds

This rate funds the Far North bus passenger transport service, and investigation and provision of other public transport services in the Far North district.

### How it is set

The Far North transport rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North district.

### How much is the rate?

The estimated total Far North district transport rate is **\$319,403** for the 2018/19 financial year.

The rate will be set at \$8.80 for each rateable separately used or inhabited part (SUIP) in the Far North district.

### How is the rate applied?

The Far North district transport rate will be applied to the passenger transport administration activity to subsidise provision of bus passenger transport, and the investigation and provision of other public transport services in the Far North district.

## Awanui River management rate

### What it funds

This rate funds capital and operational works on the Awanui River flood management scheme.

### How it is set

The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps.

The rate is set differentially as follows:

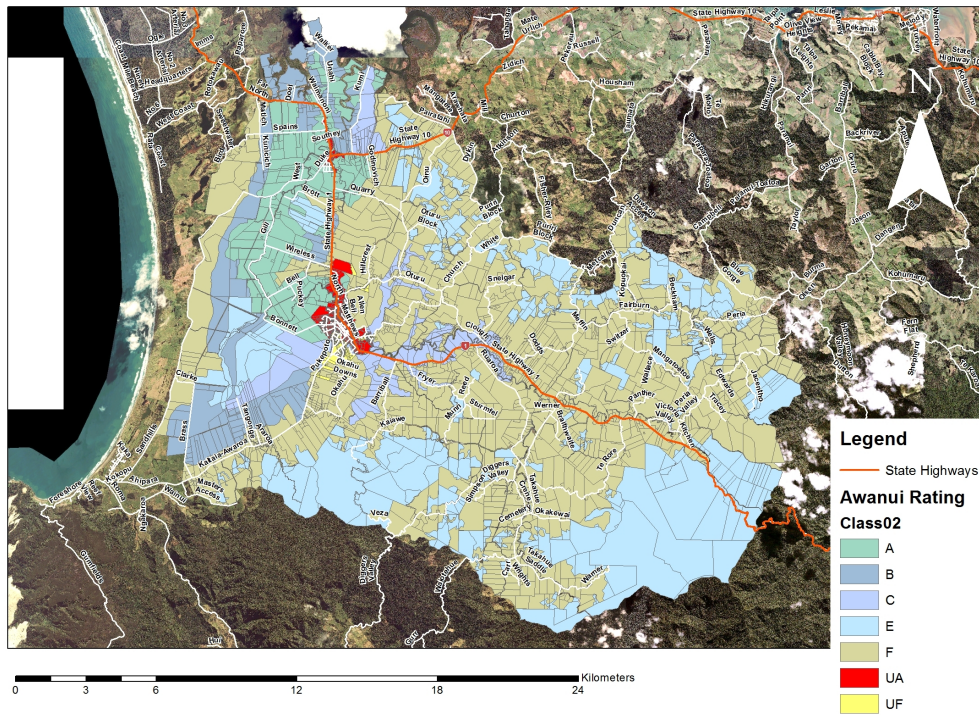
#### *Awanui river management rate*

Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$343.64 direct benefit plus \$33.86 indirect benefit per separately used or inhabited part of a rating unit.	\$377.50	Per SUIP
2	Urban rate classes UF (higher ground) \$33.86 direct benefit plus \$33.86 indirect benefit per separately used or inhabited part of a rating unit.	\$67.72	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$15.28 per separately used or inhabited part of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitāia flood rating district as illustrated in the following maps and table.	\$15.28	Per SUIP

The rating classifications and the rate charged are illustrated in the following maps and table.

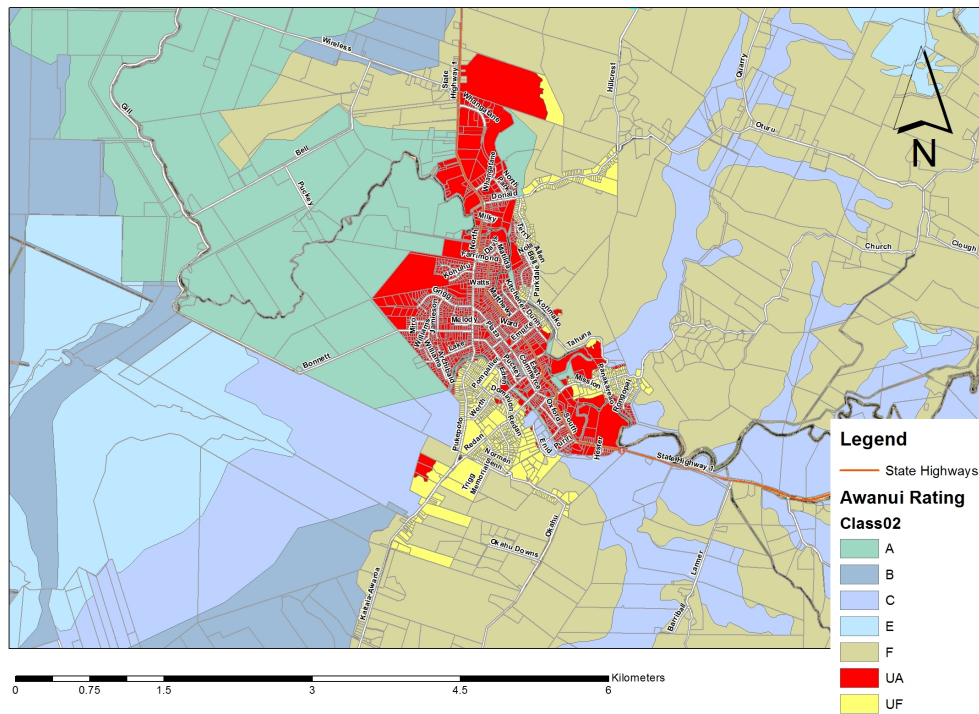
*Awanui River scheme targeted rate*

**Awanui River Scheme Targeted Rate**



*Awanui scheme targeted rate - Kaitia detail*

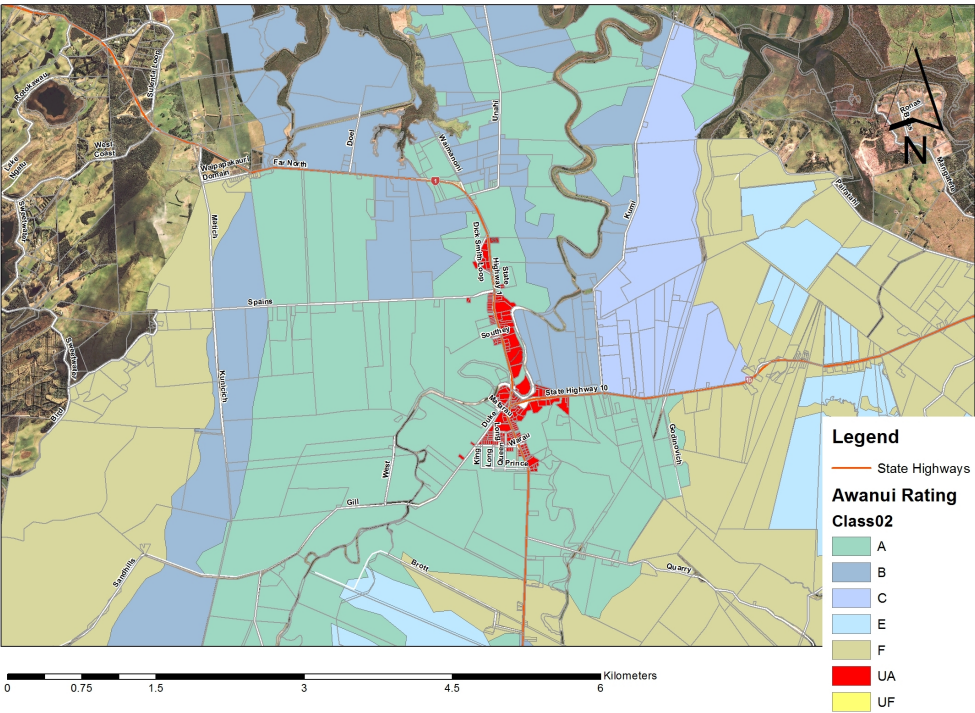
**Awanui River Scheme Targeted Rate - Kaitia Detail**





Awanui River scheme targeted rate - Awanui detail

Awanui River Scheme Targeted Rate - Awanui Detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$27.68
C	Moderate benefit; land floods less frequently and water clears quickly.	\$12.56
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$1.66

For more detailed information on rating class boundaries, please refer to the [Awanui Scheme Asset Management Plan](#), which is available on our website.

**How much is the rate?**

The estimated total Awanui River management rate is **\$1,235,726** for the 2018/19 financial year. The revenue sought from each category of rateable land will be as follows:

***Awanui river management rate***

Class	Rural or urban	Total revenue
A & B	Rural	\$157,623
C	Rural	\$20,284
F	Rural	\$31,458
Indirect benefit	Rural	\$24,329
Urban A	Urban	\$551,899
Urban F	Urban	\$44,969
Commercial differential	Majority urban	\$405,164
Total		\$1,235,726

**How is the rate applied?**

The rate is applied 100% to Awanui River flood management scheme works which form part of the river management activity.

## Kaihū River management rate

### What it funds

This rate funds channel maintenance works on the Kaihū River flood management scheme.

### How it is set

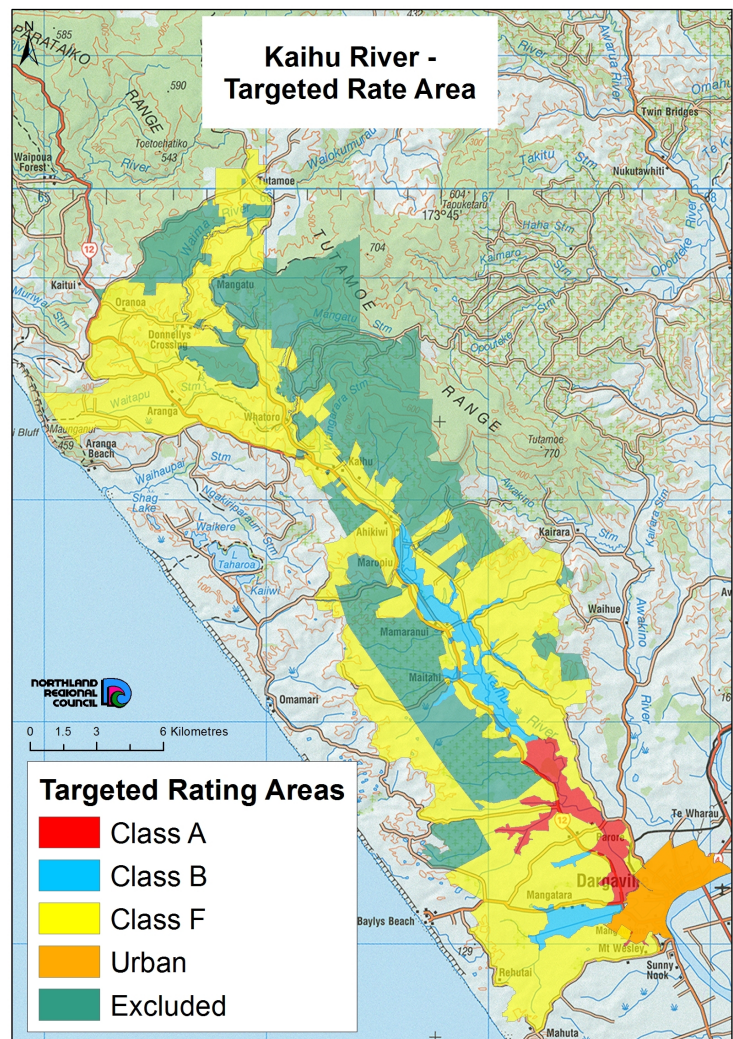
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

- Class A – land on the floodplain and side valleys downstream of the Rotu Bottleneck; rate is applied per hectare of land.
- Class B – land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12; rate is applied per hectare of land.
- Class F (Catchment rate) – balance of land within the Kaihū River rating area not falling within class A and class B; rate is applied per hectare of land.
- Urban contribution – a contribution from Kaipara District Council instead of a separate rate per property.

The rating classifications and the rate charged are illustrated as follows:

Kaihū River targeted rate area



Kaihū river management rate

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$21.22
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.68
F	Balance of rateable land within the Kaihū River rating area.	\$1.65
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5015

### How much is the rate?

The estimated total Kaihū River management rate is \$79,869 in the 2018/19 financial year. The revenue sought from each category of rateable land will be as follows:



Kaihū river management rate

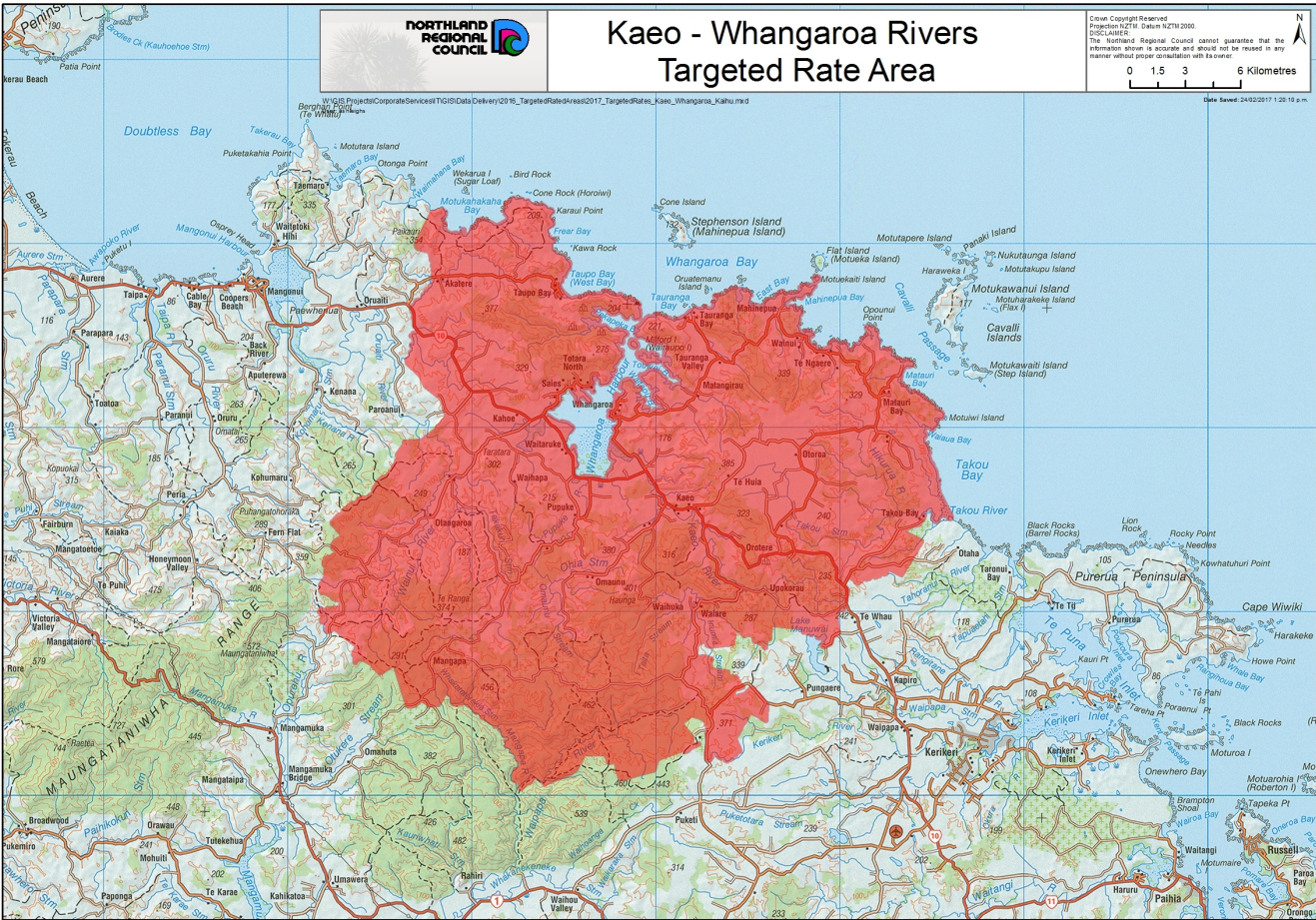
Class	Total revenue
A	\$28,510
B	\$14,480
F	\$31,864
Urban contribution	\$5015
Total	\$79,869

How is the rate applied?

The rate is applied 100% to Kaihū River flood management scheme works, which form part of the river management activity.

Kāeo-Whangaroa rivers management rate

Kāeo-Whangaroa River targeted rate area



What it funds

This rate funds operational and capital flood scheme works in Kāeo and Tauranga Bay, and minor river maintenance works to clear flood debris and gravel from streams from Taupō Bay to Te Ngaire.



## How it is set

The Kāeo-Whangaroa rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of each rateable separately used or inhabited part (SUIP) of a rating unit falling within the former Whangaroa ward rating rolls of 100-199, as illustrated in this map.

## How much is the rate?

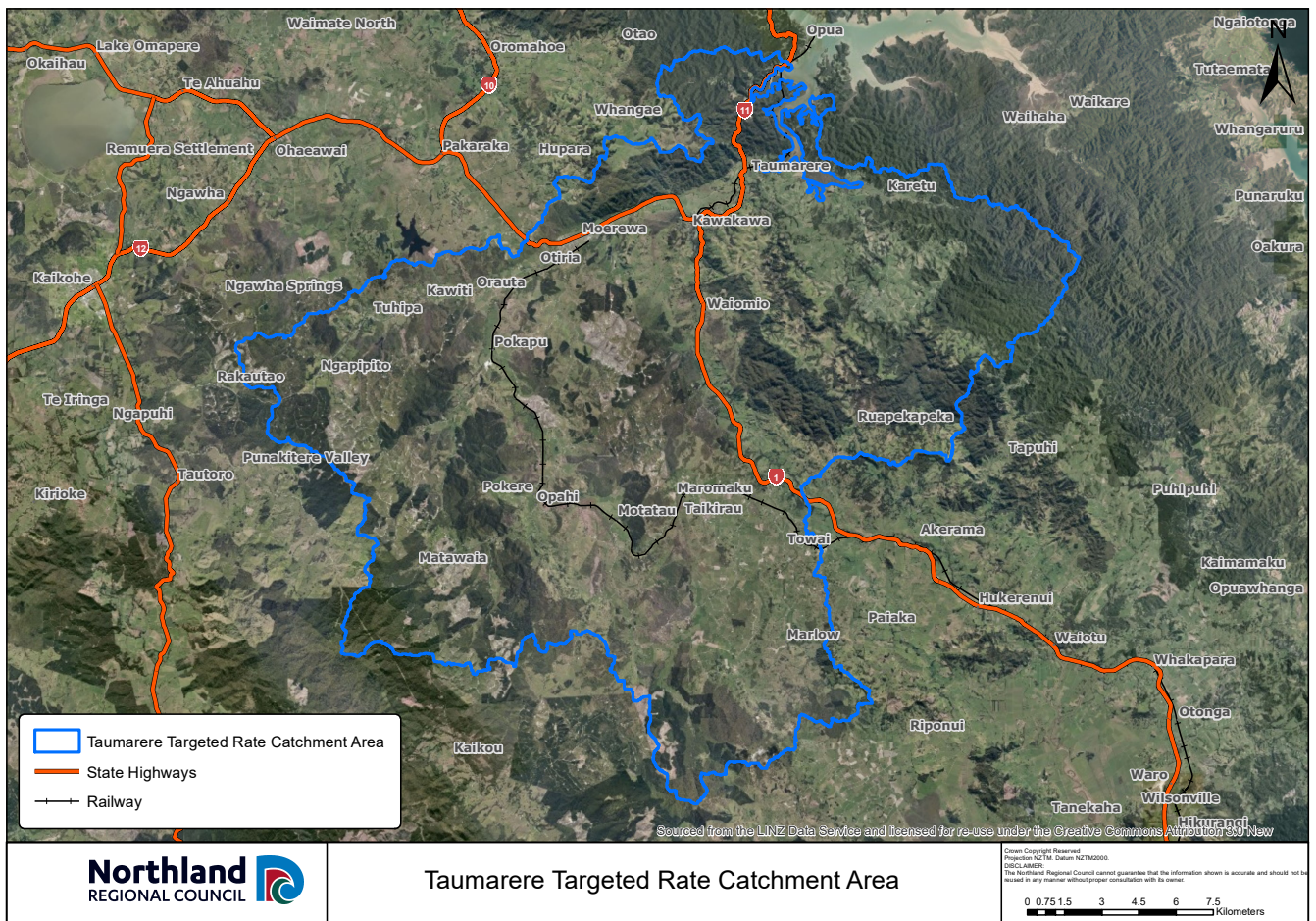
The estimated total Kāeo-Whangaroa rivers management rate is \$125,350 in the 2018/19 financial year. The rate is set at \$56.25 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

## How is the rate applied?

The rate is applied 100% to Kāeo-Whangaroa rivers flood management scheme works which form part of the river management activity.

## Taumārere rivers management rate

*Taumārere rivers targeted rate area*



## What it funds

This rate funds operational and capital flood scheme works in the Taumārere catchment to reduce flooding at Otiaria and Moerewa, and Kawakawa.

## How it is set

The Taumārere rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of every separately used or inhabited part of a property (SUIP) which is located within the Far North District and within and/or intersects the Taumārere rivers management rate catchment area.

The Taumārere rivers management rate ("Taumārere catchment") rating area is defined as the boundary of the amalgamation of the Freshwater Ecosystems of New Zealand database catchment numbers : 4044, 4059, 4121, 4126, 4149, 4160, 8693, 8695, 8721, 8729, 8733, 8753, 8754, 8759, 8765, 8771, 8773, 8776, and 10041, as so much are located in the Far North district. The exclusion to this are those SUIP which only intersect inside the Taumārere rivers management rate catchment boundary (refer map for catchment boundary) by a maximum of 10 metres.

#### How much is the rate?

The estimated total Taumārere rivers management rate is \$115,000 in the 2018/19 financial year. The rate is set at \$55.37 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit as defined above.

#### How is the rate applied?

The rate is applied 100% to Taumārere River flood management scheme works which form part of the river management activity.

## Whangārei urban rivers management rate

#### What it funds

This rate funds the operational costs and capital costs of flood scheme works for urban Whangārei.

#### How it is set

The Whangārei urban rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, and assessed on all rateable properties defined by reference to the differential categories, and differentiated by location (see maps below), and, for some categories, land use. It is set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, as follows:

#### Whangārei urban rivers management rate

Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$354.73	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$137.69	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumaunga, Kirikiri and Hātea River catchments).	\$45.71	Per SUIP

The differential recognises the different categories of beneficiaries to the scheme and the properties that contribute to flooding in the Whangārei CBD. Properties in the contributing water catchment area contribute run-off from rainfall to the CBD which exacerbates and contributes to flooding, and these properties also receive a wider benefit from reduced flooding of the Whangārei CBD. The commercial and residential properties in the Whangārei CBD flood area are the primary beneficiaries due to reduced flood risk. Commercial properties benefit more significantly than residential properties due to improved business continuity from reduced flooding.

Residential properties in the Whangārei central business district (CBD) flood area are defined as all rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc. Residential properties also includes multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs and hostels, but excluding any properties that are licensed under the Sale and Supply of Alcohol Act 2012.

Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes or zoned for commercial, industrial or related purposes in accordance with the Whangārei district plan. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol 2012; and private hospitals and private medical centres.



*Whangārei central business district flood area*



*Contributing water catchments in Whangārei urban rivers management scheme*



**How much is the rate?**

The estimated total Whangārei urban rivers management rate is **\$1,179,254** in the 2018/19 financial year. The revenue sought from each category is as follows:

***Whangārei urban rivers management rate***

Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$366,436
2	All residential properties in the Whangārei CBD flood area.	\$23,132
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$789,686
Total		\$1,179,254

**How is the rate applied?**

The rate is applied 100% to Whangārei urban rivers flood scheme works, which form part of the river management activity.



# Further rating information

Each of Northland's three district councils is appointed as a collector for the Northland Regional Council in terms of section 53 of the Local Government (Rating) Act 2002. This means that district councils issue rates assessments and invoices for the Northland Regional Council's rates. They also collect the rates.

Northland Regional Council has adopted policies regarding remission of rates and penalties, postponement of rates, and early payment of rates. The council remits rates and penalties, postpones payment of rates, applied charges for postponement of rates, and applies discounts for early payment of rates in accordance with these policies. It also resolves that penalties will be added to unpaid rates. The district councils record these transactions on the rating information database and rates records which they maintain on behalf of the Northland Regional Council.

## Separately used or inhabited part of a rating unit definitions

Northland Regional Council has adopted the same definitions as the Far North and Whangārei district councils to determine a separately used or inhabited part of a rating unit as follows:

### Far North District Council SUIP definition

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- Individual flats or apartments;
- Separately leased commercial areas which are leased on a rating unit basis;
- Vacant rating units;
- Single rating units which contain multiple uses such as a shop with a dwelling; and
- A residential building or part of a residential building that is used, or can be used, as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, for example, cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

The following are not considered to be separately used or inhabited parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence;
- A hotel room with or without kitchen facilities;
- A motel room with or without kitchen facilities; and
- Individual offices or premises of business partners.

### Whangārei District Council SUIP definition

A separately used or inhabited part is defined:

- Any part of a property (rating unit) that is **used** or **intended to be used**, or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, license, or other agreement.
- Any part or parts of a rating unit that is used, or occupied by the ratepayer for more than one single use.

Examples include:

- Each separate shop or business activity on a rating unit.
- Each occupied or intended to be occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit.

- Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit.
- Each block of land for which a separate title has been issued, even if that land is vacant.

## Postponement charges for postponed rates in the Far North district

Pursuant to the Local Government (Rating) 2002 Act, Council will charge a postponement fee on all rates that are postponed under any of its postponement policies. The Postponement fees are as follows:

- Application Fee: \$50
- Administration Fee: \$50 per annum (pa)
- Financing Fee on all postponements: Currently set at 4.75% pa but may vary to match Council's average cost of funds.

At Council's discretion all these fees may be added to the total postponement balance.

## Postponement charges for postponed rates in the Whangārei district

Pursuant to the Local Government (Rating) 2002 Act, Whangarei District Council will charge a postponement fee on some rates postponements, as per its postponement policies. The application form will state the details of this charge.

## Equalisation of rates

Until recently, each district in Northland was independently revalued by Quotable Value (over a three-yearly cycle, one district per year). Whangarei District now uses Opteon for its valuations. To ensure that property valuations in the remaining two districts are current, a registered valuer also provides the regional council with "an estimate of projected value" of property values in those districts (as provided for in Section 131 of the Local Government (Rating) Act 2002). The council services rate, pest management rate, and the civil defence and hazard management rate are set by reference to the projected capital value of each district. The land management rate, freshwater management rate and regional infrastructure rate are set according to projected land values in each district – for these three rates, remember that if all the districts had the same valuation date, then each district would have the same rate per dollar of actual land value.

## Inspection and objection to council's rating information database

The rating information database for each district is available at the relevant district council and the Northland Regional Council. The rating information database for each district can also be found on each district council website. The website addresses are:

[www.fndc.govt.nz](http://www.fndc.govt.nz)

[www.wdc.govt.nz](http://www.wdc.govt.nz)

[www.kaipara.govt.nz](http://www.kaipara.govt.nz)

Ratepayers have the right to inspect rating information database records and can object on the grounds set out in the Local Government (Rating) Act 2002.



# Summary table of rates

The following table illustrates the distribution of the regional rate on the forecast basis for the 2018/19 financial year, with the actual 2017/18 regional rate for comparison. The actual and projected apportionment of rates between Northland's districts is as follows, based on the Valuation Roll as at 30 June in each year:

## District Valuation Roll

Estimate 30 June 2018

	Gross number of rating units (Kaipara) or SUIP (others)	Net number of rating units (Kaipara) or SUIP (others)	Capital Value (CV) \$(000)	Land Value (LV) \$(000)	Equalised CV \$(000)	Equalised LV \$(000)	Equalised CV %	Equalised LV %
Far North District	37,517	36,296	15,070,542	7,749,526	17,308,310	8,816,770	33.92%	34.25%
Kaipara District	15,381	13,582	8,476,779	4,953,588	8,476,779	4,953,588	16.61%	19.24%
Whangārei District	43,984	42,377	19,721,241	9,442,807	25,248,215	11,974,364	49.47%	46.51%
<b>Total valuation - Northland</b>	<b>96,882</b>	<b>92,255</b>	<b>43,268,561</b>	<b>22,145,921</b>	<b>51,033,304</b>	<b>25,744,722</b>	<b>100.00%</b>	<b>100.00%</b>

	Budgeted rates for 2018/19 (Including GST)					Actual rates for 2017/18 (Including GST)				
	Far North District	Kaipara District	Whangārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whangārei District	Total \$ (gross)	Total \$ (net)
<b>Council services rate</b>										
Rate per SUIP	\$71.83			2,694,658	2,606,976	\$91.92			3,437,399	3,322,229
Rate per RU		\$94.00		1,445,886	1,276,772		\$122.90		1,841,361	1,656,881
Rate per SUIP			\$91.46	4,022,968	3,875,985			\$117.66	5,152,324	5,027,369
				<b>8,163,512</b>	<b>7,759,733</b>				<b>10,431,084</b>	<b>10,006,479</b>
<b>Land management rate 2017/18</b>										
Rate per \$ of Actual LV	\$0.0000000			-	-	0.0003612			2,795,766	2,761,198
Rate per \$ of Actual LV		\$0.0000000		-	-		0.0004300		1,586,639	1,558,646
Rate per \$ of Actual LV			\$0.0000000	-	-			0.0004016	3,780,066	3,737,534
				<b>-</b>	<b>-</b>				<b>8,162,471</b>	<b>8,057,377</b>
<b>Land management rate 2018/19</b>										
Rate per \$ of Actual LV	\$0.0001060			821,450	810,937	-			-	-
Rate per \$ of Actual LV		\$0.0000936		463,656	455,463		-		-	-
Rate per \$ of Actual LV			\$0.0001179	1,113,307	1,100,775			-	-	-
				<b>2,398,412</b>	<b>2,367,175</b>				<b>-</b>	<b>-</b>
<b>Freshwater management rate</b>										
Rate per \$ of Actual LV	\$0.0002231			1,728,919	1,707,626	-			-	-
Rate per \$ of Actual LV		\$0.0001973		977,343	959,356		-		-	-
Rate per \$ of Actual LV			\$0.0002484	2,345,593	2,319,218			-	-	-

				5,051,855	4,986,199				-	-
<b>Pest management rate</b>										
Rate per SUIP	\$44.97			1,687,074	1,632,179	\$0.00			-	-
Rate per RU		\$58.85		905,242	799,363		\$0.00		-	-
Rate per SUIP			\$56.18	2,471,202	2,380,914			\$0.00	-	-
				5,063,519	4,812,456				-	-
<b>Flood infrastructure rate</b>										
Rate per SUIP	\$23.93			897,847	868,631	\$0.00			-	-
Rate per RU		\$23.93		368,099	325,045		\$0.00		-	-
Rate per SUIP			\$23.93	1,052,627	1,014,168			\$0.00	-	-
				2,318,572	2,207,845				-	-
<b>Civil defence and hazard management rate</b>										
Rate per SUIP	\$15.53			582,709	563,748	\$0.00			-	-
Rate per RU		\$20.33		312,667	276,097		\$0.00		-	-
Rate per SUIP			\$19.41	853,543	822,358			\$0.00	-	-
				1,748,919	1,662,203				-	-
<b>Regional recreational facilities rate</b>										
Rate per SUIP	\$0.00			-	-	\$4.57			170,907	165,180
Rate per RU		\$0.00		-	-		\$4.57		68,468	61,608
Rate per SUIP			\$0.00	-	-			\$22.85	1,000,601	976,335
				-	-				1,239,976	1,203,123
<b>Regional sporting facilities rate</b>										
Rate per SUIP	\$17.25			647,160	626,102	\$0.00			-	-
Rate per RU		\$17.25		265,322	234,290		\$0.00		-	-
Rate per SUIP			\$17.25	758,724	731,003			\$0.00	-	-
				1,671,206	1,591,394				-	-
<b>Regional infrastructure rate</b>										
Rate per \$ of Actual LV	\$0.0000314			243,335	240,325	0.00003150			243,817	240,797
Rate per \$ of Actual LV		\$0.0000278		137,710	135,170		0.00003750		138,370	135,930
Rate per \$ of Actual LV			\$0.0000349	329,554	327,061			0.00003500	329,438	325,721
				710,599	702,555				711,625	702,448
<b>Emergency services rate</b>										
Rate per SUIP	\$11.76			441,194	426,838	\$11.76			439,795	425,059
Rate per RU		\$11.76		180,881	159,724		\$11.76		176,188	158,537
Rate per SUIP			\$11.76	517,252	498,354			\$11.76	514,970	502,481
				1,139,326	1,084,916				1,130,953	1,086,077
<b>Whangārei transport rate</b>										
Rate per SUIP			\$21.46	943,897	909,410			\$13.90	608,681	593,919
<b>Whangārei Heads pest management rate</b>										

Rate per SUIP				-	-			\$50.00	108,900	107,350
<b>Kaitaia transport rate</b>										
Rate per SUIP (Kaitaia only)				-	-	\$15.69			96,007	94,124
<b>Mid North transport rate</b>										
Far North District				-	-				292,779	288,630
<b>Far North transport rate</b>										
Far North District	\$8.80			330,145	319,403	-			-	-
<b>Awanui River management rate</b>										
Far North District - Rural				238,406	235,689				130,803	130,267
Far North District - Urban				1,008,478	1,000,038				554,035	552,718
				1,246,884	1,235,726				684,838	682,985
<b>Kaihū River management rate</b>										
Kaipara District (Kaihu river area only)				79,869	79,869				79,869	79,869
<b>Kaeo-Whangaroa rivers management rate</b>										
Far North (Kaeo only)	\$56.25			133,509	125,350	\$53.66			127,630	119,635
<b>Taumarere rivers management rate</b>										
Far North District (Taumarere area only)	\$55.37			115,000	115,000				-	-
<b>Whangārei urban rivers management rate</b>										
Rates per SUIP				1,192,511	1,179,254			-	1,090,679	1,084,786
<b>Total rates</b>				<b>Gross</b>	<b>Net</b>		<b>Total rates</b>			
Far North District				11,569,885	11,278,841		Far North District		8,289,823	8,099,837
Kaipara District				5,136,675	4,701,148		Kaipara District		3,890,894	3,651,470
Whangārei District				15,601,178	15,158,501		Whangārei District		12,585,660	12,355,496
				<b>32,307,737</b>	<b>31,138,490</b>				<b>24,766,377</b>	<b>24,106,803</b>

For more details on the different types of rates, see 'Rates'.

# How much will my rates be?

Presented on the next pages are some example rates for properties in each of Northland's three districts. The tables show the total rates that would apply to different groups of ratepayers under this annual plan.

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2018, so they may differ slightly.

## Ratepayers in the Far North District

Far North district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit; and
10. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit.

Far North			
Freshwater management rate = LV rate in the \$ = 0.0002231	Land value (LV)	2018/19	2017/18
		Rates GST Inclusive	Rates GST Inclusive
Land management rate 2018/19 = LV rate in the \$ = 0.0001060			
Regional infrastructure rate = LV rate in the \$ = 0.0000314			

### Residential/Commercial/Other

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$225,000	-	\$81.27
Land management rate 2018/19		\$23.85	-
Freshwater management rate		\$50.20	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.07	\$7.09

Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
<b>Total regional rates</b>		<b>\$275.19</b>	<b>\$196.61</b>

*Note: Excludes the 2017/18 Kaitiāia transport rate and 2017/18 Mid North transport rate*

#### Farm Property

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$2,750,000	-	\$993.30
Land management rate 2018/19		\$291.50	-
Freshwater management rate		\$613.53	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$86.35	\$86.63
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
<b>Total regional rates</b>		<b>\$1,185.45</b>	<b>\$1,188.18</b>

*Note: Excludes the 2017/18 Kaitiāia transport rate and 2017/18 Mid North transport rate*

Far North district ratepayers in the Awanui River management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
10. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit; and
11. A targeted Awanui River management rate, classes UA/UF, A, B, C, E and F differentiated by location and area of benefit as defined in the Awanui river flood management scheme.

#### Far North - Awanui Catchment

Freshwater management rate = LV rate in the \$ = 0.0002231	Land value (LV)	2018/19	2017/18
		Rates GST Inclusive	Rates GST Inclusive
Land management rate 2018/19 = LV rate in the \$ = 0.000106			
Regional infrastructure rate = LV rate in the \$ = 0.0000314			

#### Lifestyle - 10 hectares

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$450,000	-	\$162.54
Land management rate 2018/19		\$47.70	-
Freshwater management rate		\$100.40	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$14.13	\$14.18
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
<b>Plus Awanui river management rates applicable to:</b>			
Rural Commercial A & B		\$845.60	\$467.72

Rural Class A& B		\$292.06	\$161.52
Rural Class C		\$140.88	\$77.72
Rural Class E		\$15.28	\$8.42
Rural Class F		\$31.88	\$17.62

*Note: Excludes the 2017/18 Kaitāia transport rate*

#### Farm property 100 hectares

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	2,750,000	-	\$993.30
Land management rate 2018/19		\$291.50	-
Freshwater management rate		\$613.53	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$86.35	\$86.63
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-

#### Plus Awanui river management rates applicable to:

Rural Commercial A & B	<sup>1</sup> Refer Below	<sup>1</sup> Refer Below
Rural Class A & B	\$2,783.02	\$1,539.42
Rural Class C	\$1,271.29	\$701.42
Rural Class E	\$15.28	\$8.42
Rural Class F	\$181.31	\$100.42

*Note: Excludes the 2017/18 Kaitāia transport rate*

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential on class UA (\$377.50 for urban commercial; \$27.68 per hectare for rural commercial A/B). The rural commercial rate also includes a single rate of \$15.28 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above - refer to rating factors previously set out (and multiply by the differential factor of 3).



Far North district ratepayers in the Kāeo-Whangaroa rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
10. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit; and
11. A targeted Kāeo-Whangaroa rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties falling within the former Whangaroa ward (rating rolls 100-199).

#### Far North - Kaeo -Whangaroa

Freshwater management rate = LV rate in the \$ = 0.0002231	Land value (LV)	2018/19	2017/18
Land management rate 2018/19 = LV rate in the \$ = 0.0001060		Rates GST Inclusive	Rates GST Inclusive
Regional infrastructure rate = LV rate in the \$ = 0.0000314			

#### Residential/Commercial/Other

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$225,000	-	\$81.27
Land management rate 2018/19		\$23.85	-
Freshwater management rate		\$50.20	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.07	\$7.09
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
Kaeo-Whangaroa rivers management rate		\$56.25	\$53.66
<b>Total regional rates</b>		<b>\$331.44</b>	<b>\$250.27</b>

**Farm property**

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$2,750,000	-	\$993.30
Land management rate 2018/19		\$291.50	-
Freshwater management rate		\$613.53	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$86.35	\$86.63
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
Kaeo-Whangaroa rivers management rate		\$56.25	\$53.66
<b>Total regional rates</b>		<b>\$1,241.70</b>	<b>\$1,241.84</b>

Far North district ratepayers in the Taumārere rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
10. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit; and
11. A targeted Taumārere rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties that fall within and/or intersect the Taumārere rivers management rate catchment boundary.

#### Far North - Taumarere

Freshwater management rate = LV rate in the \$ = 0.0002231	Land value (LV)	2018/19	2017/18
Land management rate 2018/19 = LV rate in the \$ = 0.0001060		Rates GST Inclusive	Rates GST Inclusive
Regional infrastructure rate = LV rate in the \$ = 0.0000314			

#### Residential/Commercial/Other

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$225,000	-	\$81.27
Land management rate 2018/19		\$23.85	-
Freshwater management rate		\$50.20	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.07	\$7.09
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
Taumarere rivers management rate		\$55.37	-
<b>Total regional rates</b>		<b>\$330.55</b>	<b>\$196.61</b>

*Note: Excludes the 2017/18 Mid North transport rate*

#### Farm Property

Council services rate		\$71.83	\$91.92
Land management rate 2017/18	\$2,750,000	-	\$993.30
Land management rate 2018/19		\$291.50	-
Freshwater management rate		\$613.53	-
Pest management rate		\$44.97	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$15.53	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$86.35	\$86.63
Emergency services rate		\$11.76	\$11.76
Far North transport rate		\$8.80	-
Taumarere rivers management rate		\$55.37	-
<b>Total regional rates</b>		<b>\$1,240.82</b>	<b>\$1,188.18</b>

*Note: Excludes the 2017/18 Mid North transport rate*

## Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each rating unit; and
10. A targeted Kaihū River management rate, based on land area, and differentiated by location and area of benefit as defined in the Kaihū River management scheme.

### Kaipara urban/rural

Freshwater management rate = LV rate in the \$ = 0.0001973

Land value (LV)

2018/19

2017/18

Land management rate 2018/19 = LV rate in the \$ = 0.0000936

Rates GST Inclusive

Rates GST  
Inclusive

Regional infrastructure rate = LV rate in the \$ = 0.0000278

### Residential property

Council services rate		\$94.00	\$122.90
Land management rate 2017/18	\$225,000	-	\$96.75
Land management rate 2018/19		\$21.06	-
Flood infrastructure rate		\$44.39	-
Pest management rate		\$58.85	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$20.33	-
Regional recreational facilities rate		-	\$4.57
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$6.26	\$8.44
Emergency services rate		\$11.76	\$11.76
<b>Total regional rates</b>		<b>\$297.83</b>	<b>\$244.42</b>

### Farm property

Council services rate		\$94.00	\$122.90
Land management rate 2017/18	\$2,750,000	-	\$1,182.50
Land management rate 2018/19		\$257.40	-

Flood infrastructure rate	\$542.58	-
Pest management rate	\$58.85	-
Flood infrastructure rate	\$23.93	-
Civil defence and hazard management rate	\$20.33	-
Regional recreational facilities rate	-	\$4.57
Regional sporting facilities rate	\$17.25	-
Regional infrastructure rate	\$76.45	\$103.13
Emergency services rate	\$11.76	\$11.76
<b>Total regional rates</b>	<b>\$1,102.55</b>	<b>\$1,424.86</b>

## Additional for properties in the Kaihu River catchment

Class	2018/19	2017/18
	Rates GST Inclusive	Rates GST Inclusive
10 hectares		
Class A	\$212.20	\$212.20
Class B	\$116.80	\$116.80
Class F	\$16.50	\$16.50
100 hectares		
Class A	\$2,122.00	\$2,122.00
Class B	\$1,168.00	\$1,168.00
Class F	\$165.00	\$165.00

## Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June, with an additional charge of \$1.73 per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate, assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
10. A targeted, fixed Whangārei transport rate assessed on each separately used or inhabited part of the rating unit; and
11. A targeted, Whangārei urban rivers management rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit.

Whangārei Urban/Rural/Other	Land value (LV)	2018/19 Rates GST Inclusive	2017/18 Rates GST Inclusive
Freshwater management rate = LV rate in the \$ = 0.0002484			
Land management rate 2018/19 = LV rate in the \$ = 0.0001179			
Regional infrastructure rate = LV rate in the \$ = 0.0000349			

### Residential property (non CBD)

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$225,000	-	\$90.36
Land management rate 2018/19		\$26.53	-
Freshwater management rate		\$55.89	-
Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.85	\$7.88
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76
<b>Total regional rates</b>		<b>\$331.72</b>	<b>\$264.41</b>



**Residential property in CBD area**

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$225,000	-	\$90.36
Land management rate 2018/19		\$26.53	-
Freshwater management rate		\$55.89	-
Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.85	\$7.88
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76
Whangārei River Management Rate - CBD Residential		\$137.69	\$125.17
<b>Total regional rates</b>		<b>\$469.41</b>	<b>\$389.58</b>

**Residential property in stormwater catchment area**

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$225,000	-	\$90.36
Land management rate 2018/19		\$26.53	-
Freshwater management rate		\$55.89	-
Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$7.85	\$7.88
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76
Whangārei urban rivers management rate - general catchment		\$45.71	\$41.88
<b>Total regional rates</b>		<b>\$377.43</b>	<b>\$306.29</b>

**Farm property**

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$2,750,000	-	\$1,104.40
Land management rate 2018/19		\$324.23	-
Freshwater management rate		\$683.10	-

Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$95.98	\$96.25
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76
<b>Total regional rates</b>		<b>\$1,344.76</b>	<b>\$1,366.82</b>

**Commercial property (non CBD)**

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$2,000,000	-	\$803.20
Land management rate 2018/19		\$235.80	-
Freshwater management rate		\$496.80	-
Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$69.80	\$70.00
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76
<b>Total regional rates</b>		<b>\$1,043.85</b>	<b>\$1,039.37</b>

**Commercial property in CBD area**

Council services rate		\$91.46	\$117.66
Land management rate 2017/18	\$2,000,000	-	\$803.20
Land management rate 2018/19		\$235.80	-
Freshwater management rate		\$496.80	-
Pest management rate		\$56.18	-
Flood infrastructure rate		\$23.93	-
Civil defence and hazard management rate		\$19.41	-
Regional recreational facilities rate		-	\$22.85
Regional sporting facilities rate		\$17.25	-
Regional infrastructure rate		\$69.80	\$70.00
Whangārei transport rate		\$21.46	\$13.90
Emergency services rate		\$11.76	\$11.76

Whangārei urban rivers management rate - CBD commercial	\$354.73	\$324.43
Total regional rates	\$1,398.58	\$1,363.80

# Rating base information

The table below sets out the projected number of council rating units within the Northland region (by district), over the 10 years of this plan.

	2017/18 Annual Plan	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Year 10 2027/28
Far North District Council	37,647	38,961	39,010	39,058	39,107	39,156	39,205	39,254	39,303	39,352	39,402
Kaipara District Council	14,982	14,658	14,806	14,955	15,107	15,259	15,414	15,569	15,727	15,886	16,046
Whangarei District Council	41,760	41,577	41,992	42,412	42,836	43,265	43,697	44,134	44,576	45,022	45,472
<b>Total SUIPs / Rating Units</b>	<b>94,389</b>	<b>95,196</b>	<b>95,808</b>	<b>96,425</b>	<b>97,050</b>	<b>97,680</b>	<b>98,316</b>	<b>98,957</b>	<b>99,606</b>	<b>100,260</b>	<b>100,920</b>



## Financial forecasting

# Significant forecasting assumptions

The financial forecasts within this long term plan are based on a range of assumptions about our future situation, in particular assumptions that impact on our revenue and expenditure levels. Schedule 10 of the Local Government Act 2002 requires that the council identify the significant forecasting assumptions and risks underlying the financial information set out in the Long Term Plan. Where there is a high level of uncertainty, council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects that uncertainty has on the financial estimates provided. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year council reviews its position and has the opportunity to revise the intentions signalled in the 2018-2028 Long Term Plan. An annual plan may be prepared for the 2019/20 financial year if required and for the 2020/21 year, with a long term plan being prepared every third financial year. Where revised prospective financial statements are issued, council must provide an explanation of the changes made to the prospective financial statements in the long term plan and include a reconciliation of all material differences between the previously reported prospective financial statements and the revised financial statements. The projections for individual years will be reviewed annually if required through a special consultative procedure, in accordance with the Local Government Act 2002.

The financial forecast information disclosed is future focused for the purposes of the Financial Reporting Standard FRS-42: Prospective Financial Statements and accordingly, there are a number of budget assumptions that, at the time of preparing the forecast information the council reasonably expects to occur. These assumptions are necessary as the long term plan covers a 10 year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts.

The information presented in prospective financial statements is by definition uncertain and its preparation requires the exercise of judgement. Events and circumstances may not occur as expected or may not have been predicted. In addition, the council may subsequently take actions which differ from the intended courses of action on which the prospective financial statements were based. Actual financial results may be materially different to the forecast financial information presented in this long term plan.

The council has assumed that the actual results for the 2017/18 financial year are largely in accordance with the 2017/18 Annual Plan. Certain events have occurred that are not directly aligned with forecasts made in the 2017/18 Annual Plan and the financial results have been adjusted accordingly.

The council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The prospective financial statements will be authorised for issue in June 2018 by council resolution. The council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The significant forecasting assumptions used in developing the financial forecasts in the Long Term Plan are detailed in the table over leaf.



## General assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>The Northland <b>economy</b> took longer to move out of the recession caused by the global financial crisis than other regions of New Zealand, due in part to climatic conditions. Between 2006 and 2011, the Northland economy grew at an average annual rate of just 0.3% compared to a 1% increase in the New Zealand economy as a whole. However, over five years (2011-2016) real GDP in the region has increased by 2.5% per annum on average, the same rate as the national average.</p> <p>While there may be large annual variations, we are forecasting an average annual growth rate of 2.0% over the next 10 years - slightly lower than the latest Treasury forecast for the New Zealand economy. Treasury is forecasting a national GDP increase of 3.7% in 2018/19, falling to an increase of 2.2% in 2020/21.</p> <p>Sources: Northland Region Economic Profile 2016 and Treasury Pre-election Economic and Fiscal Update 2017.</p>	<p>The current recovery stalls, is slower than expected or significantly deepens.</p>	<p>Low to medium</p>	<p>A 1% reduction in rating revenue in year one is \$270,788, equivalent to 0.6% of our total operating budget.</p>	<p>A slow economy has the effect of perpetuating affordability issues and potentially resulting in increased rating arrears.</p>
<p><b>Population growth</b> will be positive but slow (a 0.7% per annum increase compared to a national increase of 1.0% over the 10-year period 2018-2028) leading to a similar increase in separately used or inhabited parts of a property (SUIPs) and rating units.</p> <p>Population growth is predominately in the older age groups (e.g. 65+). These people are more likely to, want to age in place (at home) and retire on low fixed incomes (predominantly reliant on superannuation in their later years).</p> <p>Impact:</p> <p>No additional expenditure has been provided in this plan for addressing issues related to population growth.</p> <p>Source: Statistics New Zealand, Subnational population projections by sex and age, 2013 (base) – 2043 update (released February 2017)</p>	<p>Population growth and/or growth in properties will be significantly different from projected.</p> <p>Rate postponements increase as a proportion of rates owed.</p>	<p>Low</p>	<p>Low</p> <p>This equates to an increase of 462 SUIP's/rating units per year. The average general rate per SUIP/rating unit is \$293.52 excl GST.</p>	<p>Short-term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments.</p> <p>The challenges of an aging population are largely borne by the district councils of Northland (pressures on infrastructure, matching services to demand etc.)</p> <p>A greater demand for public transport services may result in the urban areas, particularly Whangārei, as it is likely to expand at a greater rate than other areas within the region.</p> <p>A higher number of older people ageing in place (at home) will create demand for public transport/mobility to be available to access services and amenities.</p>

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
We expect that conditions for existing <b>resource consents</b> held by the council will not be significantly altered. Any resource consent due for renewal during the year will be renewed accordingly.	Conditions of resource consents are altered significantly.  The council is unable to renew existing resource consents upon expiry.	Low	Low	The final effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the council needing to spend additional funds to enable compliance. Generally, the council considers that it is fully compliant with existing resource consents and does not contemplate any material departure from these requirements over 2018/19.
We expect that there will be no significant change to <b>council business</b> dictated by as yet unknown/unconfirmed legislation or central government policy change.	Changes to council business significantly alter operations and activities carried out by the council.	Medium	Low	The final effect of any change to the council's business would depend upon the extent of the change. A significant change could result in the council altering its activities or spending additional funds to enable compliance.
Whangarei District Council has changed the definition of a SUIP, resulting in a <b>decreased number of SUIPs</b> in Whangārei district which is estimated to be approximately 500. Rates for the district must be spread across a smaller number of SUIPs, so each SUIP will incur a higher rate.	This decrease in SUIPs may be significantly higher than the estimated 500	Medium	Low	The rates to be collected from the Whangārei district will increase per SUIP, however the increase will be low in dollar terms.
Any <b>indirect</b> impacts of the <b>Emissions Trading Scheme</b> through price increases being passed on to the council are assumed to be covered by the council's inflation assumptions.  The <b>direct</b> impact of the <b>Emission Trading Scheme</b> is that the council will be required to replant its forestry holdings after any harvest. The council's forestry management plan prescribes this approach. The council has received Emission Trading Scheme credits to financially compensate for this requirement.	Changes in government legislation result in charges greater than the budgeted expenditure.	Low	Low	Any annual changes to the Emission Trading Scheme will not have any material effect on the overall financial forecasts in this plan.
We expect that <b>climate change impacts</b> will match the Ministry for the Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC).	Climate change impacts coming earlier than expected – creating issues regarding civil defence, coastal structures, etc.	Medium	Low	Variations to long term budget forecasts and levels of service will be required and will be addressed by subsequent long term plans.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>Budget provision will be adequate to address costs arising from <b>natural disasters</b>.</p> <p>The council holds insurance for its assets, including the Awanui River Flood Management Scheme.</p>	Natural or other hazard emergencies require work that cannot be funded out of normal budgetary provisions.	Low	Medium	The council's financial position is strong enough short-term funding requirements that may be required in the event of damage caused from natural disasters. The council may need to consult with the community retrospectively to repay any expense incurred.

## Financial assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk																																
<p>The council has adjusted its base financial projections to reflect the estimated impact of <b>inflation</b> over the life of the 2018-2028 Long Term Plan using the Business and Economic Research Limited (BERL) "Forecasts of Price Level Change Adjustors - 2017 Update" displayed below (at a per annum change).</p> <p>The BERL Opex price adjustor forecasts have been applied to all the operational expenditure items subject to inflation, with the exception of salaries, as follows:</p> <table><tr><td>Year 1*</td><td>0.0%</td><td>Year 6</td><td>2.3%</td></tr><tr><td>Year 2</td><td>2.2%</td><td>Year 7</td><td>2.4%</td></tr><tr><td>Year 3</td><td>2.2%</td><td>Year 8</td><td>2.5%</td></tr><tr><td>Year 4</td><td>2.2%</td><td>Year 9</td><td>2.5%</td></tr><tr><td>Year 5</td><td>2.3%</td><td>Year 10</td><td>2.6%</td></tr></table> <p>The BERL Capex price adjustor forecasts have been applied to capital expenditure items as follows:</p> <table><tr><td>Year 1*</td><td>0.0%</td><td>Year 6</td><td>2.4%</td></tr><tr><td>Year 2</td><td>2.2%</td><td>Year 7</td><td>2.4%</td></tr><tr><td>Year 3</td><td>2.2%</td><td>Year 8</td><td>2.5%</td></tr></table>	Year 1*	0.0%	Year 6	2.3%	Year 2	2.2%	Year 7	2.4%	Year 3	2.2%	Year 8	2.5%	Year 4	2.2%	Year 9	2.5%	Year 5	2.3%	Year 10	2.6%	Year 1*	0.0%	Year 6	2.4%	Year 2	2.2%	Year 7	2.4%	Year 3	2.2%	Year 8	2.5%	<p>The actual rate of inflation varies from the assumed rate of inflation.</p>	<p>Years 1-3: Low to medium</p> <p>Years 4-10: Medium to high</p>	<p>Low to medium</p> <p>A 1% point increase in the inflation rate over and above the BERL rates will increase council's total operating expenditure by \$253,451.</p> <p>Should operating expenditure increase and council is not able to achieve savings to offset the increase, it is likely there will be a proportional impact on the council's funding and expenditure in the following year.</p>	<p>Inflation is affected by external factors, all of which are outside of the council's control and influence.</p> <p>Actual individual indices will at times vary from what has been assumed in this plan. The council has relied on the Reserve Bank's use of monetary controls to keep inflation within the 1% to 3% range.</p>
Year 1*	0.0%	Year 6	2.3%																																	
Year 2	2.2%	Year 7	2.4%																																	
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Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk																				
<table><tr><td>Year 4</td><td>2.2%</td><td>Year 9</td><td>2.6%</td></tr><tr><td>Year 5</td><td>2.3%</td><td>Year 10</td><td>2.7%</td></tr></table> <p>* Year one budget forecasts were developed on the basis that expenditure for year one could be determined and did not require the application of an inflation adjustor.</p>	Year 4	2.2%	Year 9	2.6%	Year 5	2.3%	Year 10	2.7%																
Year 4	2.2%	Year 9	2.6%																					
Year 5	2.3%	Year 10	2.7%																					
<p><b>Inflation rates applied - salaries</b></p> <p>Year 1-3 salaries are based on a council-led staffing initiative.</p> <p>Salary increases have been estimated in years 4-10 of the plan using the BERL Opex price adjustor forecasts.</p> <table><tr><td>Year 1</td><td>3.0%</td><td>Year 6</td><td>2.3%</td></tr><tr><td>Year 2</td><td>3.0%</td><td>Year 7</td><td>2.4%</td></tr><tr><td>Year 3</td><td>3.0%</td><td>Year 8</td><td>2.5%</td></tr><tr><td>Year 4</td><td>2.2%</td><td>Year 9</td><td>2.5%</td></tr><tr><td>Year 5</td><td>2.3%</td><td>Year 10</td><td>2.6%</td></tr></table>	Year 1	3.0%	Year 6	2.3%	Year 2	3.0%	Year 7	2.4%	Year 3	3.0%	Year 8	2.5%	Year 4	2.2%	Year 9	2.5%	Year 5	2.3%	Year 10	2.6%	The actual rate of salary increases will vary from the assumed rate of salary increases.	Low to medium	Low  A 1% point increase in salaries in year one over and above the rate applied will increase operating expenditure by \$148,120.	Although the actual annual salaries expenditure incurred by the council may vary against its corresponding forecast, it is expected to be manageable and it is not considered that any annual salaries variance will have a material effect on the overall financial forecasts in the Long Term Plan.
Year 1	3.0%	Year 6	2.3%																					
Year 2	3.0%	Year 7	2.4%																					
Year 3	3.0%	Year 8	2.5%																					
Year 4	2.2%	Year 9	2.5%																					
Year 5	2.3%	Year 10	2.6%																					
<p><b>Inflation rates applied – activity income</b></p> <p>Activity income sources subject to inflation are assumed to increase throughout years 2-10 of the plan using the BERL Opex price adjustor displayed below (at a per annum change), with the exception of rating revenues and New Zealand Transport Agency subsidies:</p> <p>Year one budget forecasts were developed on the basis of a council resolution to increase user fees and charges by 2%.</p> <table><tr><td>Year 1</td><td>2.0%</td><td>Year 6</td><td>2.3%</td></tr><tr><td>Year 2</td><td>2.2%</td><td>Year 7</td><td>2.4%</td></tr></table>	Year 1	2.0%	Year 6	2.3%	Year 2	2.2%	Year 7	2.4%	The actual activity revenue is influenced by rates of inflation different than the assumed rate.	Low	Low	Although activity income streams may vary annually due to factors outside of the council's control, it is considered manageable and it is not considered to have a material effect on the overall financial forecasts in the Long Term Plan.												
Year 1	2.0%	Year 6	2.3%																					
Year 2	2.2%	Year 7	2.4%																					

Assumption and impact of assumption					Risk	Likelihood	Financial impact	Impact of risk																				
<table><tr><td>Year 3</td><td>2.2%</td><td>Year 8</td><td>2.5%</td></tr><tr><td>Year 4</td><td>2.2%</td><td>Year 9</td><td>2.5%</td></tr><tr><td>Year 5</td><td>2.3%</td><td>Year 10</td><td>2.6%</td></tr></table>					Year 3	2.2%	Year 8	2.5%	Year 4	2.2%	Year 9	2.5%	Year 5	2.3%	Year 10	2.6%												
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<b>Inflation rates applied – New Zealand Transport Agency subsidy income</b> Subsidy income is a function of transport activity cost and work categories. The subsidy available for the work categories varies from no subsidy to 54%. The council has assumed there will be no change to the current government funding formula and as such, has applied the subsidy at the level advised by New Zealand Transport Agency at the time of preparing the plan.					Actual subsidy rates and criteria for approved works change from the time the long term plan is compiled.	Medium	Low  The maximum financial impact would be the total elimination of the total subsidy income estimated in year one at \$1,780,884.	Changes to the funding priorities of the New Zealand Transport Agency are outside of the council's control.  If the level of New Zealand Transport Agency subsidy income is lower than forecast it may require a reprioritisation of the transport work program or an increase in funding from alternative sources (e.g. regional-wide rates).																				
<b>Rates increases applied – rating income</b> In order to fund the expenditure outlined throughout the long term plan, the council intends to increase its rates at the amounts (at an annual increment) displayed in the table below: (all figures) <table><tr><td>Year 1</td><td>29.2%</td><td>Year 6</td><td>2.0%</td></tr><tr><td>Year 2</td><td>7.5%</td><td>Year 7</td><td>4.0%</td></tr><tr><td>Year 3</td><td>4.1%</td><td>Year 8</td><td>3.9%</td></tr><tr><td>Year 4</td><td>4.8%</td><td>Year 9</td><td>2.6%</td></tr><tr><td>Year 5</td><td>2.1%</td><td>Year 10</td><td>6.9%</td></tr></table>					Year 1	29.2%	Year 6	2.0%	Year 2	7.5%	Year 7	4.0%	Year 3	4.1%	Year 8	3.9%	Year 4	4.8%	Year 9	2.6%	Year 5	2.1%	Year 10	6.9%	The projected rate increases are insufficient to cover expenditure increases resulting from inflation.	Low to medium	Low to medium  In year one rate funding provides approximately 60% of council revenue, with the remaining revenue coming from investment income, user charges, grants and subsidies.  A 1% increase in year one rating income would provide \$270,788 additional income, whilst a 1% increase in year one operating costs would equate to an additional \$435,070 of expenditure.	Although the disparity is considered manageable, it may result in a reprioritisation of the council's work programme and/or an increase in funding from alternative sources.
Year 1	29.2%	Year 6	2.0%																									
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<b>Forecast return on council investments</b> <b>Cash investments</b> We assume no interest income will be derived from cash investments. The council hold working capital in managed funds and releases funds as required.  <b>Stocks and bonds (fixed)</b>					Actual interest rates vary from those projected.	Low – medium	Low – medium  An increase (or decrease) of 1% above (or below) forecast returns on investments will result in a variance in interest and capital	If actual interest rates are lower than the forecast rates, then the Investment and Growth Reserve may receive a reduced allocation and/or other funding sources or savings may be considered to offset the difference.																				

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>Interest income derived from fixed investments is calculated at the relevant coupon rate until maturity of such investment.</p> <p><b>Externally managed funds</b> Interest income derived from investments in externally managed funds is calculated upon an assumption of returns between 4.75% and 7.5% per annum. The Investment and Growth Reserve and Community Investment Fund are discussed separately below.</p>			gains in year one of the plan of approximately \$684,500.	
<p>There will be no <b>fair value movements to the managed fund investment portfolio</b>. Managed funds values will only change by investment gains earned and retained.</p>	Managed fund fair value will vary from the assumption	Low	Low	Any investment revaluations are non-cash in nature so will have no material impact on council's funding sources.
<p>We project that <b>forestry investment revenue</b> will be in line with the forestry management plan.</p> <p>The forestry is revalued annually. The valuation adjustments are provided by an independent forestry consultant. These are non-cash and as the forest is a long-term asset, the adjustments do not impact on funding or expenditure requirements.</p>	Projected forestry returns differ significantly from those estimated.	Low – Medium	Low	If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.
<p>Each year for the life of the plan, <b>\$1.7 million of investment income will be redirected to the Investment and Growth Reserve</b>, but will be invested via the Community Investment Fund.</p> <p>Inflation will be applied to the \$1.7 million using the at the BERL Opex price adjustor. This inflation adjustment will be funded from Community Investment Fund revenue.</p>	<p>The council will increase the redirection.</p> <p>The council will decrease the redirection.</p>	<p>Low – Medium</p> <p>Low</p>	An increase or decrease of 1% in the forecast redirection to the Investment and Growth Reserve will result in a \$17,000 movement in the balance of the reserve.	<p>There will be a higher rate increase than projected in the Long Term Plan.</p> <p>There will be less funds available to the Investment and Growth Reserve for allocation.</p>
<p><b>Forecast return on investments made from the Investment and Growth Reserve</b> We forecast that funding set aside in the Investment and Growth Reserve (invested in the Community Investment Fund) will earn a return of 6.5% per annum.</p>	Actual returns vary from those projected.	Medium	<p>Low to medium</p> <p>An increase (or decrease) of 1% above (or below) forecast returns on funding set aside in the Investment and Growth Reserve will result in a variance in</p>	If actual investment returns are lower than forecasted rates there will be less funding available to invest in further projects. This may have an impact on the council's ability to make a positive contribution towards promoting economic development in Northland. Rating levels will not be affected.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>Investment and Growth Reserve funds will be invested in accordance with council's Investment Policy until such time as they are allocated to projects in accordance with the Investment and Growth Reserve Criteria.</p> <p>The actual return on project allocations from the Investment and Growth Reserve will vary significantly. The council recognises higher risk investments, may provide higher returns, but there is also a risk of the project not delivering the expected return. It is also possible that the council will accept a lower return on projects that contribute positively to social and cultural well-beings.</p>			investment revenue in year one of the plan of \$5,830.	
<p><b>Income from the Community Investment Fund</b></p> <p>Community Investment Fund revenue earned up to 7.5% will be reinvested in the fund (except the portion required for the inflation adjustment to the redirection to the Investment and Growth Reserve of \$1.7 million). Any annual revenue over 7.5% will be brought to council to decide whether to reinvest in the Community Investment Fund or include in the Investment and Growth Reserve balance.</p> <p>We assume the the opening balance of the fund at \$13.26 million.</p>	The income from the Community Investment Fund differs to forecast.	Medium	<p>Medium</p> <p>In year one a 1% change in income from the Community Investment Fund equates to \$9,610. Any reduction in Community Investment Fund income may result in the Investment and Growth Reserve being called upon to fund the shortfall.</p>	If actual Community Investment Fund income is lower than the forecast levels, then the Investment and Growth Reserve will need to contribute a greater level of funding to the council-controlled organisation.
<p><b>Borrowing costs (external and internal)</b></p> <p>We have assumed the cost of existing external borrowing (\$17.3 million) is at the current borrowing rates., and that he cost of new debt is 6.5%.</p> <p>Internal borrowing rates are outlined in the Financial Strategy. The actual internal borrowing rate may be subject to change and will be based upon the cost of borrowing and available investment returns at the time of borrowing.</p>	The prevailing interest rate varies from those assumed.	Medium	Low	<p>Borrowing costs increase or decrease. Small changes are unlikely to affect rates, large changes, however, may result in an increase or decreases to associated rates.</p> <p>Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.</p>
<p><b>Dividends</b></p> <p>We assume that the council will maintain its shareholding in Marsden Maritime Holdings Limited, and that the dividend,</p>	The council chooses not to maintain its shareholding in Marsden Maritime Holdings Limited.	Low  Low  Low	Low  An alternative investment would be sought with an annual return.	If actual dividend income is lower than the forecast other funding sources or savings will be considered to offset the difference.



Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk																								
<p>expressed as a cents per share amount (cps), received from this shareholding will be as follows:</p> <table><tr><th>Year</th><th>CPS</th><th>Year</th><th>CPS</th></tr><tr><td>1</td><td>16.25</td><td>6</td><td>21.25</td></tr><tr><td>2</td><td>16.75</td><td>7</td><td>22.25</td></tr><tr><td>3</td><td>18.50</td><td>8</td><td>23.25</td></tr><tr><td>4</td><td>19.25</td><td>9</td><td>24.25</td></tr><tr><td>5</td><td>20.25</td><td>10</td><td>25.25</td></tr></table> <p>The council is not forecasting any dividends from Regional Software Holdings Limited. nor any special dividends from Marsden Maritime Holdings Limited.</p>	Year	CPS	Year	CPS	1	16.25	6	21.25	2	16.75	7	22.25	3	18.50	8	23.25	4	19.25	9	24.25	5	20.25	10	25.25	<p>The actual dividend per in Marsden Maritime Holdings Limited share will vary from the assumed amount.</p> <p>Dividend return is received from Regional Software Holdings Limited.</p>		<p>Low</p> <p>A one cent per share movement in the declared Marsden Maritime Holdings Limited dividend will have an impact on council's dividend income by \$221,429.</p> <p>Low</p>	
Year	CPS	Year	CPS																									
1	16.25	6	21.25																									
2	16.75	7	22.25																									
3	18.50	8	23.25																									
4	19.25	9	24.25																									
5	20.25	10	25.25																									
<p><b>Investment property rental income.</b> We assume that the council's investment property portfolio will be tenanted throughout the plan at the current occupancy rates and that rents will be maintained.</p> <p><b>Commercial property sales</b> The proceeds from any investment property sale will be reinvested in an investment that provides a return of greater than 7% per annum.</p>	<p>Occupancy rates decline resulting in less than forecast rental income.</p>	<p>Low</p>	<p>Low</p> <p>A 1% reduction in the council's investment property rental income equates to \$24,217.</p>	<p>All investment property rentals are subject to contractual obligations which have varying renewal and review periods. The large majority of rental properties have 5, 7 and 21-year lease reviews, and the reviews falling due in any one year will not have an material impact on the annual rental income.</p>																								
<p><b>Revaluation of investment properties.</b>We assume that the value of the council's investment properties will not change over the life of the plan.</p> <p>This assumption is consistent with the expectation that Northland's population and economy will grow slower than the national average.</p>	<p>The actual revaluation movements will vary from those assumed.</p>	<p>Medium</p>	<p>Low</p> <p>A 1% increase in the council's investment property portfolio equates to an estimated increase of \$476,674 in the value of the portfolio.</p>	<p>Any investment revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p> <p>There is no impact on depreciation as investment properties are not depreciated.</p>																								
<p><b>Revaluation of land and buildings.</b> We assume that the value of the council's land and buildings will not change over the life of the plan.</p>	<p>The actual revaluation movements will vary from those assumed.</p>	<p>Medium</p>	<p>Low</p> <p>A 1% increase in building asset values will equate to an increase in depreciation of \$1100.</p>	<p>Any land and building revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p>																								

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
			For land assets there is no impact on depreciation as these assets are not depreciated.	If the revaluations are different from those forecast, it will affect the fixed asset values and flow through to changed levels of depreciation expense.
<b>Revaluation of infrastructure assets.</b> We assume that the value of the council's infrastructure assets will not change over the life of the plan.	The actual revaluation movements will be significantly different from those forecasted.	Medium	Low  A 1% increase in infrastructure asset values will equate to an increase in depreciation of \$978.  For land assets there is no impact on depreciation as these assets are not depreciated.	Any infrastructure asset revaluations are non-cash in nature so will have no material impact on the council's funding sources.  If the revaluations are different from those forecast, it will affect the fixed asset values and flow through to changed levels of depreciation expense.
We assume that sufficient sources of funds for the future <b>replacement of significant assets</b> will be available at the end of their useful life.	Insufficient funds will be available to replace significant assets at the end of their useful lives.	Low	Low	Targeted regional-wide rates, user charges and other targeted rates will increase to achieve the funding requirements. The council may use borrowings in accordance with the Revenue and Financing Policy, Liability Management Policy, and Treasury Management Policy.
<b>Useful lives of significant assets.</b> The useful lives of significant assets are shown in council's Statement of Accounting Policies.  We assume that no significant assets will fail before the end of their useful lives as set out in the council's accounting policy.  The council is aware of all planned asset acquisitions and all asset acquisitions (as per the capital expenditure program) shall be depreciated on the same basis as existing assets.	That council assets wear out earlier or later than estimated.  That the council changes activities resulting in decisions not to replace certain existing assets.	Low	Low	The council has little in way of major infrastructural assets.  As part of its asset management planning process council identifies the capacity and condition of such assets, and plans its replacement program accordingly.  Depreciation and interest costs (if borrowing was required) would increase if capital expenditure was required earlier than anticipated, and any earlier replacement may result in the deferral of other discretionary capital projects.  Where a decision is made not to replace an asset this will be factored into the capital expenditure projections.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<b>Vested assets.</b> We expect no vesting or divesting of assets for the period of the Long Term Plan.	Assets will be vested with the council	Low	Low	Vested assets have an associated depreciation expense and this would increase the level of rating required if the council decide that the asset would be replaced at the end of its useful life.
<b>Joint Venture with KiwiRail (Ontrack) for the proposed Marsden Point Rail Link</b> The council is holding properties purchased along the Marsden Point rail corridor as Investment Properties for the term of the Long Term Plan.  Should any of these properties be sold during the term of the plan, we assume there will be no change in the total investment revenue earned by the council.	That the timing or amount of disposal of the sale of Joint Venture Investment Assets differs from that assumed.  That the value of the designation inventory asset is impaired or realised during the term of the plan.	Medium  Medium	Low  A 1% decrease in the Marsden Point rail corridor investment property revenue equates to \$7,228  Low  A 1% decrease in the Marsden to Oakleigh rail corridor designation in year 1 equates to an impairment cost of \$30,655.	If the actual proceeds received from the sale of Joint Venture Investment Assets differ to those forecasted there will be less investment income available to either subsidise operational funding.  A 1% increase or decrease in the sale value of joint Venture Investment Assets held will result in a \$29,900 increase or decrease in cash available to be invested.  Any impairment of the inventory asset is a non-cash expense and therefore any impact will be immaterial.

# Prospective statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>REVENUE</b>						
Rates	20,962	27,079	29,108	30,289	31,741	32,390
Fees and Charges	4,510	4,610	4,698	4,792	4,888	4,991
Subsidies and Grants	1,909	2,746	2,569	2,569	2,569	2,569
Interest Revenue	1,033	1,179	1,390	1,464	1,470	1,491
Other Revenue	5,671	6,173	7,693	6,671	6,842	7,064
Other Gains	2,769	3,228	3,327	3,429	3,533	3,641
<b>TOTAL REVENUE</b>	<b>36,855</b>	<b>45,013</b>	<b>48,785</b>	<b>49,214</b>	<b>51,044</b>	<b>52,146</b>
<b>EXPENSES</b>						
Personnel Costs	13,954	15,594	16,815	17,534	18,030	18,125
Depreciation and Amortisation Expense	1,434	1,636	1,763	1,847	1,788	1,720
Finance Costs	726	936	1,201	1,372	1,568	1,742
Other Losses	-	-	-	-	-	-
Other Expenditure on Activities	20,716	25,213	26,292	25,926	26,751	27,735
<b>TOTAL OPERATING EXPENDITURE</b>	<b>36,830</b>	<b>43,379</b>	<b>46,071</b>	<b>46,679</b>	<b>48,137</b>	<b>49,323</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>26</b>	<b>1,634</b>	<b>2,714</b>	<b>2,535</b>	<b>2,907</b>	<b>2,823</b>
Income Tax Credit/(Expense)	-	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>	<b>26</b>	<b>1,634</b>	<b>2,714</b>	<b>2,535</b>	<b>2,907</b>	<b>2,823</b>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO:</b>						
Northland Regional Council	26	1,634	2,714	2,535	2,907	2,823
Non-Controlling Interest	-	-	-	-	-	-
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>						
<b>Items that will be reclassified to surplus/(deficit)</b>						
Financial Assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-
<b>Items that will not be reclassified to surplus/(deficit)</b>						
Gains/(loss) on Property Revaluations	-	-	-	-	-	-
Gains/(loss) on Infrastructure Asset revaluations	-	-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>	<b>26</b>	<b>1,634</b>	<b>2,714</b>	<b>2,535</b>	<b>2,907</b>	<b>2,823</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>REVENUE</b>					
32,953	34,383	36,037	36,973	38,532	Rates
5,096	5,208	5,328	5,451	5,582	Fees and Charges
2,569	2,569	2,569	2,569	2,569	Subsidies and Grants
1,523	1,557	1,596	1,634	1,680	Interest Revenue
7,499	7,506	7,728	7,949	8,171	Other Revenue
3,752	3,863	3,984	4,105	4,229	Other Gains
<b>53,393</b>	<b>55,087</b>	<b>57,242</b>	<b>58,681</b>	<b>60,763</b>	<b>TOTAL REVENUE</b>
<b>EXPENSES</b>					
18,542	19,154	19,632	20,123	20,827	Personnel Costs
1,745	1,773	1,802	1,816	1,828	Depreciation and Amortisation Expense
1,817	1,957	2,095	2,287	2,434	Finance Costs
-	-	-	-	-	Other Losses
28,839	29,569	30,887	32,016	33,931	Other Expenditure on Activities
<b>50,944</b>	<b>52,453</b>	<b>54,416</b>	<b>56,242</b>	<b>59,020</b>	<b>TOTAL OPERATING EXPENDITURE</b>
<b>2,449</b>	<b>2,634</b>	<b>2,826</b>	<b>2,439</b>	<b>1,743</b>	<b>SURPLUS/(DEFICIT) BEFORE TAX</b>
-	-	-	-	-	Income Tax Credit/(Expense)
<b>2,449</b>	<b>2,634</b>	<b>2,826</b>	<b>2,439</b>	<b>1,743</b>	<b>SURPLUS/(DEFICIT) AFTER TAX</b>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO:</b>					
2,449	2,634	2,826	2,439	1,743	Northland Regional Council
-	-	-	-	-	Non-Controlling Interest
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
<b>Items that will be reclassified to surplus/(deficit)</b>					
-	-	-	-	-	Financial Assets at fair value through other comprehensive revenue and expense
<b>Items that will not be reclassified to surplus/(deficit)</b>					
-	-	-	-	-	Gains/(loss) on Property Revaluations
-	-	-	-	-	Gains/(loss) on Infrastructure Asset revaluations
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>
<b>2,449</b>	<b>2,634</b>	<b>2,826</b>	<b>2,439</b>	<b>1,743</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>

# Prospective statement of financial position

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	402	8	493	257	335	400
Other Financial Assets	3,783	4,192	4,609	4,722	4,854	4,987
Receivables	6,231	5,410	5,651	6,016	6,396	6,785
Inventory	3,186	3,205	3,205	3,205	3,205	3,205
Assets Held for Sale	16,443	14,194	-	-	-	-
<b>Total Current Assets</b>	<b>30,045</b>	<b>27,009</b>	<b>13,959</b>	<b>14,201</b>	<b>14,791</b>	<b>15,378</b>
<b>Non Current Assets</b>						
Receivables	6,855	6,346	6,446	6,546	6,646	6,746
Other Financial Assets	49,372	59,631	66,269	68,720	71,561	74,525
Infrastructure, Property, Plant and Equipment	32,213	38,787	39,899	42,963	45,253	45,676
Investment Property	29,564	33,473	47,667	47,667	47,667	47,667
Intangible Assets	140	261	314	104	(0)	(0)
Forestry Assets	2,360	2,713	2,713	2,713	2,713	2,713
Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company	7,828	7,828	7,828	7,828	7,828	7,828
Investment in Council Controlled Organisations	863	863	863	863	863	863
<b>Total Non Current Assets</b>	<b>129,194</b>	<b>149,901</b>	<b>171,999</b>	<b>177,404</b>	<b>182,532</b>	<b>186,019</b>
<b>TOTAL ASSETS</b>	<b>159,239</b>	<b>176,910</b>	<b>185,958</b>	<b>191,605</b>	<b>197,322</b>	<b>201,396</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	3,647	5,427	5,555	5,610	5,683	5,747
Employee Entitlements	1,538	1,661	1,711	1,749	1,787	1,828
<b>Total Current Liabilities</b>	<b>5,185</b>	<b>7,088</b>	<b>7,266</b>	<b>7,359</b>	<b>7,470</b>	<b>7,575</b>
<b>Non Current Liabilities</b>						
Payables and Deferred Revenue	850	916	938	947	959	970
Borrowings and Other Financial Liabilities	13,000	19,977	26,112	29,121	31,807	32,942
Employee Entitlements	14	18	19	19	19	20
<b>Total Non Current Liabilities</b>	<b>13,864</b>	<b>20,911</b>	<b>27,068</b>	<b>30,087</b>	<b>32,786</b>	<b>33,932</b>
<b>TOTAL LIABILITIES</b>	<b>19,049</b>	<b>27,999</b>	<b>34,334</b>	<b>37,446</b>	<b>40,256</b>	<b>41,507</b>

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
NET ASSETS	140,190	148,910	151,624	154,159	157,066	159,889
Equity						
Accumulated Funds	114,671	126,882	128,184	132,477	136,304	138,611
Revaluation Reserves	938	2,807	2,807	2,807	2,807	2,807
Other Reserves	24,581	19,221	20,632	18,875	17,954	18,470
Total Equity	140,190	148,910	151,624	154,159	157,066	159,889
Non-controlling interests in subsidiary companies	-	-	-	-	-	-
TOTAL EQUITY	140,190	148,910	151,624	154,159	157,066	159,889



Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					<b>ASSETS</b>
					<b>Current Assets</b>
187	232	442	541	693	Cash and Cash Equivalents
5,119	5,199	5,298	5,378	5,391	Other Financial Assets
7,186	7,593	8,016	8,439	8,875	Receivables
3,205	3,205	3,205	3,205	3,205	Inventory
-	-	-	-	-	Assets Held for Sale
<b>15,698</b>	<b>16,230</b>	<b>16,962</b>	<b>17,564</b>	<b>18,165</b>	<b>Total Current Assets</b>
					<b>Non Current Assets</b>
6,846	6,946	7,046	7,146	7,246	Receivables
77,620	80,104	83,018	85,808	87,832	Other Financial Assets
46,903	48,674	50,834	52,153	51,762	Infrastructure, Property, Plant and Equipment
47,667	47,667	47,667	47,667	47,667	Investment Property
(0)	(0)	(0)	(0)	(0)	Intangible Assets
2,713	2,713	2,713	2,713	2,713	Forestry Assets
7,828	7,828	7,828	7,828	7,828	Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company
863	863	863	863	863	Investment in Council Controlled Organisations
<b>190,440</b>	<b>194,795</b>	<b>199,969</b>	<b>204,179</b>	<b>205,911</b>	<b>Total Non Current Assets</b>
<b>206,138</b>	<b>211,024</b>	<b>216,931</b>	<b>221,742</b>	<b>224,075</b>	<b>TOTAL ASSETS</b>
					<b>LIABILITIES</b>
					<b>Current Liabilities</b>
5,813	5,883	5,959	6,026	6,101	Payables
1,870	1,915	1,963	2,012	2,064	Employee Entitlements
<b>7,683</b>	<b>7,798</b>	<b>7,922</b>	<b>8,039</b>	<b>8,165</b>	<b>Total Current Liabilities</b>
					<b>Non Current Liabilities</b>
981	993	1,006	1,017	1,030	Payables and Deferred Revenue
35,116	37,240	40,184	42,428	42,878	Borrowings and Other Financial Liabilities
20	21	21	22	22	Employee Entitlements
<b>36,117</b>	<b>38,254</b>	<b>41,211</b>	<b>43,467</b>	<b>43,930</b>	<b>Total Non Current Liabilities</b>
<b>43,800</b>	<b>46,052</b>	<b>49,133</b>	<b>51,506</b>	<b>52,096</b>	<b>TOTAL LIABILITIES</b>
<b>162,338</b>	<b>164,886</b>	<b>167,798</b>	<b>170,237</b>	<b>171,979</b>	<b>NET ASSETS</b>

Equity

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
141,997	145,372	149,571	153,121	154,892	Accumulated Funds
2,807	2,807	2,807	2,807	2,807	Revaluation Reserves
17,533	16,793	15,420	14,419	14,280	Other Reserves
162,338	164,972	167,798	169,995	171,979	Total Equity
-	-	-	-	-	Non-controlling interests in subsidiary companies
162,338	164,972	167,798	169,995	171,979	TOTAL EQUITY

# Prospective statement of changes in equity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
BALANCE at 1 July	140,164	147,276	148,910	151,624	154,159	157,066
Total comprehensive revenue and expense	26	1,634	2,714	2,535	2,907	2,823
BALANCE at 30 June	140,190	148,910	151,624	154,159	157,066	159,889
Total comprehensive revenue and expense attributable to:						
Northland Regional Council	26	1,634	2,714	2,535	2,907	2,823
Non-controlling interests	-	-	-	-	-	-
TOTAL at 30 June	140,190	148,910	151,624	154,159	157,066	159,889

Year 6	Year 7	Year 8	Year 9	Year 10	For the 2018 - 28 Long Term Plan
2023-24	2024-25	2025-26	2026-27	2027-28	periods ending 3 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
159,889	162,338	164,972	167,798	170,237	BALANCE at 1 July
2,449	2,634	2,826	2,439	1,743	Total comprehensive revenue and expense
162,338	164,972	167,798	170,237	171,979	BALANCE at 30 June
					Total comprehensive revenue and expense attributable to:
2,449	2,634	2,826	2,439	1,743	Northland Regional Council
-	-	-	-	-	Non-controlling interests
162,338	164,972	167,798	170,237	171,979	TOTAL at 30 June

# Prospective statement of cashflows

	Year 1	Year 2	Year 3	Year 4	Year 5
for the year ending 30 June	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Cash Flows from Operating Activities</b>					
Receipts from rates revenue	26,569	28,560	29,719	31,144	31,781
Receipts from customers	9,275	10,795	9,282	9,399	9,517
Subsidies and grants received	2,144	2,144	2,144	2,144	2,144
GST received	2,999	3,550	3,696	3,867	3,945
Interest received	3,629	3,594	3,559	3,559	3,559
Other revenue received	3,598	3,708	4,096	4,262	4,483
Staff and suppliers	(44,359)	(47,307)	(47,693)	(49,162)	(50,326)
Other payments - operating	(259)	(265)	(275)	(281)	(287)
Interest paid	(936)	(1,201)	(1,372)	(1,568)	(1,742)
<b>Net Cash Provided (or Used) in Operating Activities</b>	<b>2,660</b>	<b>3,579</b>	<b>3,156</b>	<b>3,365</b>	<b>3,074</b>
<b>Cash Flows from Investing Activities</b>					
Sale of infrastructure, property, plant and equipment	-	14,194	-	-	-
Other receipts - investing	(450)	(6,300)	(1,700)	(2,000)	(2,000)
Purchase of infrastructure, property, plant and equipment	(5,258)	(17,122)	(4,701)	(3,974)	(2,143)
<b>Net Cash Provided (or Used) in Investing Activities</b>	<b>(5,708)</b>	<b>(9,228)</b>	<b>(6,401)</b>	<b>(5,974)</b>	<b>(4,143)</b>
<b>Cash Flows from Financing Activities</b>					
Other receipts - financing	2,677	6,135	3,009	2,686	1,135
<b>Net Cash Provided (or Used) in Financing Activities</b>	<b>2,677</b>	<b>6,135</b>	<b>3,009</b>	<b>2,686</b>	<b>1,135</b>
Net Increase/(Decrease) in Cash & Cash Equivalents	(371)	486	(236)	77	66
Cash and Cash Equivalents at beginning of period	379	8	493	257	335
<b>Cash and Cash Equivalents at end of period</b>	<b>8</b>	<b>493</b>	<b>257</b>	<b>335</b>	<b>400</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	for the year ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Cash Flows from Operating Activities</b>					
32,332	33,737	35,366	36,284	37,797	Receipts from rates revenue
9,885	9,767	9,905	10,046	10,197	Receipts from customers
2,144	2,144	2,144	2,144	2,144	Subsidies and grants received
4,009	4,200	4,404	4,522	4,708	GST received
3,559	3,559	3,559	3,559	3,559	Interest received
4,705	4,926	5,148	5,369	5,590	Other revenue received
(51,939)	(53,411)	(55,395)	(57,134)	(59,902)	Staff and suppliers
(293)	(300)	(307)	(314)	(321)	Other payments - operating
(1,817)	(1,957)	(2,095)	(2,287)	(2,434)	Interest paid
2,585	2,666	2,728	2,191	1,338	<b>Net Cash Provided (or Used) in Operating Activities</b>
<b>Cash Flows from Investing Activities</b>					
-	-	-	-	-	Sale of infrastructure, property, plant and equipment
(2,000)	(1,200)	(1,500)	(1,200)	(200)	Other receipts - investing
(2,972)	(3,544)	(3,962)	(3,136)	(1,437)	Purchase of infrastructure, property, plant and equipment
(4,972)	(4,744)	(5,462)	(4,336)	(1,637)	<b>Net Cash Provided (or Used) in Investing Activities</b>
<b>Cash Flows from Financing Activities</b>					
2,174	2,124	2,944	2,244	450	Other receipts - financing
2,174	2,124	2,944	2,244	450	<b>Net Cash Provided (or Used) in Financing Activities</b>
(214)	46	210	99	152	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>
400	187	232	442	541	Cash and Cash Equivalents at beginning of period
187	232	442	541	693	<b>Cash and Cash Equivalents at end of period</b>

# Schedule of reserves

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Land Management Reserve</b>					
Opening Balance as at 1 July	234	(0)	(0)	(0)	(0)
Increase / (Decrease) in reserve throughout the year (operational transfer)	(234)	-	-	-	-
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(0)	(0)	(0)	(0)	(0)
<b>Awanui River Reserve</b>					
Opening Balance as at 1 July	(773)	(599)	(436)	(284)	(132)
Increase / (Decrease) in reserve throughout the year (operational transfer)	175	163	152	151	133
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(599)	(436)	(284)	(132)	0
<b>Kaihu River Reserve</b>					
Opening Balance as at 1 July	69	59	49	37	26
Increase / (Decrease) in reserve throughout the year (operational transfer)	(10)	(11)	(11)	(12)	(12)
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	59	49	37	26	14
<b>Kao Whangaroa Rivers Reserve</b>					
Opening Balance as at 1 July	43	30	16	(1)	(1)
Increase / (Decrease) in reserve throughout the year (operational transfer)	(13)	(14)	(17)	-	-
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	30	16	(1)	(1)	(1)
<b>Whangarei Urban River Reserve</b>					
Opening Balance as at 1 July	(9,571)	(9,164)	(8,708)	(8,281)	(7,792)
Increase / (Decrease) in reserve throughout the year (operational transfer)	407	456	428	489	504



	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(9,164)	(8,708)	(8,281)	(7,792)	(7,288)
<b>Kerikeri Waipapa Rivers Reserve</b>					
Opening Balance as at 1 July	444	416	371	99	88
Increase / (Decrease) in reserve throughout the year (operational transfer)	(13)	(29)	(42)	(11)	(12)
Increase / (Decrease) in reserve throughout the year (capital transfer)	(15)	(15)	(230)	-	-
Closing Balance as at 30 June	416	371	99	88	76
<b>Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	(887)	(1,039)	(2,207)	(3,307)
Increase / (Decrease) in reserve throughout the year (operational transfer)	451	366	336	244	165
Increase / (Decrease) in reserve throughout the year (capital transfer)	(1,339)	(517)	(1,504)	(1,343)	(588)
Closing Balance as at 30 June	(887)	(1,039)	(2,207)	(3,307)	(3,729)
<b>Whangarei Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	(318)	(344)	(301)	(257)
Increase / (Decrease) in reserve throughout the year (operational transfer)	82	49	43	44	45
Increase / (Decrease) in reserve throughout the year (capital transfer)	(400)	(75)	0	0	(25)
Closing Balance as at 30 June	(318)	(344)	(301)	(257)	(237)
<b>Awanui Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	(433)	(456)	(1,431)	(2,494)
Increase / (Decrease) in reserve throughout the year (operational transfer)	481	404	370	260	155
Increase / (Decrease) in reserve throughout the year (capital transfer)	(914)	(427)	(1,344)	(1,323)	(343)
Closing Balance as at 30 June	(433)	(456)	(1,431)	(2,494)	(2,681)
<b>Taumarere Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	48	104	14	70

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Increase / (Decrease) in reserve throughout the year (operational transfer)	73	71	70	56	57
Increase / (Decrease) in reserve throughout the year (capital transfer)	(25)	(15)	(160)	0	0
Closing Balance as at 30 June	48	104	14	70	127
<b>Kaero Whangaroa Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	29	58	86	91
Increase / (Decrease) in reserve throughout the year (operational transfer)	29	29	28	25	24
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	(20)	(180)
Closing Balance as at 30 June	29	58	86	91	(66)
<b>Infrastructure Facilities Reserve</b>					
Opening Balance as at 1 July	(3,346)	(3,171)	(2,996)	(2,821)	(2,645)
Increase / (Decrease) in reserve throughout the year (operational transfer)	175	175	175	175	175
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(3,171)	(2,996)	(2,821)	(2,645)	(2,470)
<b>Property Reinvestment Fund Reserve</b>					
Opening Balance as at 1 July	22,773	23,046	23,323	23,602	23,885
Increase / (Decrease) in reserve throughout the year (operational transfer)	273	276	280	283	286
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	23,046	23,323	23,602	23,885	24,171
<b>Infrastructure Investment Fund Reserve</b>					
Opening Balance as at 1 July	8,859	8,969	9,080	9,193	9,307
Increase / (Decrease) in reserve throughout the year (operational transfer)	110	111	113	114	115
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	8,969	9,080	9,193	9,307	9,423
<b>Equalisation Fund Reserve</b>					

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Opening Balance as at 1 July	846	765	1,001	910	836
Increase / (Decrease) in reserve throughout the year (operational transfer)	(80)	235	(91)	(74)	(47)
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	765	1,001	910	836	789
<b>Hatea River Reserve</b>					
Opening Balance as at 1 July	169	113	56	-	-
Increase / (Decrease) in reserve throughout the year (operational transfer)	(56)	(56)	(56)	0	0
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	113	56	-	-	-
<b>Investment and Growth Reserve</b>					
Opening Balance as at 1 July	1,319	116	273	154	85
Increase / (Decrease) in reserve throughout the year (operational transfer)	(1,222)	(612)	(140)	(70)	(29)
Increase / (Decrease) in reserve throughout the year (capital transfer)	19	770	21	-	-
Closing Balance as at 30 June	116	273	154	85	55
<b>Whangarei Transport Reserve</b>					
Opening Balance as at 1 July	(48)	(48)	(55)	(57)	(53)
Increase / (Decrease) in reserve throughout the year (operational transfer)	0	(8)	(2)	4	5
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(48)	(55)	(57)	(53)	(49)
<b>Far North Transport Reserve</b>					
Opening Balance as at 1 July	163	163	163	163	163
Increase / (Decrease) in reserve throughout the year (operational transfer)	-	0	0	-	-
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	163	163	163	163	163

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>LIDAR Reserve</b>					
Opening Balance as at 1 July	-	-	-	-	-
Increase / (Decrease) in reserve throughout the year (operational transfer)	-	-	-	-	-
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	-	-	-	-	-
<b>Emergency Services Reserve</b>					
Opening Balance as at 1 July	-	87	174	-	87
Increase / (Decrease) in reserve throughout the year (operational transfer)	87	87	(174)	87	87
Increase / (Decrease) in reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	87	174	-	87	174
<b>TOTAL SPECIAL RESERVES CLOSING BALANCE</b>	<b>19,221</b>	<b>20,632</b>	<b>18,875</b>	<b>17,954</b>	<b>18,470</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Land Management Reserve</b>					
(0)	(0)	(0)	(0)	(0)	Opening Balance as at 1 July
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
(0)	(0)	(0)	(0)	(0)	Closing Balance as at 30 June
<b>Awanui River Reserve</b>					
0	0	0	0	0	Opening Balance as at 1 July
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
0	0	0	0	0	Closing Balance as at 30 June
<b>Kaihu River Reserve</b>					
14	1	(0)	(0)	(0)	Opening Balance as at 1 July
(13)	(1)	0	0	0	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
1	(0)	(0)	(0)	(0)	Closing Balance as at 30 June
<b>Kaeo Whangaroa Rivers Reserve</b>					
(1)	(1)	(1)	(1)	(0)	Opening Balance as at 1 July
0	0	0	0	0	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
(1)	(1)	(1)	(0)	0	Closing Balance as at 30 June
<b>Whangarei Urban River Reserve</b>					
(7,288)	(6,795)	(6,258)	(5,747)	(5,224)	Opening Balance as at 1 July
493	537	511	523	583	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
(6,795)	(6,258)	(5,747)	(5,224)	(4,641)	Closing Balance as at 30 June

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	

**Kerikeri Waipapa Rivers Reserve**

76	64	52	39	26	Opening Balance as at 1 July
(12)	(12)	(13)	(13)	(13)	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
<b>64</b>	<b>52</b>	<b>39</b>	<b>26</b>	<b>13</b>	Closing Balance as at 30 June

**Flood Infrastructure Reserve**

(3,729)	(4,809)	(5,869)	(7,328)	(8,515)	Opening Balance as at 1 July
138	71	13	(64)	(116)	Increase / (Decrease) in reserve throughout the year (operational transfer)
(1,217)	(1,132)	(1,472)	(1,122)	(225)	Increase / (Decrease) in reserve throughout the year (capital transfer)
<b>(4,809)</b>	<b>(5,869)</b>	<b>(7,328)</b>	<b>(8,515)</b>	<b>(8,856)</b>	Closing Balance as at 30 June

**Whangarei Flood Infrastructure Reserve**

(237)	(193)	(147)	(101)	(54)	Opening Balance as at 1 July
44	45	46	47	48	Increase / (Decrease) in reserve throughout the year (operational transfer)
0	0	0	0	0	Increase / (Decrease) in reserve throughout the year (capital transfer)
<b>(193)</b>	<b>(147)</b>	<b>(101)</b>	<b>(54)</b>	<b>(5)</b>	Closing Balance as at 30 June

**Awanui Flood Infrastructure Reserve**

(2,681)	(3,453)	(4,277)	(5,119)	(5,669)	Opening Balance as at 1 July
135	68	5	(53)	(80)	Increase / (Decrease) in reserve throughout the year (operational transfer)
(907)	(892)	(847)	(497)	0	Increase / (Decrease) in reserve throughout the year (capital transfer)
<b>(3,453)</b>	<b>(4,277)</b>	<b>(5,119)</b>	<b>(5,669)</b>	<b>(5,749)</b>	Closing Balance as at 30 June

**Taumarere Flood Infrastructure Reserve**

127	134	113	(340)	(833)	Opening Balance as at 1 July
57	53	48	6	(34)	Increase / (Decrease) in reserve throughout the year (operational transfer)
(50)	(75)	(500)	(500)	(125)	Increase / (Decrease) in reserve throughout the year (capital transfer)

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
134	113	-	340	-	992
					Closing Balance as at 30 June
					<b>Kaeo Whangaroa Flood Infrastructure Reserve</b>
(66)	(53)	(67)	(183)	(316)	Opening Balance as at 1 July
12	12	9	(8)	(26)	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	(25)	(125)	(125)	(100)	Increase / (Decrease) in reserve throughout the year (capital transfer)
(53)	(67)	(183)	(316)	(442)	Closing Balance as at 30 June
					<b>Infrastructure Facilities Reserve</b>
(2,470)	(2,295)	(2,120)	(1,945)	(1,769)	Opening Balance as at 1 July
175	175	175	175	175	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
(2,295)	(2,120)	(1,945)	(1,769)	(1,594)	Closing Balance as at 30 June
					<b>Property Reinvestment Fund Reserve</b>
24,171	24,461	24,754	25,051	25,351	Opening Balance as at 1 July
290	293	297	300	304	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
24,461	24,754	25,051	25,351	25,655	Closing Balance as at 30 June
					<b>Infrastructure Investment Fund Reserve</b>
9,423	9,539	9,658	9,777	9,898	Opening Balance as at 1 July
117	118	120	121	123	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
9,539	9,658	9,777	9,898	10,021	Closing Balance as at 30 June
					<b>Equalisation Fund Reserve</b>
789	778	716	669	610	Opening Balance as at 1 July
(11)	(62)	(47)	(59)	(47)	Increase / (Decrease) in reserve throughout the year (operational transfer)



Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
778	716	669	610	563	Closing Balance as at 30 June
<b>Hatea River Reserve</b>					
-	-	-	-	-	Opening Balance as at 1 July
0	0	0	0	0	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
-	-	-	-	-	Closing Balance as at 30 June
<b>Investment and Growth Reserve</b>					
55	35	25	27	42	Opening Balance as at 1 July
(20)	(10)	2	15	30	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
35	25	27	42	72	Closing Balance as at 30 June
<b>Whangarei Transport Reserve</b>					
(49)	(43)	(35)	(26)	(19)	Opening Balance as at 1 July
6	7	9	7	4	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
(43)	(35)	(26)	(19)	(15)	Closing Balance as at 30 June
<b>Far North Transport Reserve</b>					
163	163	163	163	163	Opening Balance as at 1 July
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
163	163	163	163	163	Closing Balance as at 30 June
<b>LIDAR Reserve</b>					
-	-	-	308	617	Opening Balance as at 1 July

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
-	-	308	308	(617)	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
-	-	308	617	-	Closing Balance as at 30 June
<b>Emergency Services Reserve</b>					
174	-	87	174	-	Opening Balance as at 1 July
(174)	87	87	(174)	87	Increase / (Decrease) in reserve throughout the year (operational transfer)
-	-	-	-	-	Increase / (Decrease) in reserve throughout the year (capital transfer)
-	87	174	-	87	Closing Balance as at 30 June
17,533	16,793	15,420	14,308	14,280	<b>TOTAL SPECIAL RESERVES CLOSING BALANCE</b>

Equity represents the total value of the council and its assets and is measured by the difference between total assets and liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of accumulated surpluses.

The components of equity are:

- Retained earnings
- Council created reserves
- Asset revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves can be used to account for revenue and expenditure collected or incurred in relation to specific work programmes. Where the council sets and collects a targeted rate for a specific purpose, the funds can only be applied to that purpose, keeping track of surpluses and deficits of those work programmes in a reserves ensures the council is accountable and transparent.

Where reserves carry a deficit balance, they are deemed to have undertaken internal borrowing from the councils consolidated funds. Conversely, where the reserves carry a surplus, they are deemed to have loaned money to the councils' consolidated funds.

## About council's reserves

Information about the council's reserve funds held for a specific purpose is provided in the following table:

Reserve name	Purpose	Activities that may be funded from reserve
Land management reserve	<p>This reserve was created to set aside land management rates collected but not fully used in any given year.</p> <p>The council is proposing to use this reserve to fund operating activities that would ordinarily be funded from the Land management rate. Using this reserve in this manner enables the council to keep rates affordable while continuing to provide positive operational outcomes. In the three years. The council is proposing to use \$233,756 in year 1 to contribute to the environment fund.</p> <p>While the Land management reserve maintains a positive balance it can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis. The Chief Executive Officer has delegation to incur expenditure of up to \$500,000 to enable the council to fund agreed expenditure from this reserve. The criteria for acceptable expenditure are as follows:</p> <ol style="list-style-type: none"> <li>1. Matching of government and district contributions to provide financial assistance for repair work for significant events;</li> <li>2. Restoration work affecting one or more rivers, following a major flooding event;</li> <li>3. Urgent work to reduce the immediate flood risk;</li> </ol> <p>Storm damage repairs within a special rating area under the relevant flood management plans.</p>	Civil defence and emergency management, natural hazard management, river management, land and biodiversity, biosecurity
Awanui River reserve	This reserve was created to hold any targeted Awanui River management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Awanui River flood management scheme. The deficit balance of this reserve will be repaid from the targeted Awanui River management rates collected from the rate payers within the area of benefit identified in the Awanui River flood management plan.	River management
Kaihū River reserve	This reserve was created to hold any targeted Kaihū River management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kaihū River flood management scheme.	River management
Kāeo-Whangaroa River reserve	This reserve was created to hold any targeted Kāeo-Whangaroa River management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kāeo-Whangaroa River flood management scheme.	River management
Whangārei urban rivers reserve	This reserve was created to hold any targeted Whangārei urban rivers management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangārei urban rivers management scheme. The deficit balance of this reserve will be repaid from the targeted Whangārei urban rivers management rates collected from residential and commercial ratepayer's in the Whangārei CBD and ratepayers in the water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea rivers catchments).	River management
Kerikeri-Waipapa rivers reserve	This reserve was created to hold any targeted Kerikeri-Waipapa rivers management rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kerikeri-Waipapa rivers flood management scheme.	River management

Reserve name	Purpose	Activities that may be funded from reserve
Flood infrastructure reserve	This reserve was created to hold any targeted flood Infrastructure rates collected and unspent in any given year to cover any future funding shortfalls of Northland flood infrastructure schemes.	River management
Whangārei flood infrastructure reserve	This reserve was created to hold any targeted Whangārei flood infrastructure rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whangārei flood management scheme.	River management
Awanui flood Infrastructure reserve	This reserve was created to hold any targeted Awanui flood infrastructure rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Awanui flood management scheme.	River management
Taumārere flood infrastructure reserve	This reserve was created to hold any targeted Taumārere flood infrastructure rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Taumārere flood management scheme.	River management
Kāeo-Whangaroa flood infrastructure reserve	This reserve was created to hold any targeted Kāeo-Whangaroa flood infrastructure rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kāeo-Whangaroa flood management scheme.	River management
Property reinvestment fund reserve	This reserve was established to hold the proceeds of a commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. The funds are general funds and are set aside to be reinvested in income producing assets. The fund invests monies in separate managed funds which has been earmarked to hold the funds pending the identification of approved property investments. The fund targets a reasonable return to produce an income akin to rents and relating capital appreciation of the property market so as to maintain the purchasing power of the capital base.	Economic development
Infrastructure Investment Fund reserve	This reserve was established to stabilise the impact of irregular large infrastructure projects on the council's income and capital requirements. It helps to spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence. The fund invests monies which has been earmarked for the approved infrastructure and economic development investments in external managed funds. The funds targets a moderate return, with capital protection and reasonable liquidity paramount in keeping with the Prudent Person rules of the Trustee Act. Low risk diversified income funds and diversified growth funds have been selected to achieve this.	River management
Equalisation Fund reserve	This reserve was created to set aside 50% of the council's forestry net income arising in any year. This reserve is intended to provide future funding of the council's general operating activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this fund be used to fund the cost of forestry operations in non-harvesting years. Where a high degree of uncertainty exists around activity expenditure requirements, council has agreed to budget conservatively on the basis that if a budget overrun eventuates, these overruns can be funded from the Equalisation Fund reserve. The council considers that funding contingent expenditure and one-off spikes in expenditure from this reserve to be fairer on ratepayers as it can be used to reduce the effects of rates increases that are not required to be sustained.	All

Reserve name	Purpose	Activities that may be funded from reserve
Hātea River maintenance reserve	<p>This reserve was created to set aside a component of the council services rate specifically levied across the Whangārei constituency to ensure funding is immediately available in the event dredging of the Hātea river is required. The funds may be applied to the following:</p> <ol style="list-style-type: none"> <li>1. Ongoing maintenance and dredging;</li> <li>2. Disposal of dredged spoil material;</li> <li>3. The provision of an annual hydrographic survey of the river.</li> </ol> <p>The reserve is to be maintained at a targeted fund of up to \$400,000.</p>	Harbour safety and navigation
Investment and Growth reserve	This reserve was created to set aside the investment income redirected to be made available for activities and projects that contribute towards economic well-being. The council will allocate monies from the reserve to projects in accordance with set criteria.	Economic development
Whangārei transport reserve	This reserve was established to hold any targeted Whangārei transport rates collected and unspent in any given year to cover any future funding shortfalls of Whangārei transport service.	Transport
Far North transport reserve	This reserve was created to hold any targeted Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of Far North transport services.	Transport
Emergency services reserve	This reserve was established to hold any targeted emergency services rates collected and unspent in any given year to contribute to any future funding shortfalls of emergency services funding.	Community representation and engagement
Approved carry forwards reserve	Approved carry forwards are amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.	All
LIDAR reserve	This reserve has been created to spread the impact of significant LIDAR updates required in year 10 of the long term plan. To facilitate this, the council will collect rates over the final three years of the plan and transfer these to the reserve to make available for use in year 10.	Natural hazard management

All reserves displaying a deficit balance at 1 July 2018 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

**Community Investment Fund**

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast Opening Balance	13,260	14,221	15,215	16,245	17,312
Interest earned on funds	995	1,067	1,141	1,218	1,298
Transfer of Investment income to Investment & Growth Reserve	(34)	(72)	(111)	(151)	(194)
Forecast Closing Balance	14,221	15,215	16,245	17,312	18,417

**Investment and Growth Reserve**

	Year 1	Year 2	Year 3	Year 4	Year 5
	2018-19	2019-20	2020-21	2021-22	2022-23
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast Opening Balance	1,319	116	273	154	85
Northland Regional Council Investment Income transferred to Reserve	1,700	1,700	1,700	1,700	1,700
Community Investment Fund Investment Income transferred to Reserve	34	72	111	151	194
Payment to Northland Inc. Limited as Operational funding	(1,138)	(1,163)	(1,189)	(1,215)	(1,243)
Payment to Northland Inc. Limited for Tourism	(108)	(111)	(113)	(116)	(118)
Payment to fund Capital Expenditure	(60)	-	-	-	-
Payments to fund Projects	(1,740)	(1,140)	(640)	(573)	(540)
Payments to Independent Investment Advisor	(20)	(21)	(23)	(24)	(26)
Interest earned on Reserve and other deposits	129	821	35	7	4
Forecast Closing Balance	116	273	154	85	55

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
18,417	19,561	20,745	21,968	23,231	Forecast Opening Balance
1,381	1,467	1,556	1,648	1,742	Interest earned on funds
(237)	(284)	(333)	(384)	(438)	Transfer of Investment income to Investment & Growth Reserve
19,561	20,745	21,968	23,231	24,535	Forecast Closing Balance

Year 6	Year 7	Year 8	Year 9	Year 10	
2023-24	2024-25	2025-26	2026-27	2027-28	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
55	35	25	27	42	Forecast Opening Balance
1,700	1,700	1,700	1,700	1,700	Northland Regional Council Investment Income transferred to Reserve
237	284	333	384	438	Community Investment Fund Investment Income transferred to Reserve
(1,272)	(1,302)	(1,335)	(1,368)	(1,404)	Payment to Northland Inc. Limited as Operational funding
(121)	(124)	(127)	(130)	(134)	Payment to Northland Inc. Limited for Tourism
-	-	-	-	-	Payment to fund Capital Expenditure
(540)	(540)	(540)	(540)	(540)	Payments to fund Projects
(28)	(29)	(31)	(33)	(35)	Payments to Independent Investment Advisor
3	2	2	2	4	Interest earned on Reserve and other deposits
35	25	27	42	72	Forecast Closing Balance



# Financial prudence

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

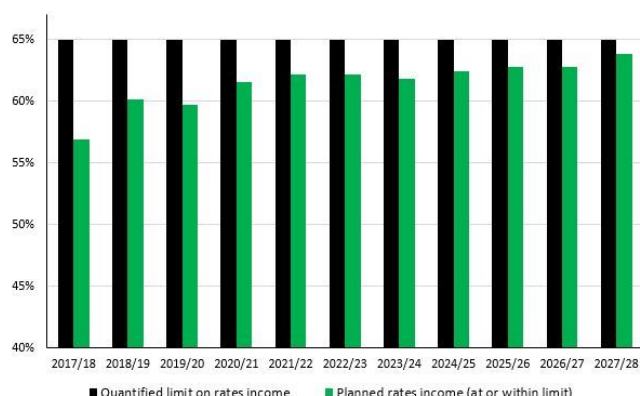
## Rates affordability benchmarks

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

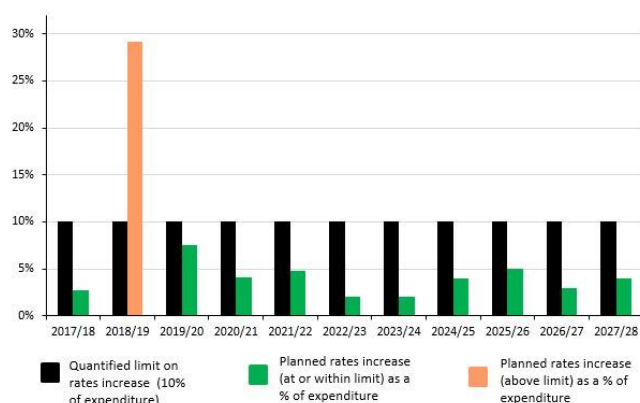
### Rates income affordability

The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy included in the council's long term plan. The quantified limit is no more than 65% of total revenue.



### Rates increases affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long term plan. The quantified limit is no more than 10% of total revenue.



The rates increase in 2018/19 exceeds the proposed limit. This is due to the council recommending a number of programmes that allow them to meet community and central government expectations. This is considered an exceptional year and an opportunity to position council for the medium to long term. Ratepayers are asked to submit on the level and affordability of all of the new proposals.

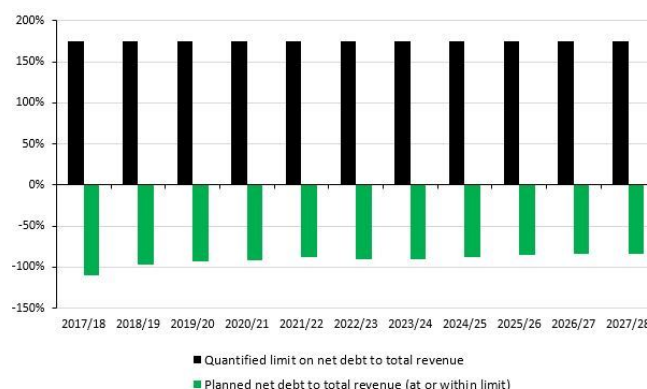
## Debt affordability benchmarks

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graphs compare council's planned borrowing with quantified limits on borrowing stated in the financial strategy included in the council's long term plan.

### Net debt to total revenue

The quantified limit for net debt as a proportion of total revenue is 175%.

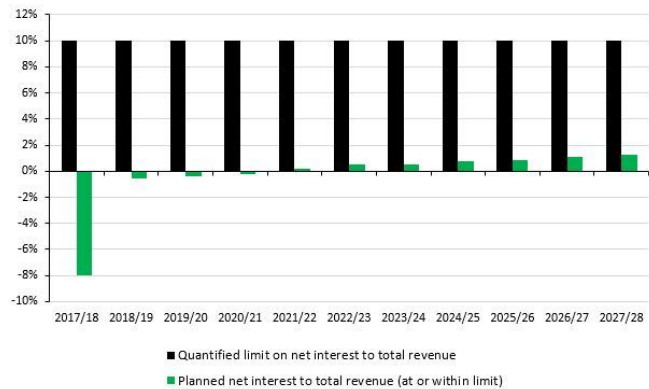


Northland Regional Council carries a significant value of investments categorised as non-current that could be liquidated if required.

The increase in the planned debt to revenue percentage is due to increased revenue and mostly static net debt during the long term plan reporting periods.

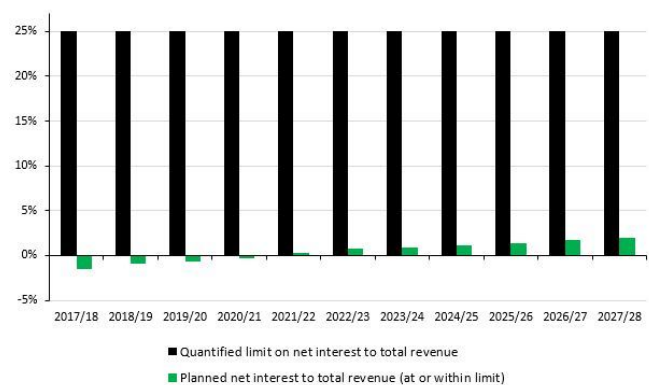
## Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 10%.



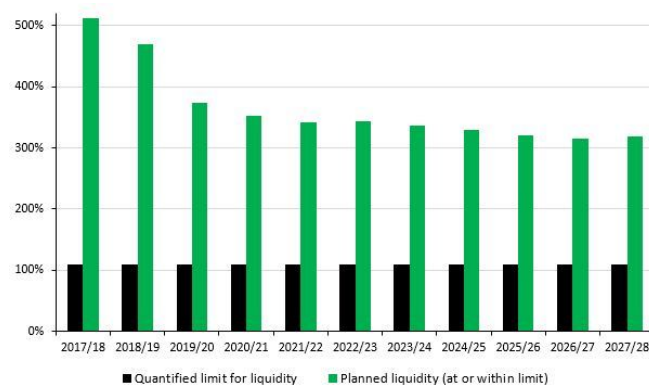
## Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



## Liquidity

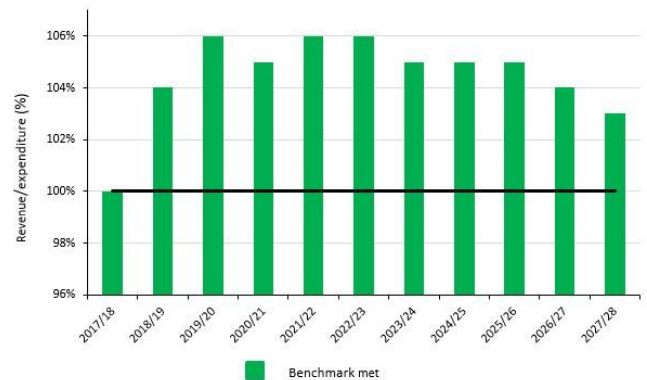
The quantified limit for liquidity is set as a minimum of 110%.



## Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

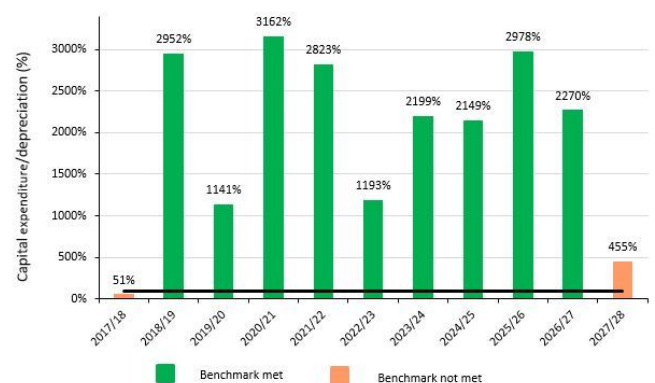
The council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.



## Essential services benchmark

The following graph displays the council's planned capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. The benchmark is represented by the black line.



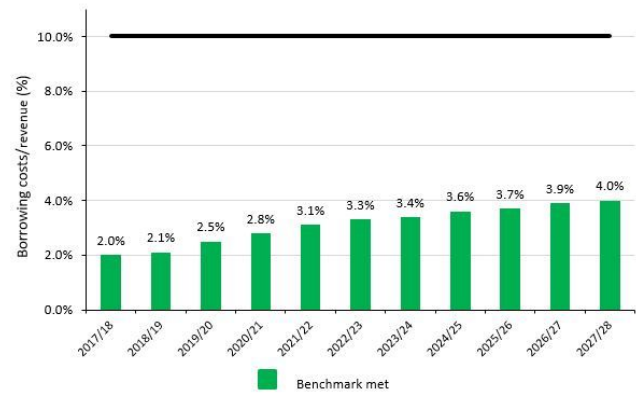
The 2017/18 year doesn't include high capital expenditure on flood protection and so falls below the benchmark.

Large flood protection capital expenditure projects from 2018/19 to 2021/22 are planned and increase the depreciation baseline for the subsequent years. For more information on these capital expenditure programmes refer to the river management activity section of this long term plan.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.



# Statement of significant accounting policies

## Reporting entity

Northland Regional Council is a local authority governed by the Local Government Act 2002 and the Local Government (Rating) Act 2002 and is domiciled and operates in New Zealand.

The council's group comprises the council and its subsidiaries, namely:

- Marsden Maritime Holdings Limited (NZ) Ltd (53.61% owned);
- Northland Inc. Limited (100% owned);

All Northland Regional Council subsidiaries and associates are incorporated and domiciled in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services and perform regulatory functions for the community benefit rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as Public Benefit Entities (PBE) for financial reporting purposes.

## Reporting period

The prospective financial statements are for Northland Regional Council and are prepared for the ten year period ending 30 June 2028.

## Judgements and estimates

The preparation of prospective financial statements in conformity with PBE Standards, which are based on International Public Sector Accounting Standards (IPSAS) and with the Local Government (Financial Reporting and Prudence) Regulations 2014 requires judgements, estimates and assumptions concerning the future that affect the application of policies and reporting amounts of assets and liabilities and income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Where material, information on the major assumptions is provided in the significant forecasting assumptions section of this annual plan or will be provided in the relevant notes to the prospective financial statements.

## Basis of preparation

The prospective financial statements of Northland Regional Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand's generally accepted accounting practice (NZ GAAP).

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with NZ PBE (Tier1), IPSAS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

In the interests of transparency we provide three sets of financial information:

1. the Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expense and the like;
2. a Funding Impact Statement (FIS); and
3. Long Term Plan disclosure statement as required by Schedule 6 of the Local Government (Financial Reporting and Prudence) Regulations 2014. This is under the heading Financial Prudence.

Key differences between these three sets of information are that the GAAP regulated financial statements – as the name suggests – must adhere to GAAP requirements.

The FIS is intended to make the sources and applications of council funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002.

The long-term plan disclosure statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

## Statement of compliance

The prospective financial statements of the council and group have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements comply with PBE accounting standards.

## Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars which is the functional currency of Northland Regional Council.

### Standards issued and not yet effective and not early adopted

Impairment of Revalued Assets (amendments to PBE IPSAS 21 and 26)

In April 2017, the External Reporting Board (XRB) issued Impairment of Revalued Assets, which now scopes in revalued property plant and equipment into the impairment accounting standards. Previously only property plant and equipment assets measured at cost were scoped into impairment accounting standards.

These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The council will apply the impairment of revalued assets amendments in preparing its 30 June 2018 financial statements, and expects there will be no material effect in applying these amendments.

### Interests in other entities

In January 2017 the XRB issued new standards for interest in other entities (PBE IPSAS 34-38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6-8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted. The council plans to apply the new standards in preparing the 30 June 2020 financial statements. The council and group has not yet assessed the effects of these new standards.

### Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021 with early application permitted. The main changes under PBE IFRS 9 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which may result in earlier recognition of impairment losses
- revised hedge accounting requirements to better reflect the management of risks.

The council plans to apply this standard in preparing its 30 June 2022 financial statements. The council and group has not yet assessed the effects of these new standards.

## Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### Revenue

Revenue is measured at fair value.

#### *Rates revenue*

Rates are set annually by a resolution of council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable based on the council's best estimate of what is expected to be collected. Rate penalties arising from late payment are recognised as revenue when rates become overdue. Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its rates remission policy. These transactions are classified as non-exchange transactions.

#### *Fees and charges*

Fees and charges are recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided. The majority of this type of revenue is exchange transactions.

#### *Grants and subsidies*

Grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met. These are non-exchange revenue transactions. Where a transfer is subject to conditions that, if unfulfilled, require the return of transferred resources, council recognises a liability until the condition is fulfilled.

#### *Sales of goods*

Revenue from the sale of goods is recognised when a product is sold to a customer.

#### *Interest*

Interest income is recognised using the effective interest method.

#### *Other revenue – Dividends*

Dividends are recognised when the right to receive payment has been established. Dividend income is budgeted at the cash amount received, being net of taxation imputation credits.

### *Rental revenue*

Rental revenue from investment property is recognised in the surplus or deficit on a straight-line basis over the term of the lease.

### *Funds collected for other organisations*

Funds are collected for other organisations, including central government. Any funds held at balance date are included in current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

### *Vested assets*

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when the control over the asset is obtained.

### *Infringement fees and fines*

Infringement fees and fines are recognised when the infringement notice is issued.

### **Expenditure**

Expenditure is recognised when goods and services have been received.

### *Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

### *Personnel costs*

Personnel costs includes salaries, wages, leave and other employee-earned compensation. Employer contributions to KiwiSaver and the National Provident Fund; Pension National Scheme, and Lump Sum National scheme are accounted for as defined contribution plans and are recognised in the surplus or deficit as incurred.

### *Grant expenditure*

Non-discretionary grants are those grants that are awarded when the grant application meets specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the council has no obligation to award the grant on receipt of the grant application and are recognised as expenditure when the grant conditions have been satisfied.

### **Leases**

#### *Operating leases*

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. All the leases of the council and group are operating leases.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### **Debtors and other receivables**

Short-term receivables and other receivables are recorded at their face value, less any provision for impairment.

A receivable is considered to be uncollectible when there is evidence that the amount due will not be fully collected. The amount that is uncollectible is the difference between the amount due and the present value of the amount expected to be collected.

Prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are written off over the period to which they relate.

### **Inventories**

Inventories (such as stores and materials) held for distribution or for use in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, or cost adjusted when applicable, for any loss of service potential.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The Marsden to Oakleigh rail corridor designation is accounted for at the council's share of the rail corridor component of the acquired land designation costs.

### **Other financial assets**

Financial assets (other than shares in subsidiaries) are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.



*Financial assets at fair value through surplus or deficit*

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking.

Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values. Gains or losses on re-measurement are recognised in the surplus or deficit.

The council's externally managed funds are classified in this category as they are evaluated and reported on a quarterly basis against the corresponding statement of investment policy and objectives. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

At year-end the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council and group will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation and default into bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

*Financial assets at fair value through other comprehensive revenue and expense*

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category includes:

- investments that are intended to be held long term but which may be realised before maturity; and
- shareholdings that are held for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of the listed bonds increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

**Assets held for sale**

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

**Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, all investment property is measured at fair value at balance date. Fair Value is the price at which a property could be exchanged by knowledgeable and willing parties in an arm's length transaction. Fair Value is determined annually by independent valuers that hold recognised and relevant professional qualifications and who have recent experience in the location and category of the



investment properties being valued. Values for investment properties valued under PBE IPSAS 16 have been assessed primarily on a market related basis where sufficient data is available. For commercial properties, rentals, investment return rates and land improvement levels have been related directly to a wide range of Northland sales evidence while for rural blocks direct sales analysis has been used.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

## Property, plant and equipment

Property, plant and equipment consist of:

*Operational assets* – these include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.

*Infrastructure assets* – infrastructure assets are the assets that comprise the The Hopua te Nihotetea detention dam, Awanui River flood management system and other river management schemes as they are developed, including stop-banks and floodgates.

*Land* - land is measured at fair value. Buildings (other than owner occupied buildings) and infrastructure assets are measured at fair value less accumulated depreciation. Forest land subject to the Emissions Trading Scheme (ETS) is the land under the forestry asset and is valued at historical cost.

All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Revaluation

Owner occupied freehold land and buildings and infrastructure assets are re-valued with sufficient regularity to ensure that their carrying value does not differ materially from fair value and at least every three years.

### Net revaluation results

Net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be first recognised in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the

item will flow to the council and the cost of the item can be measured reliably. Capital projects in progress are recognised at cost less impairment and are not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council or group and the cost of the item can be measured reliably. The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation and amortisation rates of major classes of assets have been estimated as follows:

Asset class		
Buildings	5-100 years	1-20%
Amenities	5-100 years	1-20%
Plant and equipment	2-20 years	5-50%
Navigational aids	5-20 years	5-20%
Vehicles	4-8 years	12.5-25%
Vessels and dredging equipment	3-25 years	4-33%
Infrastructure assets	8-100 years	1-12.5%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Infrastructural assets components include gates, pipes, outlets and stop banks. Depreciation is not provided for on stop-bank or rock revetment components of the infrastructure assets. Maintenance is carried out on these assets that is deemed to maintain them in perpetuity. An asset management plan has been prepared for the river management schemes.

### *Impairment of property, plant and equipment*

Property, plant and equipment that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount the total impairment is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### *Value in use for non cash generating assets*

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### *Value in use for cash generating assets*

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## **Intangible assets**

### *Software acquisition and development*

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense, when incurred.

### *Carbon Credits*

Compensation units received at no cost from the crown are recognised at fair value at the date of receipt. The credits are recognised when they have been received and are recognised in the surplus.

New Zealand Units are re-valued annually and the net revaluation result is credited or debited to the surplus or deficit.

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the NZU. Gains and losses on disposals are reported in the surplus or deficit.

If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. Council's Forest Management Plan prescribes that replanting will always take place subsequent to any harvest.

### *Easements*

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually. The cost of an easement is capitalised as part of the asset to which they relate.

### *Amortisation*

Intangible assets that have an indefinite useful life, or are not yet available for use are not subject to amortisation and are tested annually for impairment

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Intangible asset class		
Computer software	3-5 years	20-33%

### Forestry assets

Forestry assets are independently re-valued, annually, at fair value less estimated point-of-sale costs.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the surplus or deficit.

Forestry assets are presented at their fair value as at 30 June 2017.

The costs to maintain the forestry assets are included as an expense in the surplus or deficit when incurred.

### Investments in subsidiary (excluding CCOs) and joint venture company

The investment in subsidiaries is carried at cost in the council's parent entity financial statements

For jointly controlled assets (Council-KiwiRail Unincorporated Joint Venture), the council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its shares of liabilities and expenses incurred jointly, and revenue from the sale or use of its share of the output of the joint venture.

### Investments in council-controlled organisations

An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

The investment in the associate is carried at cost in the council's parent entity financial statement.

### Payables and deferred revenue

Creditors and other payables are recorded at their face value.

### Employee entitlements

#### Short-term employee entitlements

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that council anticipates it will be used by staff to cover those future absences.

The council recognises a liability and an expense for bonuses where contractually obliged, or where there is a past practise that has created a constructive obligation and a reliable estimate of the obligation can be made.

#### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement have been calculated on an actuarial basis. The calculations are based on the present value of the estimated future cash flows.

#### Presentation of employee entitlements

Retirement gratuities for employees up to the age of 60 are classified as a non-current liability. All other employee entitlements are classified as a current liability.

### Borrowings

Borrowings on normal commercial terms are initially recognised at their fair value plus any transaction costs.

After initial recognition, borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### Equity

Equity is the community's interest in the council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

- Accumulated funds
- Reserves:
  - Asset revaluation reserve
  - Fair value through other comprehensive revenue and expense reserve
  - Special reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

The asset evaluation reserve relates to the revaluation of property, plant and equipment to fair value.

The Fair value through other comprehensive revenue and expense reserve comprises the cumulative net change in fair value of assets classified as fair value through other comprehensive revenue and expense.

Special reserves include reserves established by the council (and may be altered at the discretion of council) to isolate funds put aside for a specific purpose, and other reserves restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected.

### Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables, and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Comparative figures

The comparative figures are the 2017/17 Annual Plan, and the audited 2016/17 Annual Report. The comparative figures for the opening balances are based on the Annual Plan 2017/18 and these are adjusted based on actual events to provide a more accurate opening position. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted in preparing these financial statements.

### Cost allocation

Northland Regional Council has derived the cost of service for each significant activity of the council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Indirect costs are charged to significant operating activities using appropriate cost drivers such as actual usage and staff numbers.

### Critical accounting estimates and assumptions

In preparing these prospective financial statements, estimates and assumptions have been made concerning the future. These estimated and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be a reasonable under the circumstances.

The estimation of the useful lives of assets has been predominantly based on historical experience. Useful lives are reviewed on an annual basis and adjustments are made when considered necessary.

### Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the ten year period ended 30 June 2028.

The council has a number of leasehold properties and freehold properties they are in the process of selling directly to the lessee's or on the open market. These properties have therefore been accounted for as assets held for resale rather than investment property as it is assumed these sales will occur within the next 12 months.

The council's investment in Regional Software Holdings Limited has been treated as an associate. The council's Chief Executive Officer is on the board of directors, so the council considers that it holds significant influence over the financial and operating policies of Regional Software Holdings Limited

### Prospective financial statements disclosures

The council publishes both parent entity and group financial statements for historical reporting purposes but does not publish group prospective financial statements. The council is required to disclose the reasons for not presenting group prospective financial statements.

The council has not prepared group prospective financial statements because:

- The primary focus of the annual plan is on the activities of the council (parent) and the consequent impact on rates.
- The financial impact of transactions with group entities is reflected with the annual plan for funding purposes.

## Financial policies

# Financial contribution policy

The council is required, under section 102(2)(d) of the Local Government Act 2002, to adopt a policy setting out the purposes for which development or financial contributions may be required. Development contributions are not available to regional councils. However, they can require financial contributions as a condition of a resource consent under section 108 of the Resource Management Act 1991 as long as this is provided for in the relevant regional plan. Financial contributions are a mechanism that provide an opportunity to compensate for adverse effects that cannot otherwise be avoided, remedied or mitigated.

The term "financial contribution" is defined in section 108(9) of the Resource Management Act 1991 to mean:

"... a contribution of:

- (a) Money; or
- (b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of the Māori Land Act 1993 unless that Act provides otherwise; or
- (c) A combination of money and land."

Section 108(10) of the Resource Management Act 1991 requires the regional council to specify in a regional plan:

- The circumstances when such contributions may be imposed.
- The purposes for which such contributions may be required and used. The manner in which the amount of the contribution will be determined.

The following outlines the council's policy for the use of financial contributions:

1. When the regional council grants resource consent under a rule in a regional plan, it may include a condition requiring that a financial contribution be made for the purposes specified in that plan.
2. The regional plan shall set out the matters which the regional council will have regard to when deciding whether to include a financial contribution and the type (or types) of contribution.
3. The appropriateness, type and the amount of financial contributions in any given circumstance is to be determined through reference to the relevant regional plan and after considering the effects of the activity, the remediation and/or mitigation offered, submissions (where relevant) and consultation with the consent applicant.
4. As required by section 111 of the Resource Management Act 1991, all moneys collected by the council under the financial contributions provisions of a regional plan are

to be used in reasonable accordance with the purposes set out in the relevant regional plan and for which the money was received.

5. The regional plans and the provisions and methodology for calculating financial contributions are available for public inspection at council offices.

Financial contributions may be required for various purposes, including to mitigate and/or offset adverse effects of an activity. Financial contributions can be applied where other conditions will not adequately address adverse effects or where the circumstances of an individual application point clearly to a financial contribution as the most appropriate option.

Council considers the use of financial contributions is an appropriate tool that should be available through the consent process to ensure effects of activities are appropriately managed. They also provide flexibility over how impacts of use and development are addressed through consent conditions.

Under section 106(2) of the LGA 2002, Council does not see a requirement for financial contributions to fund any capital expenditure to meet increased demand for community facilities resulting from growth. Therefore, the Long Term Plan does not provide for any capital expenditure to be funded by financial contributions.

Council considers that the detail on the circumstances when contributions may be charged and the purpose, type and level of contributions needs to be established in the relevant regional plan because:

- This is a requirement of section 108(10) of the RMA.
- It allows the purpose, type and level of contribution to be related to particular circumstances, resources and / or activities.
- They should be in the same document as the applicable provisions / rules.
- It provides an opportunity for consultation and input through the Schedule 1 process when changing the financial contribution provisions in a plan.

There are three operative regional plans for Northland, all of which contain financial contributions provisions that may be applied in the circumstances set out below in relation to each plan:

## The Regional Air Quality Plan (Section 14.2)

- Emission of any contaminant with health or nuisance effects.
- Impacts on visibility, clarity and other amenity effects.
- The nuisance that arises from the release of dust, odour or smoke and other particulates.



- Adverse impacts on flora and fauna and the intrinsic value of ecosystems.
- Disturbance or degradation of any archaeological or culturally significant site.

#### **The Regional Coastal Plan (Section 34.2)**

- Maintenance or enhancement of public access to and along the coast
- Maintenance or enhancement of public recreational amenities in the coastal marine area
- Planting or maintenance of coastal vegetation
- Landscaping or planting
- Fencing or screening
- Protection, maintenance or restoration of heritage features
- Protection, restoration or enhancement of seabed and foreshore
- Reduction of litter
- Esplanade reserves or esplanade strips or access strips on reclamation
- General - mitigation works
- General - Environmental Compensation

#### **The Regional Water and Soil Plan (Section 38.2)**

- Damage to riparian vegetation;
- Disturbance or re-alignment of river channels;
- Sedimentation of water;
- Nutrient enrichment of water;

- Riverbank erosion;
- Damage to river control or drainage works;
- Restriction of public access to or along the water body;
- Disturbance or damage of archaeological, culturally or ecologically significant sites.

Council notified a Proposed Regional Plan on 6 September 2017 (once finalised this will replace all three operative plans) – the Proposed Regional Plan also includes a Financial Contributions policy (Section G.3). The circumstances where a financial contribution may be applied in the Proposed Regional Plan are:

- Aquatic habitats of indigenous species
- Wetlands
- Discharges
- Disturbance to the foreshore or seabed and margins
- Public access to, along and within the coastal marine area
- Exclusive occupation of space
- General works
- Structures in the coastal marine area

Note these financial contribution provisions may be subject to change as a result of submissions and council decisions on the Proposed Regional Plan.

It should also be noted that changes to the Resource Management Act 1991 in 2017, mean conditions requiring financial contributions cannot be applied after 18 April 2022



# Revenue and financing policy

## Overview

The Local Government Act 2002 (LGA) requires the council to adopt a Revenue and Financing Policy, outlining the council's approach to funding its operating and capital expenses – in other words, how the council pays for what it does.

The council must manage its finances prudently and in a manner that promotes the current and future interests of the community. Generally, the council must make sure it has a "balanced budget", ensuring that operating revenue covers operating expenses.

The council can fund its activities from a range of sources outlined in section 103 of the Local Government Act. The council usually funds its activities from the following:

1. Targeted region-wide rates
2. Specific targeted rates
3. Income from investments
4. Fees and subsidies
5. Grants

The council also uses borrowing to fund its some of its activities.

## Sources of funding for operating expenses

### Targeted region-wide rates

The council typically funds activities that provide a community benefit or public good from targeted region-wide rates, because the benefit is wider than just specific users. It is usually impossible or impractical to identify customers or users, or to fully recover costs from those who benefit, or those who make the situation worse.

The council has elected to use six targeted region wide-rates as it considers these to be a more equitable approach than setting a general rate and uniform annual general charge. The level of targeted region-wide rates is based on the funding required to provide agreed council activities after identifying the other income sources.

### Specific targeted rates

The council uses specific targeted rates where it provides services to a specific area or group within the regional community, but there is no mechanism to directly charge them. The activities funded may have a wider community benefit or public good, but a group derives a direct or greater benefit from the provision of the activity. Where it is appropriate, only this group be targeted to pay for some or all of the service.

The council may also set a specific targeted rate for transparency and accountability reasons.

### Income from investments

The council uses its investment returns (dividends, interest and rent) to reduce targeted region-wide rates. For the purposes of this policy we group investment returns with targeted region-wide rates, and refer to this group as 'rates/general funds'.

Some investment revenue will be diverted to the Investment and Growth Reserve to fund economic development activity.

### Fees and charges

User charges are direct charges to identified individuals and/or groups:

- who use certain council services, or
- whose actions or inactions cause the council to provide the service.

In these instances, a benefit exists to clearly identifiable people and/or groups, so they are required to pay for all or part of the cost of using that service.

Fees and charges are set based on recovering either the full cost of the service, the marginal cost added by users, or a rate that the market will reasonably pay. Fees and charges are set in accordance with the council's Charging Policy.

Licence fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

### Borrowing

The council may use internal or external borrowing as per its Liability Management Policy to bring forward or accelerate operating expenditure. The cost and repayment of borrowing is to be funded from the same funding sources available to fund the specified activity.

### Reserves and special funds

Reserve funds may be used to fund expenditure for specific purposes. In some circumstances, the reserves are a legal requirement. The council may establish additional reserves as and when required. Any funding surplus or deficit resulting from activities funded by way of targeted rates is set aside in a specified reserve to be used or repaid in subsequent financial years. Subject to meeting any specified conditions associated with these reserves, the council may expend money of an operating or capital nature from these reserves.

### **Proceeds from asset sales**

Proceeds from asset sales will usually be used to provide funding for the acquisition of assets of a similar nature. The council may also elect to use the proceeds of asset sales to fund operating expenditure. The retention of strategic and investment assets and the application of investment returns (operating) to promote economic well-being, provides inter-generational equity. Unless the council resolves otherwise, proceeds from the sale of investment assets will be set aside for further reinvestment.

### **Financial contributions**

Financial contributions will be applied in accordance with the Financial Contributions Policy.

### **Grants and subsidies**

Central government and other third-party agencies provide various grants and subsidies for specified activities and projects.

### **Other funding sources: Use of surpluses from previous financial periods**

Where the council has recorded an actual surplus in one financial period, it may pass this benefit on to ratepayers in a subsequent financial period. The council will not normally carry forward surpluses in relation to the sale of assets or revenue received for capital purposes.

## **Sources of funding for capital expenditure**

Capital expenditure is generally funded from the same sources available to fund operational expenditure. While debt or internal borrowing may sometimes be used to provide the immediate funding needed to acquire an asset, repayment of the debt will be made from the same sources as operating expenditure.

Capital expenditure is funded from depreciation, general funds, targeted rates and borrowing as outlined below:

- Replacement of an asset: funded out of rates charged to recover depreciation. If funds are insufficient, then reserves or borrowing may be used to provide funding.
- New asset or the upgrade or increase in service potential of an existing asset: internal or external borrowings.

The funding of capital expenditure from the sale of surplus assets, restricted or special funds is decided on a case-by-case basis.

If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period. The council may impose a targeted rate to fund capital expenditure or repay the borrowings on an asset at a faster rate than over the full life of the asset.

## Revenue and financing sources and mechanisms for the council's activities

The following table shows a summary of the funding sources for each activity, and the council's consideration of the factors under Section 101(3) of the Local Government Act 2002 when determining the appropriate funding sources for each activity. The factors considered for each activity were:

- The community outcomes to which it primarily contributes
- The distribution of benefits between:
  - the community as a whole
  - any identifiable parts of the community, and
  - individuals.
- The period the benefits are expected to occur
- How much the actions or inaction of individuals or a group contribute to the need for the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

We have also considered the overall impact on the community of any allocation of liability for revenue needs. Over the course of this Long Term Plan, the council will borrow funds to pay for the capital infrastructure of our river management schemes. The maximum period of these loans is 30 years, and actual loan periods are determined after considering the extent of the capital works and the period of benefit, affordability and commitment of future generations.

Specific targeted rates will be collected from 2018/19 to ensure the council has sufficient funds to repay these loans as they fall due. The council will invest rates collected in managed funds until the loans are due to be repaid. By collecting rates immediately the council will receive investment returns which will offset the borrowing costs. This approach ensures the financial cost of borrowing, and hence the impact on the community (via the targeted rates they are required to pay each year) is reasonable.

### Explanation of notations made in the table

*Rates/general funds:* includes targeted region-wide rates and general funding (including income from investments).

*Full:* All, or almost all, of the cost of the activity is funded from that source.

If the comment is made regarding rates/general funds, it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.

*Majority:* Most of the service is funded from this source.

When used in reference to fees and charges, it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.

*Residual:* A portion of funds comes from this source.

When used in reference to fees and charges, it reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement.

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
Governance and Engagement		
The Local Government Act 2002 requires councils to work with the community to make and implement key decisions. Both the community and council benefit immediately and in the long term from the community's contribution towards the council's decision-making. Community representation is a public good which contributes to safe and resilient communities.	Governance: Community Representation	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul> <i>Minor capital expenditure may be required:</i>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
		<ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The Local Government Act 2002 requires councils to work with Māori to make and implement key decisions. Māori Engagement is a public good, which contributes to prosperous relationships with tangata whenua, and ensures safe and resilient communities. Both the community and council benefit immediately and in the long term from improved decision making and representation.	Māori Engagement	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Communication is a public good which contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.	Communication and Engagement: Communication	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Online communication and engagement is a public good which contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.	Communication and Engagement: Online	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community wants the environment to be maintained or improved. Environmental education supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The community benefits from the opportunity to learn about and participate in the sustainable use, development and protection of the region's resources. The benefits are ongoing, but there is immediate benefit to the recipients. While some individuals (children and schools) may derive private benefit, the cost of providing this activity by imposing user charges on the recipients would potentially make the programme unaffordable for the direct recipients.	Communication and Engagement: Environmental Education	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Majority</li> <li>Fee/subsidy - Residual</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community wants to improve regional wealth. Economic development activities support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth, which includes improved economic activity, employment and income opportunities. Individuals and businesses benefit directly from increased economic opportunities, and the tourism sector benefits from sector support and promotion. Targeted rates may be set to provide transparency and accountability regarding the provision of specific activities.	Economic Development: Economic Development Activities	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds (Investment and Growth Reserve) - Majority</li> <li>Income from Community Investment Fund - Residual</li> </ul> <i>Capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community wants to improve regional wealth. Economic development projects support Northland having a thriving regional economy, and have public and private benefit in both	Economic Development: Projects	<i>Operating expenditure:</i>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth. Individuals and individual businesses benefit directly from increased economic opportunities flowing out of specific initiatives. Funding these projects from targeted rates ensures transparency and accountability.		<ul style="list-style-type: none"> <li>Targeted rate - Majority</li> <li>Rates/general funds (Investment and Growth Reserve) - Residual</li> </ul> <i>Capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>Targeted rates - Full</li> </ul>
<p>The community desires regional infrastructure. The regional community benefits from improved infrastructure and economic activity, contributing to a thriving regional economy. Individuals and businesses will benefit from direct use of the infrastructure. The benefits accrue both in the immediate and long term. Funding from targeted rates ensures transparency and accountability.</p> <p>Capital expenditure includes any interest and capital repayments where debt is raised. This includes the Marsden Point Rail Link.</p>	Economic Development: Infrastructure	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Targeted rates - Full</li> </ul> <i>Capital expenditure:</i> <ul style="list-style-type: none"> <li>Targeted rates - Full</li> </ul>
<b>Regulatory Services</b>		
The entire community desires a well-structured and effective region, and benefits from integrated regional policies and plans which provide for the sustainable management of Northland's resources. This activity is a public good, which supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue both in the immediate and long term.	Planning and Policy	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
<p>Applicants must seek consent under the Resource Management Act 1991 (RMA) and the Building Act 2004. This process contributes towards safe and resilient communities, and continuous improvement in water quality and security of supply. The regional community gains assurance that activities requiring consent are in accordance with regional policies and the RMA. RMA and building (dams) consent holders directly benefit from gaining compliance and holding consent. The benefits of these services accrue both in the immediate and long term. Processing resource consent applications is considered to be largely private good, with an element of public benefit. The allocation of costs to those who benefit from the services or cause such costs, is beneficial as the community does not have to bear such costs.</p> <p>Capital costs are minor and as they do not directly relate to individual consent applications, they are funded from rates/general funds for efficiency reasons.</p>	Consents activity: Consent applications	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Fee/subsidy - Majority</li> <li>Rates/general funds - Residual</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
Individuals may require information and advice on the lawfulness of intended, proposed or existing activities. The regional community benefits from informed participation and decision making. Resource users benefit from guidance on regulation, appropriate use and development of resources. These services support safe and resilient communities and efficient and effective service delivery, and the benefits accrue both in the immediate	Consents activity: Consents advice and information	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> <li>Fee/subsidy - Residual</li> </ul> <i>Minor capital expenditure may be required:</i>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
and long term. We consider the provision of consents advice and information to be a public and private good. The public good is served by the informed ease of transacting and engaging with the council. Private good exists where advice relates to applications where individuals derive a direct benefit. Fees can be charged for some advice, as per the council's Charging Policy.		<ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The regional community benefits from improved knowledge and management of the regional environment. This activity is a public good which supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue in in the immediate and long term.	Monitoring: State of the Environment monitoring	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
Need is created by individuals who have consents and those whose actions or inactions risk or harm the environment. The local and regional communities benefit from environmental protection via the monitoring, enforcement and clean-up actions carried out by the council. This activity supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits of these services accrue both in the immediate and long term. This activity is mostly a private good, however compliance provides public benefit. The allocation of costs to those who benefit from the services, or those who cause such costs, is beneficial to the community, as the community does not have to bear such costs.	Monitoring: Compliance monitoring, environmental incidents response and waste management and contaminated sites	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Fee/subsidy - Majority (Licence and Enforcement fees)</li> <li>Rates/general funds - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
<b>Environmental Services</b>		
Individuals and communities live or plan development in areas that are subject to natural hazards. Natural hazard management supports safe and resilient communities, and the benefits accrue immediately and in the long term. Individuals and the community benefit from reduced risk to property, projection losses and loss of life. Community wide benefit includes hazard identification and risk reduction analysis throughout the region. Hazard management is primarily a public good, with an element of private benefit to individuals and groups of individuals.	Natural Hazard Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
The community wants advanced warning of water risks, and to have our water resource sustainably managed. Hydrology monitors and reports on water quantity (rainfall, groundwater, surface water, rivers and lakes), which contributes to continuous improvement in water quality and security of supply, and safe and resilient communities. Individuals and the community benefit from early notification of rainfall in significant rivers, and management of Northland's water resources. There is community wide benefit from monitoring and understanding our various water resources and information. The benefits of these services accrue both in the immediate and long term. Hydrology activity	Hydrology	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Majority</li> <li>Fee/subsidy – Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds – Full</li> </ul>



Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
is primarily a public good with an element of private benefit to individuals and groups of individuals. Fees and charges are levied for compliance related activities.		
The community wants animal and plant pests to be controlled, and our region's unique ecosystems to be protected. The regional community benefits both in the immediate and long term from the enhancement of indigenous biodiversity and biosecurity in Northland, and from the contribution towards a thriving regional economy through increased land productivity. We consider the provision of biosecurity activities to be largely a public good, with an element of private benefit, where pest control is provided to individuals and/or groups of individuals.	Biosecurity	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources. The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of biodiversity activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.	Biodiversity	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> </ul>
Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources (improved water quality, reduced run-off and sedimentation and reduced frequency of flooding). The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of land and water activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.	Land and Water	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> </ul>
<b>River Management</b>		
Individuals and the public require flood risk reduction when living or undertaking developments in flood risk areas. The community benefits from reduced incidence of damaging floods in Northland. Individual land owners benefit from the reduction in property damage and primary projection losses. The benefits of these services support safe and resilient communities, and accrue both in the immediate and long term. We consider river management	River Management: Flood protection works river management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Targeted rates - Majority</li> <li>• Rates/general funds - Residual</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure on river asset infrastructure is undertaken as part of this activity:</i></p>



Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>works to be both a private and public good. Where specific works are carried out, these works provide a greater benefit to identifiable individuals and groups of individuals.</p> <p>The use of targeted rates for each river scheme promotes accountability and affordability as residents and business weigh up the costs of flood protection works against the level of risk. The council recognises it may not be realistic or cost effective to precisely identify either direct beneficiaries on the flood plain or indirect beneficiaries in the economic catchment, and proxies will need to be used. It will not always be feasible for the council to recoup costs from some types of beneficiaries. Exception: Should the cost of collecting a separate targeted rate on small schemes exceed the benefits, then those works will be funded from rates/general funds.</p> <p>Capital expenditure includes any interest and capital repayments where debt is raised. This includes river management infrastructure.</p>		<ul style="list-style-type: none"> <li>Targeted rates - Full</li> </ul>
<b>Customer Services and Community Resilience</b>		
<p>The community wants to access council information and services and to transact with the council. The provision of customer services supports efficient and effective service delivery, and is also used to support prosperous relationships with tangata whenua. The community benefits from having easy access to council information and services, and the council benefits from closer relationships with the community, and improvement in its reputation. These benefits accrue immediately and in the long term. We consider customer services to be largely a public good, with an element of private benefit, where information and support is provided to individuals.</p>	Customer Services	<p><i>Operating expenditure:</i></p> <p>Rates/general funds - Full</p>
<p>The community desires the response capability and advanced warning provided in emergency events, and benefits from these services. The maintenance of a response capability and planning for major emergency events benefits the regional and national community. The benefits of these services accrue both in the immediate and long term. Civil defence and emergency response is a public good which supports safe and resilient communities. It benefits all individuals and landowners during emergency events, so the majority is funded from rates/general funds.</p>	Civil Defence and Emergency Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Majority</li> <li>Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds – Full</li> </ul>
<p>The community wants to have access to emergency and rescue services, and the on-going provision of other community projects. We consider these activities to be public goods which contribute to safe and resilient communities. The wider community benefits include reduced risk to loss of life and having a safer region, and occur both immediately and in the long term. To provide transparency to the ratepayers, council has deemed it appropriate to set a targeted rate for the funding of organisations involved in lifesaving activities in the region. Given the reasonably small</p>	Civil Defence and Emergency Management: Funding for community projects and volunteer emergency services	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Targeted rates - Majority</li> <li>Rates/general funds - Residual</li> </ul>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
quantum of funding, the council has deemed it appropriate to use rates/general funds to fund community organisations via the non-contestable funding process.		
Fuel tankers visit Marsden Point Oil Refinery, which constitutes a major oil spill risk. The local commercial tourism service and fishing fleets and the substantial recreational vessel fleet use the region's coastal waters and associated refuelling facilities. The council's Oil Pollution Response supports safe and resilient communities, and a thriving regional economy. The regional and wider communities benefit from clean seas and coastal environment, and commercial shipping benefits from a spill response system and the availability of resources for clean-up of spills. The benefits of these services accrue both in the immediate and long term. Where evidence permits, the council will seek to charge the exacerbator, however it is not always feasible or cost effective to do so.	Oil Pollution Response	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Fee/subsidy - Majority</li> <li>• Rates/general funds - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <p>Rates/general funds - Full</p>
<p>Need is created by recreational and commercial coastal water users. Harbour safety and navigation supports safe and resilient communities. The provision of harbour safety and navigation services provides both public and private benefits, which accrue both in the immediate and long term. The regional community benefits from safer coastal areas for recreation. The public, including commercial and recreational users, benefits from safe water transport and the provision of services. Charges are levied on larger vessel and coastal structure owners, as direct beneficiaries, in accordance with the Navigation, Water Transport and Maritime Safety bylaw and the council's Charging Policy. The application of user charges promotes transparency and accountability and reduces the rating requirement on the community.</p> <p>Capital expenditure is required for property plant and equipment (including cyclical renewal of vessels, vehicles and navigational aids) to carry out this activity.</p>	Harbour Safety and Navigation	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Fee/subsidy - Majority</li> <li>• Rates/general funds - Residual</li> </ul> <p><i>Capital expenditure is required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Legislation requires, and the community desires, an integrated transport network. Regional Transport Management is a public good which supports efficient and effective land transport policies and public transport, and safe and resilient communities. The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. The benefits are on-going, however there is immediate benefit to the transport users.	Transport: Regional Transport Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
The community desires access to public transport services and total mobility schemes. Passenger Transport Administration supports efficient and effective land transport policies and public transport, and safe and resilient communities. The entire Whangārei district benefits from the provision of community	Transport: Passenger Transport Administration	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Fee/subsidy - Majority</li> <li>• Rates/general funds - Residual</li> </ul>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>passenger transport services, including the flow on effects of reduced congestion and improved road safety in Whangārei urban areas where passenger services operate.</p> <p>Where public transport is provided in other areas across the region there is both community and individual benefit. The community benefits from having individuals being able to engage in day-to-day activities. The individual benefits from being able to travel and access the community when they otherwise might not be able to do so. The benefits of these services are immediate at the time of using the service/transport. The region benefits from the provision of a passenger transport system.</p> <p>Each bus service is funded from a combination of central government funding (where available), user fees and charges and a targeted rate. This combination of funding promotes affordability and transparency and allows the council to take advantage of available subsidies. Setting user fees at an affordable level is intended to encourage and promote use of the bus service.</p>		<ul style="list-style-type: none"> <li>Targeted rates - Residual <i>Capital expenditure may be required:</i></li> <li>Rates/general funds – Full</li> </ul>
<b>Corporate Excellence</b>		
<p>Corporate Excellence provides corporate services to the rest of the council, including finance, human resources, health and safety, continuous improvement, information management, information technology, the Chief Executive Officer (CEO) Office and property. This activity is a public good which supports efficient and effective service delivery. Corporate services are allocated to activities based on relevant cost drivers.</p>	Corporate Services: All except Commercial Investments	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Majority</li> <li>Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure is required:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>
<p>Commercial investment activity supports improved returns on council investments, and a thriving regional economy. The community desires that the council's commercial investments are managed prudently for the benefit of current and future ratepayers. The regional community benefits immediately and in the long term from the direct investment income generated from commercial investments, as this revenue is applied to fund council operations, including economic development, and helps to keep rates affordable. The community also benefits from any wider economic development gains that may accrue from investment and commercial decisions.</p> <p><b>Operating:</b> We consider the entire revenue streams and capital growth associated with investment activities are a public good.</p> <p><b>Capital:</b> Investments can be tailored to achieve a mix of financial and strategic objectives. The growth of council investments, through further investment and capital appreciation promotes intergenerational equity, which ensures assets are available for future benefit of the community.</p>	Corporate Services: Commercial Investments	<p><b>Commercial investments</b></p> <ul style="list-style-type: none"> <li>Rates/ general funds - Majority</li> <li>Fee/subsidy - residual</li> </ul> <p>Commercial investments provides net investment revenue funding to contribute towards rates/general funds</p> <p><i>Capital expenditure may relate to specific commercial development projects:</i></p> <ul style="list-style-type: none"> <li>Rates/general funds - Full</li> </ul>



## **Non-financial policies**

# Policy on fostering Māori participation in council processes

## Legislative context

The Local Government Act 2002 (LGA) recognises the relationship between Māori and the Crown under the Treaty of Waitangi. Section 4 of the LGA states:

‘In order to recognise and respect the Crown’s responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes.’

Council’s must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes.

Section 81 of the LGA provides for Māori participation in decision-making by requiring local authorities to:

- establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and
- consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
- provide relevant information to Māori for the purposes of paragraphs (a) and (b).

Council’s are required to outline in their Long Term Plan, any steps that they intend to take to foster the development of Māori capacity in order to contribute to council decision-making.

The Resource Management Act 1991 (RMA) promotes the sustainable management of natural and physical resources. The RMA also recognises the relationship between Māori and the Crown and requires councils to take into account the principles of the Treaty of Waitangi (section 8) when undertaking its functions.

## Council’s values

Council’s mission says ‘Working together to create a healthy environment, strong economy and resilient communities’.

Council’s vision articulates a region working together for a sustainable and thriving future. With statutory obligations to Māori, to empower them to participate in local

government processes, a key focus area for council is through fostering ‘Enduring relationships with tangata whenua’.

This commitment needs to be reflected across all aspects of council business. To help guide council and staff, and be effective, council will work towards ensuring Māori (past, present and future) their cultural and traditions are valued and reflected in our work.

## Treaty of Waitangi

Te Taitokerau has the second largest Māori population of regional councils across New Zealand, with approximately a third of the region’s population identifying as Māori.

Council supports the intention of the Crown to uphold the principles of the Treaty of Waitangi as prescribed in local government and Treaty settlement legislation.

These relationships and their recognition require council to work with Māori to encourage and enable the participation of Māori in council processes in ways that meet their needs and aspirations as well as regional outcomes.

## Relationships

Council recognises the need to establish enabling relationships in order to facilitate the inclusion of Māori in its decision-making. With this in mind, council has established a number of key relationships across Māoridom and is committed to maintaining and strengthening these.

A key relationship is the Tai Tokerau Māori and Council (TTMAC) Working Party. The 30 strong working party consists of iwi and hapū members and councillors, with its key purpose ‘to advance a model of Māori engagement that supports environmental and economic priorities across the region’.

Council is also in the early stages of establishing a regional level relationship with Iwi Chairs which will further strengthen existing relationship with the regions Iwi Chief Executives.

## Liaison and information

Council understands that in order for Māori to effectively input into council’s decision-making that the provision of relevant and easily understood information must be provided in a timely manner and in a form that is appropriate.

Council also recognises the need to have appropriate staff and mechanisms in place to enable the flow of information and interaction with Māori.

## Fostering Māori participation

Specific steps council will take to foster capacity and provide opportunities for Māori to contribute to the decisions of council are:

- Support continuation and operation of the TTMAC Working Party as an avenue for input into council's decision making; and as an avenue to build the capacity of the wider Māori community to contribute to the decisions of council.
- Continue to support the ongoing operation of the Māori Technical Advisory Group (a sub group of the TTMAC Working Party), to provide early technical input into council's plans and processes.
- Undertake early pre-consultation with Māori on all RMA planning processes.
- Encourage and support the developing governance relationship with the regions Iwi Chairs.
- Maintain and grow the relationship between the Chief Executives of the regions Iwi Authorities and council, encouraging all of the regions councils to participate.
- Implement a programme to enhance the cultural competency of council.
- Continue to provide funding support for writing or reviewing iwi and hapū environmental management plans (recognised by an iwi authority).
- Continue to manage a centralised Māori contact database to facilitate and enable contact between council and Māori.
- Distribute copies of resource consents to relevant marae (hapū and iwi) lodged with council.
- Ensure an appropriate level of specialist technical and cultural support is provided for staff and councillors.



# Policy on the appointment of directors to council organisations

Section 57 of the Local Government Act 2002 ("the Act") requires the council to have a policy on the appointment of directors to its council organisations. As at July 2018, Northland Regional Council wholly or partially owns:

- Northland Inc. Limited;
- Marsden Maritime Holdings Limited; and
- Regional Software Holdings Limited.

Under section 6(4) of the Act, Marsden Maritime Holdings Limited is exempt from being classified as a council-controlled organisation. However, the associated joint venture company Northport Limited is classified as a council trading organisation. Directors of Northport Limited are appointed by the immediate shareholders.

## Definitions

"Council organisations" include council-controlled organisations and council-controlled trading organisations. Each of these terms is defined in the Act:

### *"Council organisation"*

A council organisation is any organisation in which the council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.

### *"Council-controlled organisation"*

A council-controlled organisation is an organisation in which the council, either in its own right or as part of a consortium of local authorities, controls, directly or indirectly, 50 percent or more of the votes or has the right, directly or indirectly, to appoint 50 percent or more of the directors, trustees or managers.

### *"Council-controlled trading organisation"*

A council-controlled trading organisation is a council-controlled organisation that operates a trading undertaking for the purpose of making a profit.

## Other relevant legislation/regulation

In addition to this policy, appointments and reappointments to the boards of council organisations are governed by their respective constitutions, trust deeds or, potentially in some cases, specific legislation. In the event of a conflict, those regulations take precedence over this policy.

Where ownership of council organisations is jointly or severally shared with other entities, governance requirements are established through shareholder agreements or equivalent documentation. Such agreements also take precedence over this policy.

Care should also be exercised to ensure that the appointment of any director will not potentially trigger a breach of the NZX Listing Rules for a listed council organisation, which prohibit the council, as a shareholder, from voting on some shareholders' resolutions.

Waivers to the voting restrictions are available but the potential for breach is most simply avoided by ensuring that an individual director is never concurrently appointed to more than one regional council organisation.

## Key principles of this policy

- The objective of this policy is to ensure that the council appointments process selects the best person for the role;
- All appointments will be made through an objective, transparent and accountable process;
- All appointments will be made on the basis of merit; and
- All directors will be appointed on the basis of the contribution they can make to the organisation, not on the basis of representation.

## Appointment process

- Vacancies will be advertised unless good reason exists not to. In making a decision to not advertise, the council will consider:
  - The costs of any advertisement and selection process;
  - The availability of qualified candidates;
  - The urgency of the appointment (e.g. a council-controlled organisation that is without a quorum cannot hold a board meeting); and
  - The degree of potential interest, including public interest, in the vacancy.
- The power to decide not to advertise a vacancy is to be delegated to the Chief Executive Officer.
- If circumstances warrant it, the council may call for nominations for appointment.
- An ad hoc committee will be established to consider applications and/or nominations and conduct interviews and make a recommendation on preferred candidate(s) to council. The ad hoc committee shall normally comprise councillors, including the council's shareholder

representative for the organisation concerned. Other members may include key stakeholders or any person who has particular knowledge or skills that would be beneficial in the selection process.

- Ad hoc committee members and candidates are required to declare any potential conflicts of interest.

### **General core competencies**

All board members are expected to meet core competencies as well as relevant industry or other technical/specialist skills required for that board.

### **Person specifications**

Nominees for specific vacancies shall be assessed for their particular skills, knowledge and experience.

### **Other appointment criteria**

- In making its selection the council shall have regard to diversity, with a view to the board reflecting Northland demographics, and to ensure governance experience is gained by Northlanders.

### **Appointment restrictions**

- Councillors and council staff should not be appointed as directors, unless good reason exists for exception. For example, where the council organisation is operational in nature and the Northland Regional Council Chief Executive Officer or designated staff member possesses the skills, knowledge and experience required to fulfil the role of a director, then council may appoint that person.
- Staff of the council organisation should not be appointed to its board. In the event a board decides one of its members should fill a vacancy in the organisation, the board member must first resign from their position on the board.
- Any board member applying for employment with the council shall offer to resign from the board immediately

following an acceptance of appointment/confirmation of election.

- Any board member who is a candidate in a local body election (or a general election or placed on any political party's list) must offer to stand down from nomination day until the election results are notified.

Where an offer to resign from the board is made, the council will consider whether to accept the offer on a case-by-case basis, considering succession planning and management of conflicts of interest, and any risks stand down poses to the council organisation.

### **Term of appointment**

- Generally, appointments shall be for a three-year term, subject to any review the council considers necessary.
- The council shall generally review the performance of the organisation and its board after the local body elections.
- The maximum number of consecutive terms for any director is normally two, with reappointment exceeding six years to be considered on a case-by-case basis.

### **Remuneration of directors of council organisations**

- Remuneration for directors of council organisations will be determined on a case-by-case basis taking into account:
  - Each specific role;
  - Any existing legal or constitutional requirements;
  - The form and purpose of the organisation; and
  - Any previous level of fees paid by the shareholder.
- Directors are not to undertake consulting work for the organisation under any circumstances.

### **Removal of directors**

Directors may be removed from office according to the specific requirements of the Trust Deed or Constitution and may be subject to additional legislation such as the Local Government Acts 1974 and 2002.

# Significance and engagement policy

Northland Regional Council makes decisions every day. These decisions range from day-to-day matters with a low impact on the public and communities, right up to those with a very high level of importance, impact or public interest.

The purpose of this policy is to set out when and how our communities can expect to be engaged in our decision-making processes <sup>(1)</sup>. The policy:

- Tells our community **when and how we will engage** with them on a particular issue or proposal; and
- Provides council with a tool for defining **what is significant** <sup>(2)</sup>, helping it determine where a greater level of community engagement will result in better decision making.

## Our approach to community engagement

Community engagement means that council will connect with other people in a decision-making process, to share ideas and build understanding. It can involve a range of different approaches – from simply keeping our communities informed, to empowering them to make decisions themselves. Our regional community includes customers, citizens, Māori, local communities and other communities of interest.

Whenever the council is engaging communities, or making a decision on the extent of engagement, it will be guided by the following principles.

1. We are elected to make decisions on your behalf.
2. We will seek community views on significant issues, to ensure we have enough information to make our decisions.
3. We will give you the information you need to have relevant input.
4. We will listen to your views and consider them with an open mind.
5. We will continue to improve how we engage with Māori and enable input into our decisions.
6. We will target our engagement to those directly affected or interested in the decision.
7. We will do our best to provide opportunities for people to present their views in a way that suits them.
8. We will let you know what decisions we make and why.
9. We will continue to improve how we engage with you.

## When we will engage

Different levels of community engagement will be used in different situations. Sometimes we will consider that we already have a good understanding of community views and preferences, but at other times we may need more information.

- We will **consult** when we are required to by law, when a proposal is considered significant (as defined later in this policy) and when we need more information on options for responding to an issue.
- We will **involve/collaborate** with our communities in decision-making when we need more information on community views to fully understand an issue and develop a proposal for dealing with that issue; or where we can be more effective and efficient in achieving our priorities through working with others.
- We will **inform** our communities about decisions made when we believe there is some interest in the decision and/or people may be affected by the decision, but further engagement is not warranted.
- We won't engage our communities when there is a need for confidentiality or the matters concern internal operational issues.

1 This policy is intended to meet the requirements of the Local Government Act 2002 (Section 76AA) for a Significance and Engagement Policy

2 Significance (as defined by the Local Government Act 2002) means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so

## How we will engage

Wherever possible we will endeavour to engage with communities on their turf, and at a time that best meets their needs. This means that when we have determined that we will engage, and who we will engage with, we will make it as simple as we can for people to have their say.

- When we consult we will make information about the issue or proposal available to the relevant communities, present options where relevant, tell them how our process works, and how they can provide feedback. We will offer an opportunity to talk to councillors face-to-face. We will collect information and feedback on the proposal or issue from our communities and use this to guide decision-making. This will often follow a formal process set out in legislation.
- When we involve/collaborate with our communities in decision making we will approach those that are likely to be affected by the proposal and invite them to share their thoughts and ideas. This information will be used by council to guide its decision-making, and in some cases help us to decide if we need to consult. Council will also work with already established groups to achieve shared goals.
- When we inform, we will let people know what we have decided to do, where they can find out more and who to talk to if they have questions, and advise them of any timeframes that might be relevant.
- When we determine not to engage, we will follow all procedures required by law to ensure that decisions are made in a lawful way.

## We will always consider

- The principles of this policy
- Who the target audience is – that is, who is affected by, likely to have an interest in or view on, or has previously expressed interest in, the issue.
- The importance of the matter to both us as the council, and the target audience.
- The likely expectation by the target audience to be involved in decision making on this issue and what we know about the target audience's preferences for engagement.
- The impact on Māori and their relationship with ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga.
- How Māori are provided an opportunity to provide input in a way that is meaningful to them.
- The information we already hold about community views.
- The circumstances in which the issue has arisen.
- Options, benefits and costs (current and future).
- The extent to which options will achieve or promote council objective.
- The extent to which any costs outweigh the benefits of engagement methods.
- The impact on council's capability to fulfil its statutory responsibilities.
- The likely impact to service levels of any important activity or the way it will be delivered.
- The likely impact on any of council's strategic assets.
- The likely impact on, and consequences for, the wellbeing of the region.
- The degree of information/research required to inform decision making.
- The extent to which information should be recorded.
- Any other matters that could influence decision making. For example, research results, legislation, financial constraints and so on.
- How we will let you know the final outcome of the decision or issue.

## Defining which issues and decisions are significant

Some decisions we make are more significant than others. Distinguishing which decisions are significant and which are not, is not always black and white. The significance of an issue, proposal, asset, decision or activity (referred to in this document as a "matter") usually lies somewhere on a continuum from low to high and will influence the level of engagement that council undertakes.

We will consider the significance of each matter on a case-by-case basis. When considering whether any matter is significant, we will consider a combination of factors as detailed in the following table:

Does the matter being considered involve:		Degree of significance	What this means
<b>Rates</b>  Setting a new rate; or  Increasing any rate?		SIGNIFICANT	We will consult with our communities
<b>Assets</b>  The transfer, replacement or abandonment of a strategic asset?		SIGNIFICANT	We will consult with our communities
<b>Level of Service</b>  A proposal to begin a new activity or cease an existing activity <sup>(3)</sup> ?		SIGNIFICANT	We will consult with our communities
<b>Legislation</b>  A legislative requirement to consult?		SIGNIFICANT	We will consult with our communities
<b>Thresholds</b>  The matter triggers two or more of the following thresholds:	Is substantially inconsistent with existing policies, strategies or decisions.	LIKELY TO BE SIGNIFICANT	We will determine the best approach which may be to:  <ul style="list-style-type: none"> <li>• consult</li> <li>• involve/collaborate</li> <li>• inform</li> </ul>
	Incurs high capital or operational expenditure or a financial transaction with a value greater than \$750,000 <sup>(1)</sup>		
	Large divisions in community interest or high levels of prior public interest.		
	The decision is irreversible, has a high degree of risk, or significance of the decision is largely unknown.		
	The decision has a large impact on a moderate number of people or a moderate impact on a large number of people <sup>(2)</sup>		
Everyday operations  The matter is part of normal day-to-day operations of council or is provided for in the Long Term Plan or Annual Plan.		NOT SIGNIFICANT	We will follow usual decision-making procedures

1. This limit covers a single issue, asset or matter as well as a package of the same aligned to deliver a single outcome or objective. This limit does not apply to expenditure funded from the Investment and Growth Reserve or changes to the council's investment portfolio. Note that these investments will need to meet the criteria of council's Investment Policy, pursuant to section 102 of the Local Government Act.
2. As a guide: a moderate number of people is considered to be 4000 - 8000, and a large number of people is considered to be greater than 8000.

Every report to the council or decision-making body will include an assessment of the significance of the matter, the degree of engagement proposed, the engagement plan proposed and a clear recommendation.

<sup>3</sup> Activities as set out in the 'Groups of activities' section of the Long Term Plan 2018-2028

## Strategic assets

A strategic asset (as defined by the Local Government Act 2002) means an asset or group of assets that the local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community. The Northland Regional Council's strategic assets as defined in this policy are:

- Its interests in Marsden Maritime Holdings Ltd.
- The Awanui river scheme.
- Hopua te Nihotetea (the Kotuku Street Dam in the Whangārei urban rivers scheme) and the land which the dam structure occupies.
- The Kāeo stopbank scheme.
- Other river scheme assets as they are constructed.

A decision to transfer the ownership or control of a strategic asset to or from the regional council can only be taken if it has been provided for in its Long Term Plan and therefore will be the subject of the Local Government special consultative procedure.

## Reviewing this policy

The council intends to review this policy every three years after the local body elections. Any consultation required would likely occur concurrently with a future Annual or Long-Term Plan.

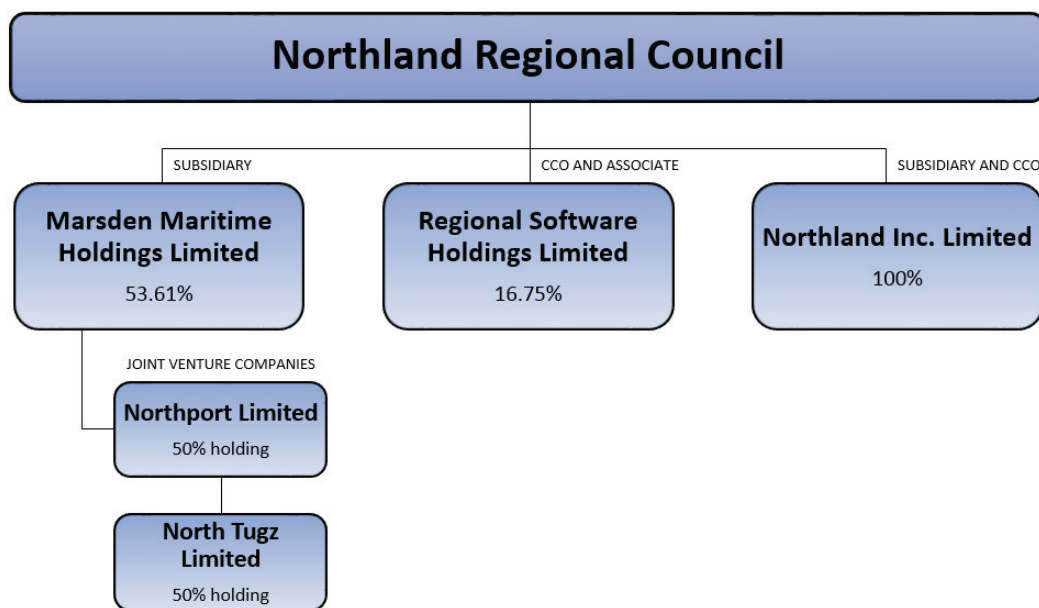




## **Council-controlled and subsidiary organisations**

## Group structure

### Group structure



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a Statement of Intent and report against their policies, objectives and performance in their annual reports, unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a statement of intent.

## Council-controlled organisations

Council has two council-controlled organisations. These are:

- Northland Inc. Limited; and
- Regional Software Holdings Limited.

### Northland Inc. Limited

Northland Inc. Ltd, established in July 2012, is the region's economic development agency and regional tourism organisation.

#### Policies and objectives

Northland Inc. Ltd is funded by an operational contribution from council through the Investment and Growth Reserve, and is project-funded through other public and private agencies, with central government being the next largest contributor.

The organisation has a governance board of professional directors, each appointed on a fixed-term basis by council. Operational activity is led by a chief executive officer.

The objectives of Northland Inc. Ltd are to:

- Advocate and promote the establishment and development of infrastructure that underpins regional economic growth.
- Attract, facilitate and support significant investment opportunities in regionally-strategic sectors.
- Provide and facilitate business support services that enable Northland firms to grow.
- Support tourism product development and infrastructure as enablers of Northland's tourism sector.
- Support and facilitate the implementation of the Tai Tokerau Northland Economic Action Plan.
- Partner with Māori to develop and implement economic development projects for the benefit of Northland.

#### Nature and scope of activities

These objectives are delivered through five work programmes.

- Investment and infrastructure - leveraging economic growth in the region through the strategic co-ordination, management and allocation of available public and private sector funding, including the Investment and Growth Reserve.
- Business innovation and growth - assisting in growing the performance, productivity and profitability of Northland businesses.
- Regional promotion and tourism - promoting the region in partnership with others and increase the value added from visitors.
- Tai Tokerau Northland Economic Action Plan (TTEAP) - supporting the implementation of the TTNEAP.
- Māori economic development - engaging with Māori to advance their aspirations for economic development.

#### Key performance measures

Work programme	Key performance measure
Investment and infrastructure	<ul style="list-style-type: none"> <li>• Develop two investment ready proposals per annum</li> <li>• One project for enabling investment funding per annum</li> </ul>
Business innovation and growth	<ul style="list-style-type: none"> <li>• Aggregate turnover increases by 5% per annum</li> <li>• 25% of RBP active companies are research active</li> <li>• The Orchard achieves an annual occupancy rate of 30%</li> </ul>
Regional promotion and tourism	<ul style="list-style-type: none"> <li>• Industry investment of \$300,000 per annum in regional promotions activity</li> <li>• Equivalent advertising value of \$15 million per annum from destination media coverage</li> <li>• Increase traffic on social media channels by 10% per annum</li> <li>• Website traffic growth exceeds growth in visitor spend by 10%</li> </ul>

Work programme	Key performance measure
Tai Tokerau Northland Economic Action Plan	<ul style="list-style-type: none"> <li>• Total value of investment in Action Plan projects</li> <li>• Number of projects/actions successfully completed</li> </ul>
Māori economic development	<ul style="list-style-type: none"> <li>• Two new projects partnering with Māori on economic development are funded and underway</li> <li>• 30 active Māori businesses in CRM</li> </ul>

### Regional Software Holdings Limited

Regional Software Holdings Limited is a shared-services undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. It is responsible for the long-term maintenance and development of the IRIS (Integrated Regional Information System) product as developed for and by the shareholding councils.

Over the last few years, the six regional councils have developed a leading-edge software solution (IRIS) for the regional council-specific functions undertaken by those councils.

Regional Software Holdings Limited faces a number of opportunities going forward. In particular, it looks to grow the number of regional councils using the IRIS solution.

Regional Software Holdings Limited will continue to work with other regional councils to explore further opportunities to grow the IRIS customer base. Regional Software Holdings Limited is also starting to work with the regional council sector to establish how the company can be operationally and financially used for the betterment of the regional council community.

The outlook for Regional Software Holdings Limited and the IRIS product is bright and there are significant opportunities to support the activities and achievements of New Zealand regional councils.

Financially, the company is in a sound position as planned. Regional Software Holdings Limited's revenue comes from licence charges and fees from the shareholding councils. This funding is used for the maintenance and development of the IRIS product. The company does not trade to make a profit; rather it charges to cover its planned level of expenditure.

## Subsidiary organisations

### Marsden Maritime Holdings Limited

#### Port ownership

Northland Regional Council owns 53.61% (22.1 million shares) of the issued capital of the Marsden Maritime Holdings Limited, which is presently 41,300,651 ordinary shares of 25 cents each. The balance of shares is held by the public and all shares are listed on the New Zealand Stock Exchange.

The council reviews its shareholding in the company during the triennial review of its strategic plan.

As a listed company, Marsden Maritime Holdings Limited is not required to publish a Statement of Corporate Intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations provisions of the Local Government Act 2002.







# Help us plan for a thriving Northland

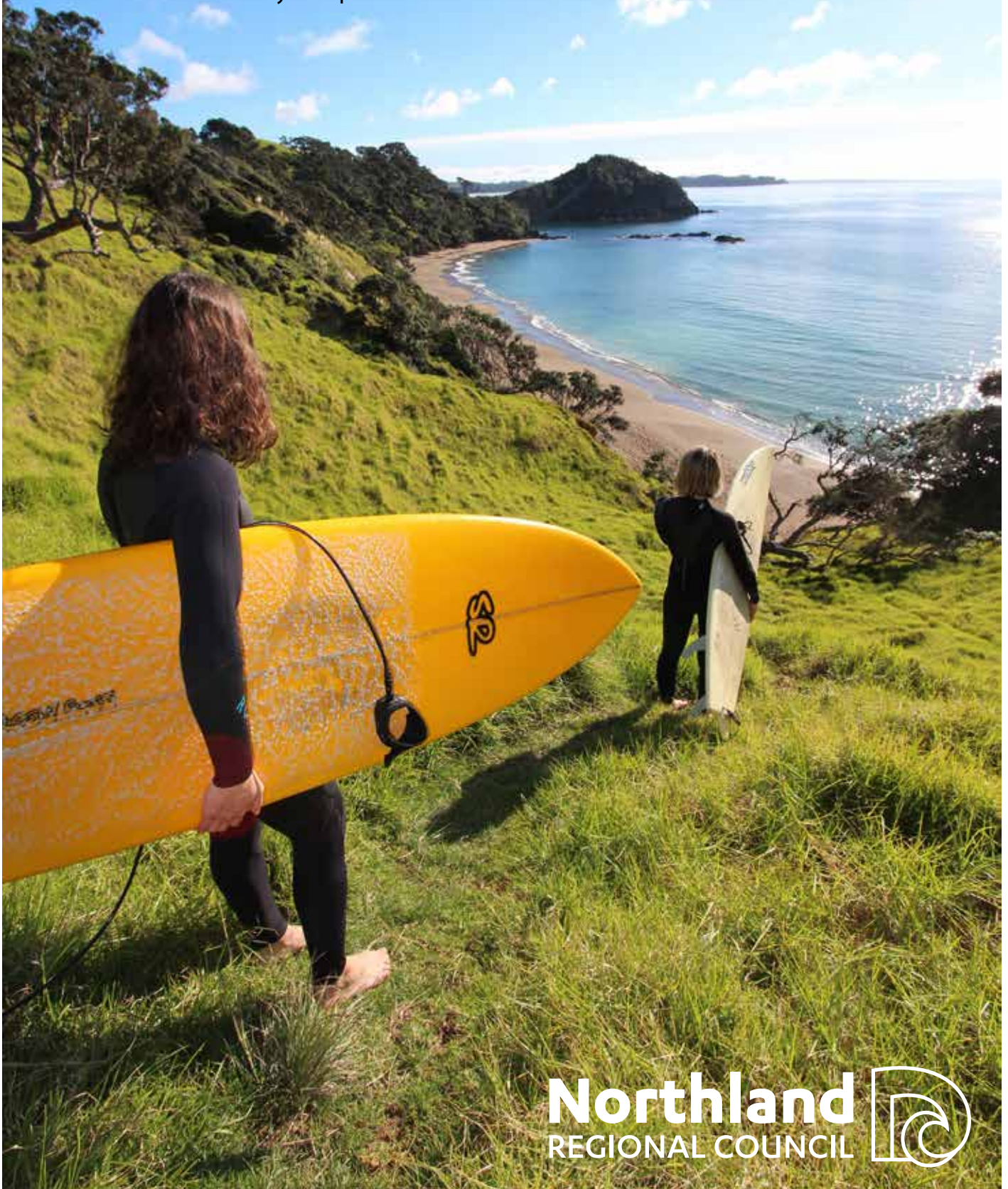
*Āwhina ki a mātou ki te whakamahere mo  
Te Taitokerau*

Item 3.5 - Attachment 2

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## Long Term Plan 2018-2028 Consultation Document

Feedback closes Tuesday 17 April 2018



**Northland**  
REGIONAL COUNCIL





# It's time to step up

## Tihei mauri ora!

**Tuatahi he mihi ki to tātou kaihanga mo tona manaakitanga ki a tātou,  
Tuarua, he mihi aroha ki a ratou kua wehe i te po i te tau e pahure, haere koutou  
He mihi tēnei ki a koutou, nga iwi, nga hapori o Tai Tokerau.**

## Tena koutou katoa

This is an acknowledgement to the people and communities of Northland.

With growing urgency for more action on fresh water and pests, and rising risk from flood events, it's time to step up a gear – we can't afford not to.

This is echoed in what you, the community, has told us as we've developed our Long Term Plan proposals:

- Do more to clean up our waterways.
- Do more to protect our native species.
- Do more to provide better flood protection.

We've kept a tight rein on rate increases over recent years, stretching our existing budgets as far as we possibly can.

Now we need your support to make some big decisions about boosting our spend and doing a whole lot more to help our region thrive.

More work on the ground so people can safely swim in and collect kai from our waters. More support for local communities to manage pest animals and weeds, and help Northland become pest-free. More protection from flooding to build community resilience.

Our proposed new work, outlined through this document, would mean an extra \$66.59 (29% increase) per ratepayer on average for the coming year (this varies widely across the region and excludes local transport and flood rates – see the rates examples on page 20).

We see this as a hugely important investment for our region's environment to really flourish and to keep our communities safe from flood risk.

These are some big changes, and that's where you come in. We really need your feedback so please read on, find out more, and, most importantly, tell us what you think.

## Your regional councillors

**Toitū te whenua** *If the land is well*

**Toitū te moana** *If the sea is well*

**Toitū te tangata** *The people will thrive*



Your regional councillors

# We need your help to make some big decisions

**Our Long Term Plan will drive what we do – and how we all pay for it – for the next 10 years. These are the big issues we need your feedback on. You can also have your say on anything else we do.**

<b>1. Water</b> <hr/> Do you want us to increase the work we do to care for Northland's fresh and coastal waters? page <b>6</b>	<b>2. Native life</b> <hr/> Should we invest more in pest management and strive to become a pest-free region? page <b>8</b>	<b>3. Floods</b> <hr/> Should we all chip in to help flood-prone areas? New work for Whangārei, Awanui, Kāeo, Taumāre and Panguru? page <b>10</b>	<b>4. Other decisions</b> <hr/> Funding for emergency services, funding for sports facilities, changes to transport rates, and more. page <b>14</b>
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## Find out more & have your say

**Give us your feedback by 4pm Tuesday 17 April 2018.**

This consultation document gives an overview of key proposals for our Long Term Plan. For more detail, and to give us your feedback, head to our website:

[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## Come and talk to us

Keen to talk to councillors and staff? Want to give your feedback in person? Come along to a 'Have your say' event!

**Whangārei:** Tue 20 March, 4-6pm, 36 Water St (NRC office)

**Whangārei:** Wed 21 March, 10am-12pm, 36 Water St (NRC office)

**Kerikeri:** Thu 22 March, 9:30-11:30am, Cornerstone Church

**Kaikohe:** Thu 22 March, 2-4pm, Memorial Hall

**Kaitiāia:** Sat 24 March, 10:30am-12:30pm, Te Ahu Centre

**Dargaville:** Tue 27 March, 9:30am-11:30am, Town Hall

**Mangawhai:** Tue 27 March, 2-4pm, Mangawhai Domain

**Please note that we won't be holding formal hearings – so if you want to give your feedback directly to councillors, this is your chance.**



# Our Northland - together we thrive

**This is the vision that underpins everything we do. It's ultimately about working together to care for our region's incredible environment and many communities, matching our skills and resources with the vision and aspirations of our people.**

**It's part of our strategic direction, which drives both what we do and how we do it.**

## Our vision

Our Northland - together we thrive

## Our mission

Working together to create a healthy environment, strong economy and resilient communities

## Our values

- Strong, decisive leadership
- One high performing team
- Customer focused
- Integrity – honest and open
- Transparent and accountable

## Our areas of focus (Community outcomes)

- Continuous improvement in water quality and security of supply
- Enhancement of indigenous biodiversity and biosecurity
- A strong regional economy
- Safe and resilient communities
- Enduring relationships with tangata whenua
- Efficient and effective service delivery
- Continue to subsidise rates with investment income
- Efficient and effective land transport policies and public transport

## You told us

In August and September last year we headed to local markets around the region to find out what you think our top priorities should be for the coming decade.

### This is a snapshot of what you told us:

Clean waterways for kai moana and kaitiakitanga

Focus on pests as number one priority

Healthy indigenous biodiversity

Continued support for farmers and rural waterways

Help protect communities

Existing pest control needs local support and input

Route resilience

Improve marine water quality including in estuaries

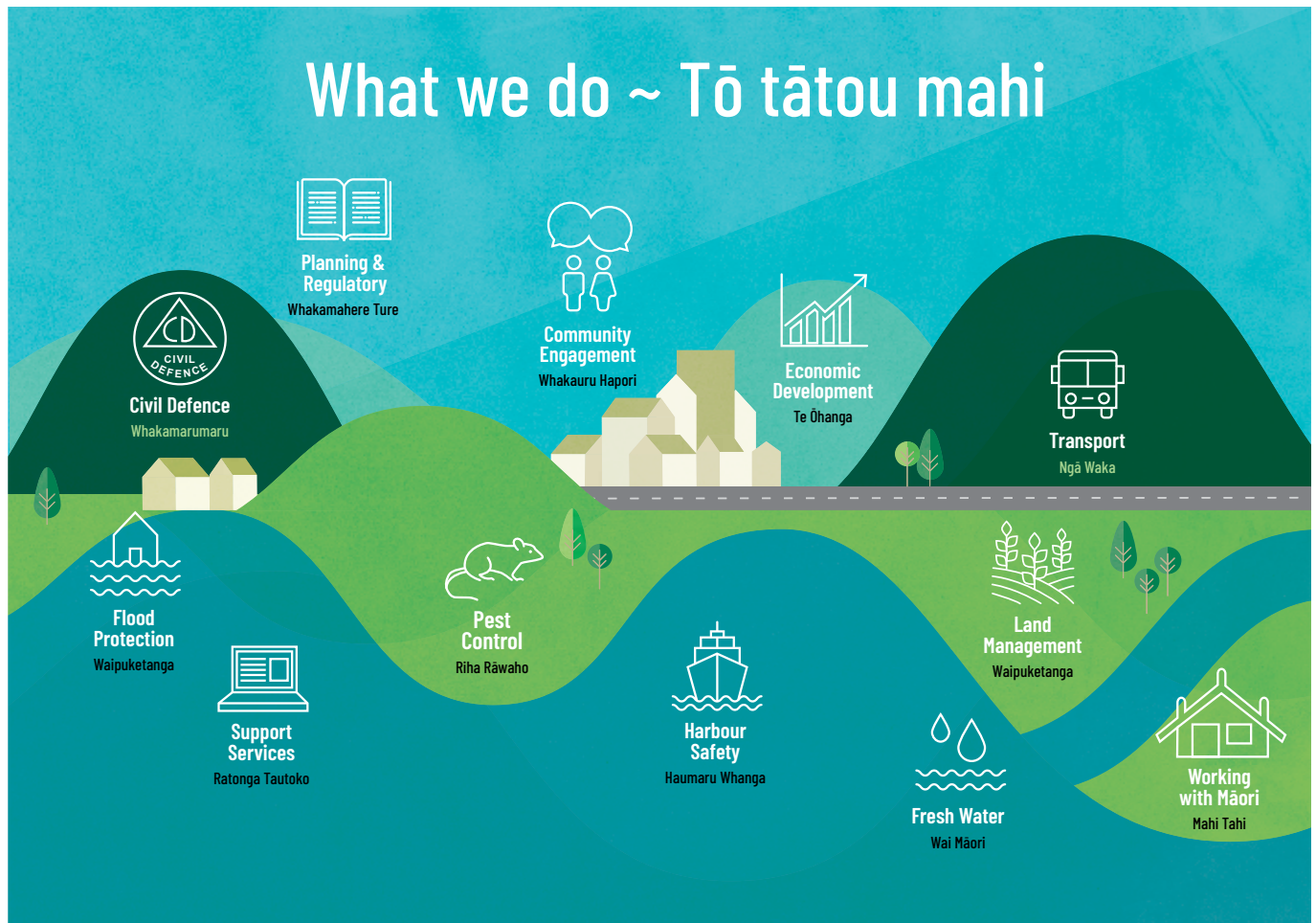
Jobs related to the environment





# What we do

As a regional council, caring for our environment is a big part of our work – but we have lots of other roles too. This is an overview of what we do.



## Hey – what about rubbish collection and roads?

Yeah, nah, that's your district council (though we know people often get us mixed up). But don't worry – if your feedback accidentally ends up at the wrong council, we'll always do our best to get it to the right place.

### Before you dive in

- Spending quoted in this document is GST exclusive
- Rates amounts in this document are GST inclusive
- Financial forecasts in this document have been adjusted for future inflation, but the cost of our proposals and the impact on rates are based on today's dollar values.



# 1. Looking after our precious water

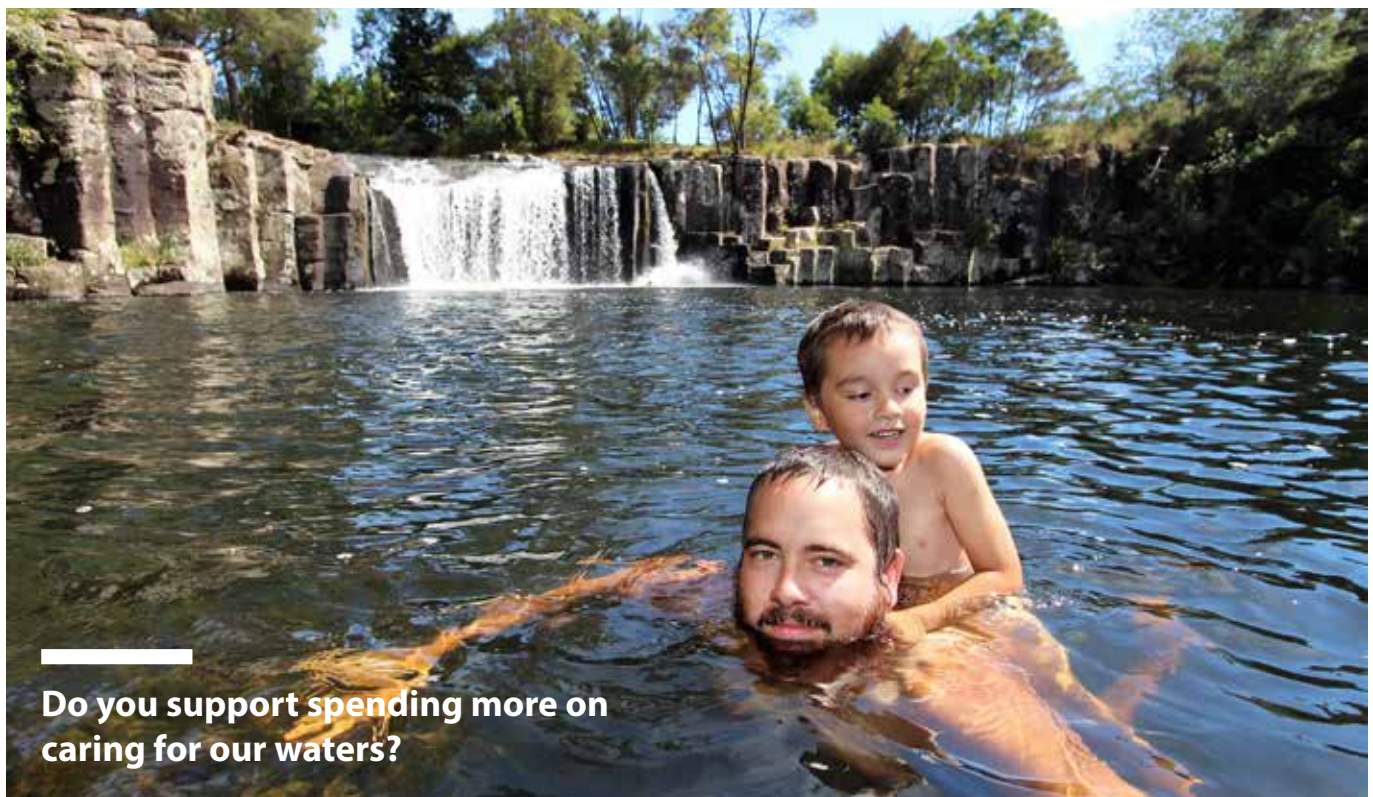
**Having plenty of clean water is something we all want. We swim in it, drink it, and are culturally connected to it. The productivity of our land, our agriculture and our horticulture depends on it.**

From the hills to our harbours, we work with landowners, communities, tangata whenua and other organisations to care for our water – we all want to leave our water in a good state for future generations.

As the regional council, we currently spend about \$11.2M a year on work that relates to managing our fresh and coastal water. Our work is broad, ranging from landowner advice and support, to making rules, research, monitoring, working with schools and more.

We know water quality is hugely important to our communities and there's more that can be done, so here are options going forward.

***Ko te wai te ora nga mea katoa***  
*Water is the life giver of all things*



**Do you support spending more on caring for our waters?**

## **OPTION 1: THE CURRENT PACE**

Do what's required to improve water quality gradually and meet legal requirements.

Impact: No new work, a slow pace of improvement in water quality.

Average cost to ratepayer:  
A small increase at the rate of inflation.

## **OPTION 2: STEP UP A GEAR (our preferred option)**

Increase our annual spend on water-related work over the next three years: an extra \$1.2M in 2018/19, rising to \$2.2M by 2020/21.

Impact: More work (outlined on the next page) to increase the pace of improvement in water quality.

Average cost to ratepayer:  
\$14.60 extra for 2018/19, rising to \$26.88 by 2020/21.

## **OPTION 3: GO EVEN FURTHER**

Invest even more in our water-related programmes.

Impact: An accelerated pace of improvement in water quality.

Average cost to ratepayer:  
Depends how much ratepayers are willing to invest. A further \$5 per ratepayer would mean an extra \$400,000 to spend on this work.



## More about our preferred option

To pick up the pace on water quality improvement, we're proposing a package of new work with a combined value of \$2.2M extra a year by 2021, so we can do more to:

- Reduce sedimentation in waterways (about \$911,000 extra a year by 2021). This includes more grant funding for landowners to fence and plant waterways, expanding our poplar nursery, and more work on hill country erosion and highly erodible land.
- Look after our lakes and wetlands (about \$385,000 extra a year by 2021). This includes more action on the ground to protect Northland's precious dune lakes, and doubling the number of wetlands we monitor.
- Understand our water resources (about \$881,000 extra a year by 2021). This includes more water quality monitoring to meet increased national standards, and increasing our hydrology work to better understand and manage water quantity.

In order to deliver this package of work we're proposing to bring 18 new staff on board over three years. Find out more in our supporting information document: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## CASE STUDY

# The Mangere catchment story

Huge efforts by the local community and tangata whenua, supported by our council and other organisations, are making a measurable difference to water quality in the Mangere catchment.

The Mangere River flows through this intensively farmed agricultural area to the west of Whangārei, eventually flowing into the Northern Wairoa River and out into the Kaipara Harbour. Part of our region-wide water quality monitoring network, Mangere catchment's water quality is among the most impacted in Northland.

In 2013, we led the set-up of a catchment group for the area to come up with local solutions for local water quality issues. The group – made up of community representatives, tangata whenua and sector representatives – now has a plan in place that sets out recommended actions for managing local freshwater.

Local farmers have been making considerable efforts to fence off waterways in the catchment, often with help from our Environment Fund which supports landowner initiatives to improve water quality, and to upgrade effluent systems. Students from Kokopu School, part of our Enviroschools Programme, have taken a hands-on role including three riparian planting days on two farms in the catchment. In the words of one farmer, the school is "providing the missing link between generations – they are growing attitudes towards riparian planting and looking after land and water".

Long term, some positive trends are emerging for Mangere River, with improvements in several water quality indicators. In 2014 it was named most improved river in Northland at the New Zealand River awards.

There's still a long way to go for Mangere catchment's water quality although these results show that communities and tangata whenua, as kaitiaki for their local environment, can make a real difference.



*Mai i te puna ki te waha o te moana ka hono nga mea katoa hei Kotahi*  
From the source to the mouth of the sea all things are joined together as one

## 2. Helping our native life flourish

**Northland is home to an incredible array of native life – our mighty kauri forests, picturesque coastal bush, unique dune lakes, iconic kiwi, and a world-class marine reserve at the Poor Knights, to name but a few.**

Protecting our native treasures from the myriad of invasive pest animals and plants that threaten them is a huge job. The good news is it's a journey that's well underway in Northland, often led by tangata whenua and local communities wanting to see native life return to their areas.

As a regional council we have a big part to play, and we currently spend about \$3.6M a year to reduce the impact

of pest animals, weeds and aquatic invaders and support community involvement in pest management.

Demand for pest management is growing, both nationally and regionally. There is a national target to be predator-free by 2050, and other regions – including our neighbour Auckland – are proposing greater investment in pest-free actions. Several new high-value pest control areas across the region are all seeking funding support. We now have several options in front of us.

***Ka puawai te ngahere, ka puawai nga manu***

*If the forest flourishes, the birds flourish*



Signing of a Community Pest Control Area agreement, Opito Bay, near Kerikeri.

### OPTION 1: DO A BIT MORE

Increase the budget by around \$1.14M a year.

Impact: Limited increased support for local efforts; a longer, slow journey to becoming predator-free (pest animals only).

Average cost to ratepayer: \$14.13 more a year by 2020/21 per ratepayer.

### OPTION 2: STEP UP A GEAR (our preferred option)

Increase the budget for pest management by around \$2.3M a year.

Impact: Aim to become pest-free (weeds and pest animals).

Average cost to ratepayer: \$28.26 more a year by 2020/21 per ratepayer.

### OPTION 3: GO EVEN FURTHER

Increase the investment in pest management even more.

Impact: Accelerate our contribution towards Northland becoming pest-free.

Average cost to ratepayer: Depends how much ratepayers are willing to invest. A further \$5 per ratepayer would mean an extra \$400,000 to spend on this work.

### Live in Whangārei Heads?

Local pest control work is currently paid for by a rate on local properties. Under our preferred option we've budgeted to continue this work, but to pay for it with region-wide rates (as with other new local programmes) so the local rate would no longer be needed. Let us know if you support this approach, or if you'd prefer to keep the local targeted rate.



## More about our preferred option

We're proposing a new target of becoming pest-free in Northland, a major part of which is getting all 23 of Northland's major forests under active pest management within 30 years. To get there, we'd need to step things up significantly with new spending of around \$2.3M a year including:

- Work across the region (about \$1M extra a year). This would mean more feet on the ground to work with communities, including local contractors, supporting new and existing biosecurity partnerships, and better ability to respond to plant, animal and marine pest incursions.
- Projects in western Northland (\$439,000 a year). This means more capacity for this less populated part of the region, supporting multi-species pest control.
- High-value pest control areas (\$853,000 a year). Funding support for pest control projects in areas with high biodiversity values including the Mid North/Bay of Islands, Tutukaka, Kai Iwi Lakes, Mangawhai/Waipū and Whangārei Heads.

In order to deliver this package of work we're proposing to bring five new staff on board over three years.

## CASE STUDY

# Kiwi corridor: a community success

An ambitious goal to create the nation's first large-scale kiwi-safe 'ecological corridor' – linking Northland brown kiwi populations over almost 300km of the region – is fast becoming a reality.

Kiwi Coast is a community-led collaboration linking a variety of landcare and pest control projects stretching from Mangawhai in the south, to the Aupōuri Peninsula in the Far North.

It links conservation projects, iwi and hapū, landowners, farmers, forest management companies, government agencies and schools which share a desire to boost kiwi numbers and create a ground-breaking linked corridor of kiwi-safe areas.

To date, 100 entities have linked into the Kiwi Coast, collectively carrying out pest control over more than 130,000 hectares.

As the regional council, we currently contribute about \$300,000 a year through various funding streams to a number of community pest control projects within the Kiwi Coast area, with a further \$400,000 annual contribution to projects within the area proposed in this Long Term Plan. Under a recent partnership agreement, we also contribute nearly \$90,000 to the Kiwi Coast trust to help with the project's coordination.

We're proud to be able to contribute to Kiwi Coast's ongoing successes and everyone involved looks forward to a day – hopefully not too far away – when kiwi will be able to roam safely and freely across the whole of Te Taitokerau.



*Me mahi tahi tātou mo te ora o nga kiwi  
Working together for the wellbeing of kiwi*

# 3. Protecting people from floods

**As a region that gets hit with heavy rain relatively frequently, we Northlanders are pretty resilient when the flood waters rise. Flooding is the most common natural hazard we face as a region, and the effects of climate change are likely to increase the risk.**

Some communities are hit much harder than others with flooding, and it's in those places that we look at whether flood protection works might be an option.

Until now, major flood protection works have been paid for 100% by the ratepayers in and around the affected area (including Awanui, Kāeo-Whangaroa, Kerikeri and Whangārei).

The downside to this 'user-pays' approach means it's a real challenge to build flood protection in areas of low population – with too few ratepayers it's simply unaffordable.

There are broader regional benefits from flood infrastructure, which extend beyond the local community – like protecting townships and road networks that service a much wider area, allowing goods and services to get through, and keeping our people safe.

With a number of flood protection projects in the pipeline (see page 13-14), it's time to look at the options for paying for this new work in the future.

## Should we all chip in to help flood-prone communities?



*He aha te mea nui o te ao? He tangata, he tangata, he tangata*  
*What is the most important thing in the world? It is the people*

### OPTION 1: USER-PAYS (current approach)

New flood infrastructure is paid for by those living in or around the affected area.

Impact: New flood protection may be unaffordable, especially in areas of low population.

Average cost to ratepayer:  
For new work to go ahead, ratepayers in affected areas would face significant increases. No increase for those outside affected areas.

### OPTION 2: SPLIT THE COST (our preferred option)

New flood infrastructure is paid 50:50 by those that live in/ around the affected area, and all ratepayers in the region.

Impact: Spreads the cost burden; potentially enables projects that would otherwise be unaffordable.

Average cost to ratepayer:  
\$5.63 increase per property across the region. Costs for properties within flood areas are shown on pages 12-13.

### OPTION 3: EVERYONE PAYS

New flood infrastructure is paid for by all ratepayers across the region.

Impact: Enables projects that may otherwise be unaffordable. Ratepayers that don't live in flood-prone areas would pay a larger proportion of the cost (compared with Option 2).

Average cost to ratepayer:  
\$14.25 increase per property across the region.



## More about our preferred option

Splitting the cost would only apply to new work, so existing infrastructure that's still being paid off wouldn't be included. Under this option, it's proposed that infrastructure under \$500,000 would simply be paid for with the region-wide rate, as it wouldn't be worth the cost and complexity of recovering the cost from local properties. Criteria are set out in our supporting information document: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## CASE STUDY

# Building resilience in Kāeo

When flooding is on the way for Northland, the nation's eyes tend to be firmly fixed on Kāeo.

Built on a floodplain, Kāeo has flooded for as long as recorded history. Its position and local geography means a practical and affordable solution to completely stop flooding from happening isn't possible.

During the past 10 years we've been working with the local community and funding partners to reduce the impact of flooding and help locals be prepared.

In 2014 we completed Stage 1 of the flood scheme, a \$780,000 project aimed at protecting the township by deflecting and slowing the speed of flood waters, making them much less damaging and dangerous.

More major works are proposed to further reduce the impact of flood waters by constructing Stage 2 of the flood scheme (see page 12).

Works were undertaken to reduce flood risk to nine of the most vulnerable dwellings in the area, thanks to funding from the Department of Internal Affairs and the Ministry of Civil Defence and Emergency Management.

Part of the wider flood management strategy for Kāeo is Civil Defence planning – another one of our roles as a regional council – and preparation for evacuating high-risk homes in the event of a flood.

We also operate a webcam in Kāeo, which can be accessed on our website, so people can monitor the Kāeo River, which can overflow State Highway 10:

[www.nrc.govt.nz/kaeowebcam](http://www.nrc.govt.nz/kaeowebcam)

Every flood-prone area has its own unique challenges, but what they have in common – regardless of scale – is a desire to find practical, feasible and, importantly, affordable, solutions for those living in affected communities.

***Ka awhinatia e tatou tetahi atu,  
na ka kaha tahi tatou***

*We all help one another,  
so we stand strong together*

Long-time Kāeo resident Ngaere Manning holds a book showing major flooding a decade ago which inundated the area, including its iconic church.



# Proposed new flood works

**In areas most heavily impacted by flooding, we work closely with our communities through local river working groups to develop plans for reducing flood risk.**

**For some areas, minor works can ease the risk; in others, more significant work is needed.**

Below is a summary of major work that we're proposing to do over the next decade. To finance these works, we would borrow funds and pay it back with flood management rates we collect.

For more detail on these proposals, or to read the full 30-year infrastructure strategy for flood protection and control, see our supporting information document: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## Awanui/Kaitāia

The oldest of Northland's flood schemes, the Awanui scheme is in need of some significant repairs and upgrades. We can't afford not to do this work – but the level of upgrade ultimately depends on what the community is willing to pay.

### OPTION 1: UPGRADE TO HANDLE BIGGER FLOODS (our preferred option)

Upgrade urban Kaitāia assets to handle larger-scale flooding than current design (includes addressing the risk of flooding from Tarawhataroa Stream). Proposed \$15M of work includes stopbank stabilisation in urban Kaitāia, Bell's Hill slip remediation works, and re-routing of flood flow through Kaitāia to Whangatane spillway.

Rate impact: New work subsidised by proposed 50% contribution from region-wide rate. Existing targeted rate for Awanui rises by 81% (e.g. "Urban A" rises from \$207 to \$377.50 a year).

### OPTION 2: MAKE REPAIRS BUT DON'T UPGRADE

Make repairs but don't upgrade urban Kaitāia assets to handle larger-scale flooding. This proposed work would cost \$7.9M and would include stop-bank stabilisation in urban Kaitāia and Bell's Hill slip remediation work.

This is not our preferred approach as it doesn't include works to reduce the risk of flooding in Kaitāia from Tarawhataroa Stream such as increasing the stopbank heights or diverting water. This means that the risk of flooding (for floods that exceed the capacity of the Tarawhataroa Stream) will remain unaddressed. The risk of flooding is currently assessed to be about once every 30 years.

Rate impact: New work subsidised by proposed 50% contribution from region-wide rate. Existing targeted rate for Awanui rises by 44% (e.g. "Urban A" rate rises from \$207 to \$297 a year).

## Kerikeri-Waipapa

Last year we stopped the Kerikeri-Waipapa rivers rate, as new mapping and computer modelling showed the proposed spillway requires further investigation into downstream effects. At this stage it is proposed to use the reserve that has been accumulated (about \$400,000) to fund stopbanks at Waitotara Drive, which were originally planned as part of the spillway scheme. Further works are proposed to ease flooding at the Waipapa Industrial Estate.

**Rate impact:** No change (no targeted rate is proposed).

## Kāeo-Whangaroa

A further \$1.15M of work is proposed for this well-established scheme. The first step is proposed construction of a 1.5km floodway (\$400,000) for Matangirau at Wainui Rd, in conjunction with Far North District Council's plans to put in a bigger bridge (which will improve stream flow). An adjusted programme of works for Stage 2 of the Kāeo scheme (\$750,000) is scheduled for around 2024.

**Rate impact:** New work subsidised by proposed 50% contribution from region-wide rate. Existing targeted rate for Kāeo-Whangaroa rises to \$56.25 a year (currently \$53.66).



## Whangārei

A total of \$1M of new work is proposed for Whangārei, to reduce flood overflows affecting Commerce St (\$950,000), and create a wetland at the detention dam (\$50,000). Further in the future, a more significant project to create a floodway from Rust Ave to Lower Tarewa Rd is being considered.

**Rate impact:** New work subsidised by proposed 50% contribution from region-wide rate. Existing targeted rate for Whangārei rises by 9%. The CBD commercial rate increases to \$354.73 a year (currently \$324.43).



## Panguru

Work on this proposed new scheme is not scheduled to begin until around 2023. The proposed \$440,000 works includes stopbanking and channel benching. This would be paid fully by the region-wide rate (under our preferred option on page 10, we wouldn't set local rates for infrastructure under \$500,000).

## Taumārere-Kawakawa

This proposed new scheme would help reduce the impact of flooding for Otiria, Moerewa and, to a lesser extent, Kawakawa. The \$2.9M of proposed work includes \$400,000 of stream-benching in certain places (cutting into the stream bank to create an overflow area); a \$2.5M spillway near Otiria is being considered for further down the track.

**Rate impact:** Subsidised by proposed 50% contribution from region-wide rate. Establish a new rate of \$58.82 a year on properties in and around the affected area.

LEFT: Otiria's existing spillway during a flood.

BELOW: Rivers and Natural Hazards Manager Joseph Camuso indicating the approximate depth of floodwaters that flow down an already upgraded section of spillway off Pokapu Rd, Otiria during heavy rain.



# 4. Other decisions

**These are the other key proposals for our Long Term Plan. For more detail, see our supporting information document: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)**

## Make rates system more fair and transparent?

We want our rates to be fair and for it to be clear what your rates are collected for, so we're proposing to overhaul our rating system. Instead of the two core rates which we currently collect (land management rate and council services rate), we're proposing to break it down to six core rates\* shown below. We're also proposing that a greater chunk is collected based on equalised capital value, rather than equalised land value, which means that rates will be distributed more equitably between rural and urban areas.

To see what this might mean for you, see the rating examples on page 20. Let us know if you support the proposed changes.

Core rate	What it's collected for	Rate basis
Freshwater management	Water quality monitoring (environmental and compliance), water allocation, some land and biodiversity activities.	Equalised land value
Pest management	Plant and animal pest management (on land and in the water), supporting community-led pest control projects.	Equalised capital value**
Land management	Erosion control, landowner advice, wetland management, and other activities relating directly to the land.	Equalised land value
Civil Defence & hazard management	Civil Defence and emergency management, natural hazard information and management.	Equalised capital value**
Flood infrastructure	River management planning, minor river works, subsidising major flood infrastructure projects.	Fixed amount
Council services	Harbour safety, transport planning, regional information and education, community engagement, democracy, corporate services, consents, planning and policy and other activities.	Equalised capital value**

\* Excludes targeted rates (proposed and existing) for transport, local river management, emergency services, sporting facilities, and regional infrastructure.

\*\* Equalised capital value and number of rating units or SUiPs (Separately Used or Inhabited Part of a rating unit).

## Go ahead with other new initiatives?

While water, pests and floods are our biggest areas of proposed new spending, we're also proposing some other new initiatives to improve what we deliver for the region.

We are proposing to:

- Improve how we connect with our communities and continue to build our relationship with Māori (about \$315,000 a year).
- Boost our frontline customer services, and ensure that we have capacity to keep things ticking over within the organisation, and at a governance level (about \$130,000 a year).
- Increase our in-house capacity to respond to economic opportunities (\$81,000 a year), and ensure that we are planning for developments in our regional plan process (about \$57,000 a year).
- Increase the capacity of our maritime and transport activities to ensure people are safe on our waters and roads, and that everyone can move around the region (about \$113,000 a year).
- With the increase in activity, we also need to increase support within the organisation, have enough vehicles running, and ensure we can replace assets when they get old (about \$533,000 a year).

Total spend on these other new initiatives is \$825,000 in 2018/19, rising to \$1.5M by 2020/21. For rates, it would mean an additional \$10.28 a year on average per ratepayer, rising to \$18.83 by 2020/21.

In order to deliver the packages of work outlined above we're proposing to bring nine new staff on board over three years.

## Join the Local Government Funding Agency?

We generally borrow funding to pay for things like flood schemes (which are then repaid by rates over time).

As a non-guaranteed member of the Local Government Funding Agency (LGFA), we have been able to borrow up to \$20 million at special low-interest rates.

With new flood schemes on the horizon, we're proposing to become a LGFA guarantor member, which gives us access to around \$64 million of low-interest borrowing. This would mean that if another member defaults on its loan payments, we and other members would have to help cover the costs, though we consider the risk, and the financial consequences, to be low.

## Lock in funding for emergency services?

During our last Long Term Plan process, we created a contestable fund of \$900,000 a year to support Northland's life-saving organisations.

Over the past three years the fund has been supporting the rescue helicopter service (Northland Emergency Services Trust - \$525,000 a year), plus the northern branches of Surf Life Saving (\$120,000 a year), St John (\$90,000 a year), and Coastguard (\$84,000 a year). We don't allocate the full \$900,000 each year, to account for unpaid amounts of this rate.

We're proposing to:

- continue the rate for the emergency services fund (\$11.76 a year per ratepayer);
- make the fund non-contestable, to lock in funding for these vital life-saving services listed above; and
- potentially include Youth in Emergency Services as an additional recipient.

We'll consider how best to divvy up the funding to each of these organisations in June 2018.





## Help pay for sports facilities?

For the past 12 years, your rates have been helping to pay off Toll Stadium in Whangārei (also known as the Northland Events Centre). It's nearly paid off now, so we're looking at providing funding support for other sporting facilities of regional significance.

Our funding would help support projects that have been prioritised by the three district councils and Sport Northland. The six projects identified as potentially suitable for support are Sportsville Dargaville and the Mangawhai Activity Zone in Kaipara; the Te Hiku Sports Hub and Sportsville Kaikohe in the Far North; and Pohe Island Sports Hub and Northland Football Hub (Tikipunga) in Whangārei.

**Option 1 (our preferred option):** Establish a new rate of \$17.25 a year per ratepayer across the region, to help develop more sports facilities. For Whangārei district ratepayers it'd be a decrease (they've been paying a higher amount of \$22.85 a year towards Toll Stadium). For ratepayers in the other two districts (who have been paying \$4.57 a year towards Toll Stadium) it would be an increase.

**Option 2:** Support development of sports facilities, but to a greater or lesser degree.

**Option 3:** Don't support the development of more regional sports facilities (leave it to the district councils). This would mean that the rate would stop.



## Continue the regional infrastructure rate?

Our regional infrastructure rate was established a decade ago to help fund regional infrastructure projects, starting with the Marsden Point rail link. Since then, designation for the rail corridor has been secured and a number of properties along the route have been purchased. We're proposing to continue the rate at between \$2.78 and \$3.49 a year per \$100,000 land value (varies by district).

## Changes to transport rates?

We're proposing some changes to our transport rates, which are mainly used to fund public bus services.

For Whangārei, we're proposing a \$7.56 increase to the existing district-wide rate (taking it to \$21.46 a year per ratepayer), to make improvements to the CityLink service including extended routes and upgraded ticketing system.

For Far North, we're proposing a district-wide rate of \$8.80 per ratepayer a year (instead of just rating those near the existing services in Kaitiāia and the mid-North). This would provide much greater flexibility to change services to meet customer demand and trial/fund new services elsewhere in the district.

For Kaipara, no transport rate is proposed as public feedback through our last Long Term Plan in 2015 showed not enough support for a Dargaville bus service. We're open to feedback, so let us know if you have a view on this.

## Stopping our contribution to Creative Northland

For the past nine years council has provided funding to Creative Northland, to support growing business capability in Northland's arts sector, with the organisation receiving \$59,000 a year from council over the past three years. Council is now looking to focus all regional economic development support through Northland Inc, and is proposing to stop this funding (Creative Northland is not solely dependent on council funding to operate).

## Updates to policies?

Several of our policies are being updated including:

**In our supporting information document:** We're updating our revenue and financing policy which sets out our funding sources, and our significance and engagement policy which we've altered, meaning that we will talk to you before making any increases to rates.

**Rates policies:** These are our policies on rates collection, remission, penalties and postponement.

**Charging policy:** this sets out our fees and charges. We're proposing updates to the policy wording and charges, including slight increases to reflect inflation.

You can find the policies on our website:

**[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)**

# Managing our finances

This section sets out how we plan to finance our activities and services sustainably in the long term, and the effect that has on your rates. For more detail, see our supporting information document:

[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## Our financial strategy

We're facing strong demand from our communities and from central government to do more work – in particular, taking a lead role in the management of our natural freshwater resources, growing our pest management programme, and defending our communities from floods.

## Our big challenge is striking the right balance between affordability of rates and getting things you want done.

We plan to respond to this challenge by:

- Focussing on the right activities, particularly in our role as environmental guardians, and by managing flood risks.
- Continuing to direct some of our investment income to support economic development in Northland.
- Sustaining returns to the regional community on our investments, and maintaining the value of our assets while managing the portfolio against an agreed risk profile – for the benefit of today's and tomorrow's ratepayers.
- Continue to use a portion of our investment income to effectively subsidise activities that would otherwise be rate-funded.
- Balancing affordability and who pays for services.
- Managing the rates arrears, to keep your rates bill fair.

Our financial position remains strong, and we take pride in managing our finances well. We operate a balanced budget where operating expenditure is fully funded by operating revenue.

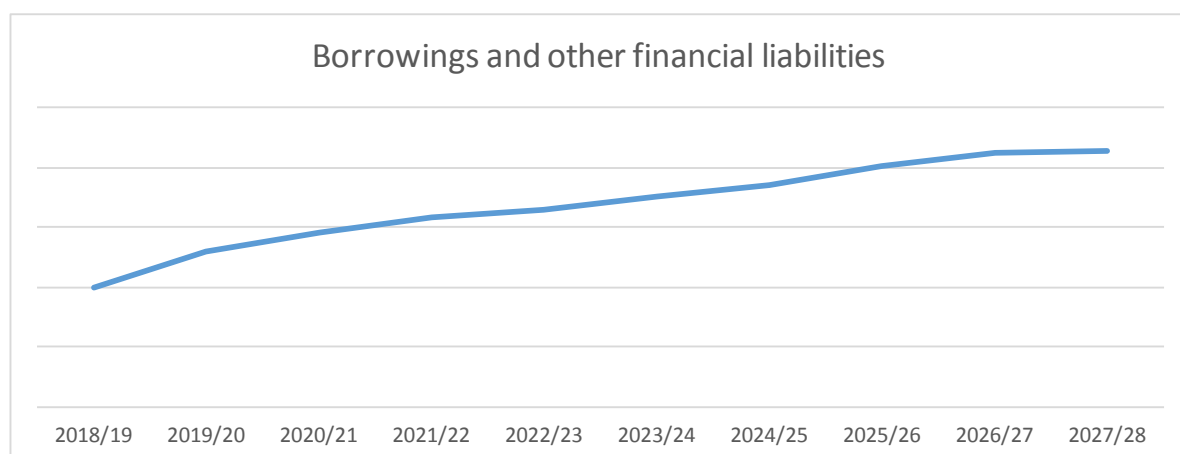
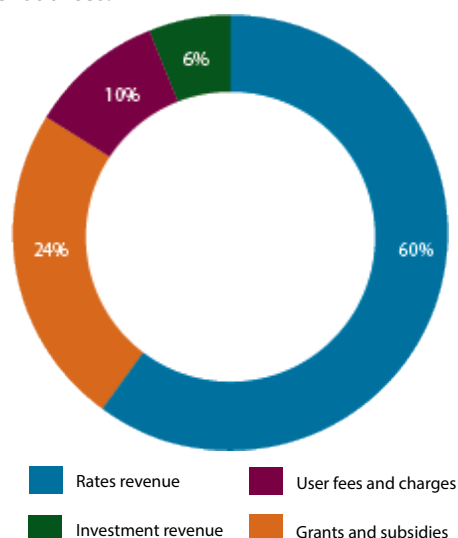
Income from our investments helps pay for what we do, so that we can keep costs down as much as possible for ratepayers.

To meet increasing demands and grow our work, we want to up our limit on rates increases from 5% in any one year to 10%. We are looking to exceed this limit in the 2018/19 year only, with an increase of 29.2% (\$66.59 per ratepayer on average, excluding local transport and flood rates). This step-change will help us to match community and central government aspirations. The total rates we collect will remain within our set limits (total rates will not exceed 65% of total revenue).

To finance the new flood works outlined on pages 12-13, we will borrow funds (with a maximum loan period of 30 years) and pay it back with flood and river rates we collect. The new borrowing will be well within our debt limits (net debt will not exceed 175% of total revenue).

## Where the money comes from

This graph shows our planned revenue sources for the coming year. Only 60% comes from rates – the rest comes from other sources.



# Summary of planned spending

Activity	Operating spend 2018-28	Capital spend 2018-28	Percentage of your rates spent in this area
Governance and Engagement	\$52.2M	\$0.1M	16.8%
Regulatory Services	\$146.9M	\$1.2M	32%
Environmental Services	\$111.5M	\$1.1M	21.5%
River Management	\$95.9M	\$23.4M	12.1%
Customer Services and Community Resilience	\$102.8M	\$1.0M	17.7%





## What we'll deliver

## Key proposed changes to levels of service

### Connecting with the community through:

- Effective, open democratic processes
- Māori relationships and participation
- Supporting economic development
- Community engagement and environmental education

- More communications support for council activities
- More capacity to engage with Māori
- More environmental education

### Managing Northland's natural and physical resources through:

- Planning and policy development
- Resource consents processing and monitoring
- Monitoring the state of Northland's environment

- More monitoring to address water quality and soil erosion

### Working with others to improve Northland's environment including:

- Managing water quality and use
- Land management (which affects water)
- Pest management and biodiversity
- Natural hazard information

- More hydrology information to improve decision-making
- More support for landowners' fresh-water improvement initiatives
- A big increase in biosecurity activity, in line with increasing local and national demand
- More biodiversity activity for fresh water, in line with national priorities

### Managing flood protection schemes to protect life and property

- New infrastructure planned for urban Kaitiāia, Whangārei, Taumārere (Kawakawa) and Kaeo-Whangaroa
- A new region-wide rate to help fund local projects

### Improving the safety and resilience of communities through:

- Transport planning and public transport
- Civil Defence emergency management
- Harbour safety and navigation, and oil pollution response
- Customer services

- Improved Civil Defence capability with stronger shared service between councils
- Improved customer services across our service centres
- Improved navigation safety systems and upgraded navigation aids



# What it means for your rates

To see what our proposals could mean for your rates, we've put together a few examples for different property types. The examples below reflect the proposed changes to our rating system set out on page 14.

Bear in mind that your actual rates may vary, depending on where you live and how much your property is worth. The land values given are not averages; rather, they're intended as simple indicators of typical value.

For more detail, see our supporting information document: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## Did you know?

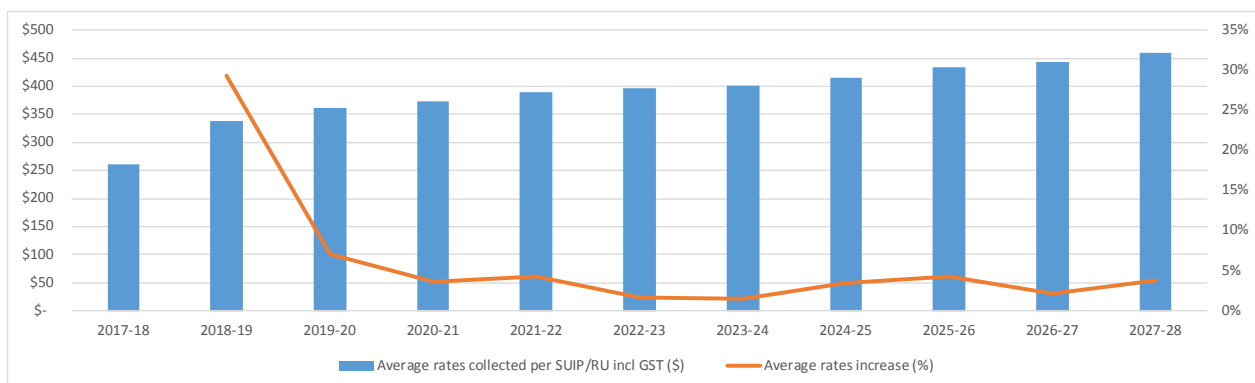
District councils collect our rates on our behalf.

## Average rates over 10 years

This graph shows projected rates (as a regional average) each year over the next decade.

Our proposed new work – most of which is to boost our water management, pest management and flood protection programmes – would mean a \$66.59 average increase for the coming year (excluding local transport and flood rates), with smaller increases in the following two years.

As a comparison, our total rates are the fourth most affordable of all New Zealand's regional councils.



## Far North district rates examples

2018/19 Far North district rates examples	Residential/ commercial/other with land value of \$225,000	Residential on Awanui flood plain with a land value of \$225,000	Commercial on Awanui flood plain with a land value of \$225,000	Farm with land value of \$2,750,000
Council services rate	\$71.83	\$71.83	\$71.83	\$71.83
Freshwater management rate	\$50.20	\$50.20	\$50.20	\$613.53
Pest management rate	\$44.97	\$44.97	\$44.97	\$44.97
Land management rate 2018/19	\$23.85	\$23.85	\$23.85	\$291.50
Flood infrastructure rate	\$23.93	\$23.93	\$23.93	\$23.93
Civil Defence and hazard management rate	\$15.53	\$15.53	\$15.53	\$15.53
Regional sporting facilities rate	\$17.25	\$17.25	\$17.25	\$17.25
Regional infrastructure rate	\$7.07	\$7.07	\$7.07	\$86.35
Emergency services rate	\$11.76	\$11.76	\$11.76	\$11.76
Far North public transport rate	\$8.80	\$8.80	\$8.80	\$8.80
Awanui river management rate		\$377.50	\$1132.50	
<b>Total 2018/19</b>	<b>\$275.19</b>	<b>\$652.68</b>	<b>\$1407.68</b>	<b>\$1185.45</b>
<b>2017/18 (current)</b>	<b>\$196.61</b>	<b>\$403.61</b>	<b>\$817.61</b>	<b>\$1188.18</b>

### Other Far North rates

Kāeo-Whangaroa rivers management rate \$56.25

Taumārere rivers management rate \$58.82

## Kaipara district rates examples

2018/19 Kaipara district rates examples	Residential/commercial/ other with land value of \$225,000	Farm with land value of \$2,750,000	Farm with land value of \$2,750,000 on Kaihū River floodplain*
Council services rate	\$94.00	\$94.00	\$94.00
Freshwater management rate	\$44.39	\$542.58	\$542.58
Pest management rate	\$58.85	\$58.85	\$58.85
Land management rate 2018/19	\$21.06	\$257.40	\$257.40
Flood infrastructure rate	\$23.93	\$23.93	\$23.93
Civil Defence and hazard management rate	\$20.33	\$20.33	\$20.33
Regional sporting facilities rate	\$17.25	\$17.25	\$17.25
Regional infrastructure rate	\$6.26	\$76.45	\$76.45
Emergency services rate	\$11.76	\$11.76	\$11.76
Kaihū river management rate			\$2122.00
<b>Total 2018/19</b>	<b>\$297.83</b>	<b>\$1102.55</b>	<b>\$3224.55</b>
<b>2017/18 (current)</b>	<b>\$244.42</b>	<b>\$1424.86</b>	<b>\$3546.86</b>

\* downstream of the Rotu Bottleneck (100 hectares).

## Whangārei district rates examples

2018/19 Whangārei district rates examples	Residential (non CBD) with land value of \$225,000	CBD Residential with land value of \$225,000	CBD Commercial with land value of \$2,000,000	Farm with land value of \$2,750,000
Council services rate	\$91.46	\$91.46	\$91.46	\$91.46
Freshwater management rate	\$55.89	\$55.89	\$496.80	\$683.10
Pest management rate	\$56.18	\$56.18	\$56.18	\$56.18
Land management rate 2018/19	\$26.53	\$26.53	\$235.80	\$324.23
Flood infrastructure rate	\$23.93	\$23.93	\$23.93	\$23.93
Civil Defence and hazard management rate	\$19.41	\$19.41	\$19.41	\$19.41
Regional sporting facilities rate	\$17.25	\$17.25	\$17.25	\$17.25
Regional infrastructure rate	\$7.85	\$7.85	\$69.80	\$95.98
Whangārei public transport rate	\$21.46	\$21.46	\$21.46	\$21.46
Emergency services rate	\$11.76	\$11.76	\$11.76	\$11.76
Whangārei river management rate		\$137.69	\$354.73	
<b>Total 2018/19</b>	<b>\$331.72</b>	<b>\$469.41</b>	<b>\$1398.58</b>	<b>\$1344.75</b>
<b>2017/18 (current)</b>	<b>\$264.41</b>	<b>\$389.58</b>	<b>\$1363.80</b>	<b>\$1366.82</b>

# Independent auditor's report



## To the reader:

### Independent auditor's report on Northland Regional Council's consultation document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Northland Regional Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 7th March 2018.

## Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018/28 long-term plan, because it:
  - fairly represents the matters proposed for inclusion in the long-term plan; and
  - identifies and explains the main issues and choices facing the Council and the Northland Region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

## Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

## Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

## Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

**Peter Gulliver  
for Deloitte Limited**

On behalf of the Auditor-General, Auckland, New Zealand



## Want to have your say?

Keen to talk to councillors and staff? Want to give your feedback in person?  
Come along to a 'Have your say' event!

**Whangārei:** Tue 20 March, 4-6pm, 36 Water St (NRC office)

**Whangārei:** Wed 21 March, 10am-12pm, 36 Water St (NRC office)

**Kerikeri:** Thu 22 March, 9:30-11:30am, Cornerstone Church

**Kaikohe:** Thu 22 March, 2-4pm, Memorial Hall

**Kaitiāia:** Sat 24 March, 10:30am-12:30pm, Te Ahu Centre

**Dargaville:** Tue 27 March, 9:30am-11:30am, Town Hall

**Mangawhai:** Tue 27 March, 2-4pm, Mangawhai Domain

**Please note that we won't be holding formal hearings – so if you want to give your feedback directly to councillors, this is your chance.**

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### You can provide written feedback:

- **Online:** [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)
- **By email:** [submissions@nrc.govt.nz](mailto:submissions@nrc.govt.nz)
- **By post:** Northland Regional Council, Private Bag 9021, Whangārei Mail Centre, Whangārei 0148

**Feedback is open until 4pm Tuesday 17 April 2018.**

**[www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)**

