

# Annual Plan Consultation

Supporting Information

## 2019/20



*Tautoko i Ngā Kōrero 2019/20*



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# Moving forward Katete



# Welcome Nau mai



If the land is well

Toitū te whenua

If the sea is well

Toitū te moana

The people will thrive

Toitū te tangata

## Nau mai, haere mai! Welcome to our annual plan process.

This supporting information document is part of the process for developing our Annual Plan 2019/20. In here you'll find more detail about what we're planning to do a bit differently from our Long Term Plan 2018-2028.

We adopted our Long Term Plan 2018-2028 in June 2018, and it was the boldest and most visionary long term plan that council had ever created, setting in motion work that seeks to achieve aspirational 30 year goals. The plan set out the outcomes we are working toward with our communities and what we are going to deliver in order to make a real difference over the next ten years, with a focus on water, pests, and floods. It was shaped with the Northland community via a series of events around the region where we listened to people's ideas about priorities for Northland, and with the help of more than 2200 formal submissions.

The long term direction set out in the plan is summarised in our strategic direction document 'Our Vision 2018-2028', which you can find on our website: [www.nrc.govt.nz/ourvision](http://www.nrc.govt.nz/ourvision)

This will be our first annual plan following adoption of the Long Term Plan 2018-2028. Annual plans offer an opportunity to account for real-time challenges that pop up as we progress our work, and year-to-year fluctuations that are a natural part of financial planning. There isn't much that is changing, but we think it's important to talk to you when we are making changes that will impact on our communities and, importantly, your rates bill.

This supporting information document is presented in two main sections:

- **'Moving forward ||Katete'** - This tells you a bit about what we said we would do in our Long Term Plan 2018-2028, and what we're looking at changing as part of this annual plan process.
- **'Finances ||Mahere a Pūtea'** - This has all of the financial information that you need, such as our funding impact statements and rating examples, so that you can understand what rate changes mean for the region, and for you.

Along with this supporting information document, we have also put together a much shorter consultation document, which is a simple guide to the main changes that are planned for the 2019/20 financial year. You can find this, and other related information, on our website: [www.nrc.govt.nz/annualplan2019](http://www.nrc.govt.nz/annualplan2019)

In some cases, our Long Term Plan 2018-2028 will be the best place to find out what's planned for the 2019/20 year. You can also find this, and a helpful summary document, on our website: [www.nrc.govt.nz/ltp2018](http://www.nrc.govt.nz/ltp2018)

## Have your say!

We rely on our communities to get involved with the decisions we need to make. While this annual plan represents only a few changes from our Long Term Plan, we want to hear what you think. You can do this online [www.nrc.govt.nz/annualplan2019](http://www.nrc.govt.nz/annualplan2019), or by grabbing a hard copy form from one of our service centres and dropping it back to us.

The feedback period closes on Friday 5 April 2018, so make sure you have everything to us by then!

If you want to talk to a councillor about what we are planning to do, please give us a call to arrange a time on 0800 002 004 by Friday 29 March.

Thank you for getting involved in the future of our incredible region!

Hei kona mai





# Our Long Term Plan 2018-2028

*'Wild Kiwi Girls' Nina (left) and Jessica Quinlan (right), with biosecurity officer Mike Knight, leaders of a neighbourhood pest control project supported via a \$3000 council Environment Fund grant.*



We had some big decisions to make on the work included in our Long Term Plan 2018-2028, and with the help of our communities we set out some exciting long-term goals. We thought hard about what a thriving Northland might look like, which brought in to focus three main elements - a healthy environment, a strong economy and resilient communities, supporting our vision: **Our Northland - together we thrive.**

Our vision and mission are underpinned in our Long Term Plan 2018-2028 by eight key areas of focus across our activities, as set out in the diagram below.

In developing our Long Term Plan, we sought to make sure that our mission and areas of focus were supported by adequate funding and a rating structure that would deliver the most equitable delivery of services. We boosted funding in three key areas: caring for our water, managing pests, and protecting communities from flood risks. The step-change in work that this funding has enabled sets the trajectory for an exciting future for Northland.

For water, this meant new spending on freshwater improvement and management of lakes and wetlands, new spending on hill country erosion programmes, afforestation and poplar nursery funding to keep soil out of our waterways, and additional resources for monitoring and hydrology work.

For pests, this meant allocating more resources to tackle plant, animal, and marine pests including extra funding for Kauri dieback, new spending for work in Western Northland, and four new high-value pest control areas in the Mid North/Bay of Islands, Tutukaka, Kai Iwi Lakes, and Mangawhai/Waipu, which build on the highly successful programme at Whangārei Heads.

For floods, this meant new flood works to help protect urban Kaitiāia, Kerikeri-Waipapa, Kaeo-Whangaroa, the Whangārei CBD, and Panguru. These works are underpinned by a new way to share the cost of new flood schemes, which sees 70% of new capital works (above \$500,000) funded by a new region-wide rate.

We also allocated funding to support our other activities including:

- Continuing to build our relationship with Māori
- Improving the way that we connect and communicate with our communities
- Carrying out our essential maritime and land transport work
- Supporting council's economic development activities
- Ongoing improvement and development of our customer services, governance and elections processes, regional planning and other in-house activities



Our Long Term Plan 2018-2028 identified new work to be carried out, and also set out how we will measure our performance in each of our activities. We report on our performance every year in our Annual Report, adopted by council each October.

More on our vision for Northland, encompassing our three, ten, and 30 year goals, is set out in 'Our Vision 2018-2028 | Te Pae Tawhiti', which you can find on our website: [www.nrc.govt.nz/ourvision](http://www.nrc.govt.nz/ourvision)



# What's changed?

## Overview of proposed changes

Our Annual Plan 2019/20 will be the next piece of our corporate planning puzzle, following on from our Long Term Plan 2018-2028. It's our chance to seek your support for any changes we are proposing to make to our activities and budget. As set out in the previous section, our Long Term Plan set the direction and funding for a lot of new work, particularly for looking after our water resources, helping our native life flourish, and protecting our communities from floods. We are still going ahead with all of this vital new work.

To help us with this step-change, we've been successful in securing millions in funding from central government to expand our environmental work even further over the coming years. These grants cover the operational cost of carrying out this essential work, and we have worked hard to cover associated overheads and support costs by making efficiencies and finding savings within our budgets. Now it has become clear that we need to adjust the funding of some of our activities to ensure that they are adequately supported to deliver optimum results.

We are looking to spend more to ensure that our information technology systems are able to cope with the additional workload, to purchase a small amount of equipment needed to carry out our hydrology work, to keep the Northern Transportation Alliance ticking along, and to bring forward replacement of engines on the Waikare, council's primary maritime vessel.

These changes affect our **Hydrology, Harbour safety and navigation, Transport, and Corporate services** areas. These fall in to three of council's major groups of activities:

- **Governance and engagement** - this includes governance, Māori relationships, community and engagement, and economic development activities.
- **Regulatory services** - this includes planning and policy, consents, and monitoring activities.
- **Environmental services** - this includes natural hazard management, **hydrology**, biosecurity, biodiversity, and land and water activities.
- **River management** - this is our river management activity.
- **Customer services and community resilience** - this includes customer services, civil defence emergency management, oil pollution response,

**harbour safety and navigation**, and **transport** activities.

- **Corporate excellence** - this is our **corporate services** activity.

You can find out more about our activities, including budgets and how we measure our performance, in our [Long Term Plan 2018-2028](#).

## Details of proposed changes

We are proposing two new areas of operational spend and three new areas of capital spend.

### *Information technology upgrade | \$290,000 of operational expenditure*

Council's activities and decisions are supported by comprehensive and up-to-date data. This data comprises one of council's valued assets which is carefully managed to ensure timely provision to communities. The capture and maintenance of this data is dependent on robust information technology systems. While we carefully budget to ensure that we can make required upgrades to our systems year-on-year, our current system is in need of extra work. We are looking to identify and address any areas of risk and scope the best suite of tools that provide the most value for money in the years to come.

\$100,000 of the proposed improvements will predominantly be funded from the Council Services Rate.

\$190,000 of the required spend is ongoing operational expenditure which is able to be covered by regional growth in rating units (SUIPs).



### *Funding for the Northland Transportation Alliance | \$65,000 of operational expenditure*

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. This activity is carried out via the Northland Transportation Alliance, a joint-agency alliance with the Far North, Whangarei and Kaipara district councils and the New Zealand Transport Agency, with the aim of achieving a more integrated approach to transport in Northland. Activity in this area continues to ramp up, and an extra \$65,000 is required as our contribution to keep the alliance operating efficiently.

The \$65,000 of ongoing operational expenditure required will predominantly be funded from the Council Services Rate.

### *Audio visual system | \$70,000 of capital expenditure and \$17,500 of operational expenditure*

Technology is increasingly being used as a way to effectively communicate and reduce the need to travel to meetings. It is critical that the audio-visual equipment in our council chambers is robust and fit-for-purpose, particularly as this is frequently used to enable submitters on our various plans to provide feedback to council remotely. It has been identified that the current system is not keeping pace, and a solution to improve the audio visual capabilities has been identified, at a cost of \$70,000.

The \$70,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$17,500 funded from the Council Services Rate.

### *New engines for the Waikare | \$100,000 of capital expenditure and \$10,000 of operational expenditure*

The Waikare is council's primary maritime vessel and a key regional council asset, providing a wide range of services including responses to oil spills and coastal incidents, and pilot transport for visiting cruise ships. Maintenance of the vessel is critical and is carefully planned and budgeted for, with replacement of the vessels engines originally scheduled and budgeted for in 2020. However, a recent service highlighted serious maintenance that needs to be brought forward, with replacement engines required a year earlier. The team have kept costs as low as possible by sourcing second-hand engines, with the total replacement cost coming in at \$100,000.

The \$100,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$10,000 funded from the Council Services Rate.

***Piloting cruise ships into the Bay of Islands is just one of the important roles our vessel 'Waikare' plays.***



### *Hydrology equipment | \$37,800 of capital expenditure*

This spend comprises two capital purchases associated with the hydrology activity.

Council maintains an extensive hydrometric network, and has steadily been upgrading aged equipment over the past few years, to ensure accurate flood level monitoring is available to support flood warnings. There are four compressors remaining for replacement at hydrometric stations, at a cost of \$22,800.

Much of the monitoring that council carries out requires staff on the ground. Keeping our people safe is crucial, and health and safety requirements are closely observed. Purchase of new flow-gauging equipment will mean that new health and safety requirements for working around rivers can be observed while requiring fewer staff, which means savings all round. The cost of the new equipment is \$15,000.

The total \$37,800 of capital expenditure required for these two projects will be funded from council's retained earnings. Depreciation is covered by savings generated, and will therefore have no impact on rates.

## **What does this mean for my rates?**

Council's revenue comes from a number of sources including rates, grants and subsidies, user fees and charges, and investment income. While we subsidise the cost of our activities with investment income, and also fund capital expenditure from cash reserves, some of these new proposals impact rates.

In order to keep up the momentum of the 2018/19 year and fund critical pieces of work in the long-term, our Long Term Plan budgeted a rate increase of 7.9% for the 2019/20 year - approximately \$26.50 per property on average. We are now proposing to up this to 8.6%, a difference of an additional \$2.60 a year per property on average. This rate increase will cover the cost of the proposed new operational expenditure outlined above, and also factors in the cost of depreciation on the proposed capital spend (where this is applicable), while the majority of the capital spend is funded from council's retained earnings and does not impact rates.

# Finances Mahere a Pūtea





# 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.

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
42,647	Operational Expenditure	46,689	44,900	(1,788)
5,190	Capital Expenditure	18,453	3,604	(14,849)
<b>47,837</b>	<b>Total Gross Expenditure</b>	<b>65,142</b>	<b>48,504</b>	<b>(16,637)</b>
<b>Funded By:</b>				
6,860	Council Services Rate	8,015	7,632	384
2,059	Land Management Rate	2,408	2,408	(0)
4,336	Freshwater Management Rate	4,883	4,883	0
4,185	Pest Management Rate	4,527	4,527	(0)
2,028	Flood Infrastructure Rate	2,154	2,154	(0)
1,445	Civil Defence and Hazard Rate	1,604	1,604	0
611	Targeted Regional Infrastructure Rate	611	611	-
1,391	Targeted Regional Recreational Facilities Rate	1,385	1,385	-
4,255	Other Targeted Rates	4,251	4,251	-
3,046	Grants and Subsidies	4,255	2,869	1,386
4,310	User Charges	4,388	4,398	(10)
2,575	Rental Income	2,996	2,575	421
4,423	Interest Income	3,395	4,740	(1,345)
3,598	Dividend Income	3,708	3,708	-
-	Forestry Income	-	1,410	(1,410)
-	Sundry Income	-	-	-
2,716	Cash Reserves from/(to)	16,560	- 651	17,211
<b>47,837</b>	<b>Total Funding</b>	<b>65,142</b>	<b>48,504</b>	<b>16,637</b>

## Prospective funding impact statement

The prospective funding impact statement is GST exclusive and is required under the Local Government Act 2002 (Schedule 10, Clause 20) and conforms to Form 1 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to the preparation of the Funding Impact Statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from GAAP are the non-inclusion of depreciation, the inclusion of internal charges, and combination of capital and operational items within the one financial statement.

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
<b>Sources of Operating Funding</b>				
-	General Rates, uniform annual general charges, rates penalties	-	-	-
27,169	Targeted rates	29,838	29,455	(384)
3,046	Grants and subsidies for operating purposes	4,255	2,869	(1,386)
4,310	Fees Charges	4,388	4,398	10
8,021	Interest and dividends from investments	7,104	8,449	1,345
2,575	Local authorities fuel tax, fines, infringement fees and other receipts	2,996	3,985	989
45,121	<b>Total Sources of Operating Funding</b>	<b>48,581</b>	<b>49,155</b>	<b>574</b>
<b>Applications of Operating Funding</b>				
41,711	Payments to staff and suppliers	45,349	43,699	(1,649)
936	Finance costs	1,340	1,201	(139)
-	Other operating funding applications	-	-	0
42,647	<b>Total Applications of Operating Funding</b>	<b>46,689</b>	<b>44,900</b>	<b>(1,788)</b>
2,474	<b>SURPLUS/(DEFICIT) FROM OPERATING FUNDING</b>	<b>1,893</b>	<b>4,255</b>	<b>2,363</b>
<b>Sources of Capital Funding</b>				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
2,667	Increase/(Decrease) in debt	6,135	1,445	(4,690)
-	Gross proceed from sale of assets	-	14,194	14,194
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
2,667	<b>Total Sources of Capital Funding</b>	<b>6,135</b>	<b>15,639</b>	<b>9,504</b>
<b>Applications of Capital Funding</b>				
Capital expenditure				
-	- To meet additional demands	-	-	-

3,666	- To improve levels of service	17,273	2,407	(14,866)
1,525	- To replace existing assets	1,276	15,391	14,115
(83)	Increase/(Decrease) in reserves	(940)	1,516	2,456
33	Increase/(Decrease) in investments	(9,582)	580	10,162
5,141	Total Applications of Capital Funding	8,028	19,894	11,867
(2,474)	SURPLUS/(DEFICIT) FROM CAPITAL FUNDING	(1,893)	(4,255)	(2,363)
0	FUNDING BALANCE	(0)	0	0

LTP Year 1		Draft Annual	LTP Year 2	Variance
2018/19		Plan 2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
5,190	Capital expenditure included above not in Comprehensive Revenue and Expense	18,549	17,798	(751)
33	Investment movements included above not in Comprehensive Revenue and Expense	(9,582)	580	10,162
-	Other Gains included in Comprehensive Income not above	-	-	-
-	Gross Proceeds included above not in Comprehensive Income	-	(14,194)	(14,194)
-	Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-
-	Property revaluation adjustments included in comprehensive income but not above	-	-	-
(2,667)	Proceeds from Borrowings included above not in comprehensive revenue	(6,135)	(1,445)	0
(83)	Transfers to/(from) special reserves included above not in comprehensive Income	(940)	1,516	2,456
-	Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-
(1,626)	Depreciation Expense included in Comprehensive Income not above	(1,810)	(1,738)	72
848	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense	83	2,517	(2,255)

# Rates

The amounts of the rates stated include 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

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 \$74,955 to fund the ongoing maintenance of the Hātea River channel.

### How much is the rate?

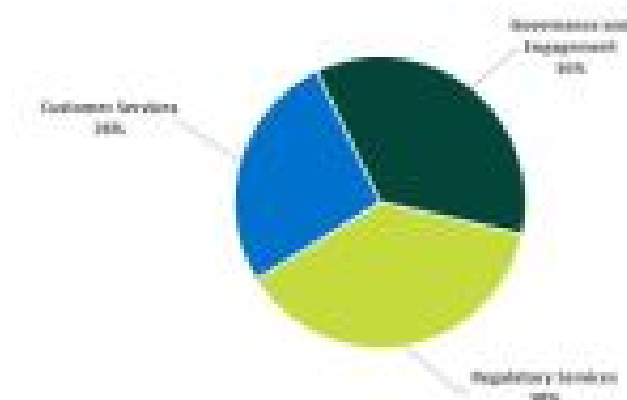
The estimated total council services rate amounts to **\$9,217,748** for the 2019/20 financial year.

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	\$82.89	per SUIP
Kaipara	\$113.22	per rating unit
Whangārei	\$106.63	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 **\$2,769,407** for the 2019/20 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	7,760,393	9,364,892	\$11.68
Kaipara	4,995,834	5,462,467	\$10.63
Whangārei	14,123,014	14,123,014	\$9.91

## Freshwater 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 freshwater management rate will specifically fund planning and works to improve freshwater quality. The freshwater 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 **\$5,616,003** for the 2019/20 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	7,760,393	9,364,892	\$23.69
Kaipara	4,995,834	5,462,467	\$21.57
Whangārei	14,123,014	14,123,014	\$20.14

## Pest management rate

### What it funds

The council uses the pest management rate to fund activities that are carried out under 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 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 of Section 100T requirements was carried out and considered by council as part of the process of consulting on and adopting the Long Term Plan 2018-2028, and can be found in the rates section of that document.

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 \$5,205,789 for the 2019/20 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, and 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	\$47.20	per SUIP

District	Rate	Rateable unit
Kaipara	\$64.47	per rating unit
Whangārei	\$59.73	per SUIP

## Flood infrastructure rate

### What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in the Infrastructure Strategy included in the Long Term Plan 2018-2028). 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 \$2,476,855 for the 2019/20 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 \$26.43.

## 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 **\$1,844,528** for the 2019/20 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	\$16.72	per SUIP
Kaipara	\$22.84	per rating unit
Whangārei	\$21.16	per SUIP

## Specific targeted rates

The following specific targeted rates are for 2019/20.

### 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 **\$1,112,595** for the 2019/20 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 \$11.87.

#### 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.

#### 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 **\$1,593,107** for the 2019/20 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 \$17.00.

#### 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 **\$702,449** for the 2019/20 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	7,760,393	9,364,892	\$2.97
Kaipara	4,995,834	5,462,467	\$2.70
Whangārei	14,123,014	14,123,014	\$2.53

### 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, the Whangārei Total Mobility service, and provision of other public transport services in the Whangārei District.

### 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 **\$1,015,194** for the 2019/20 financial year. The rate will be set at \$23.36 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, provision of the Total Mobility service, and provision of other public transport services in the Whangārei district.

## Far North transport rate

### What it funds

This rate funds the Far North bus passenger transport service, and the 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 **\$319,470** for the 2019/20 financial year. The rate will be set at \$8.76 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

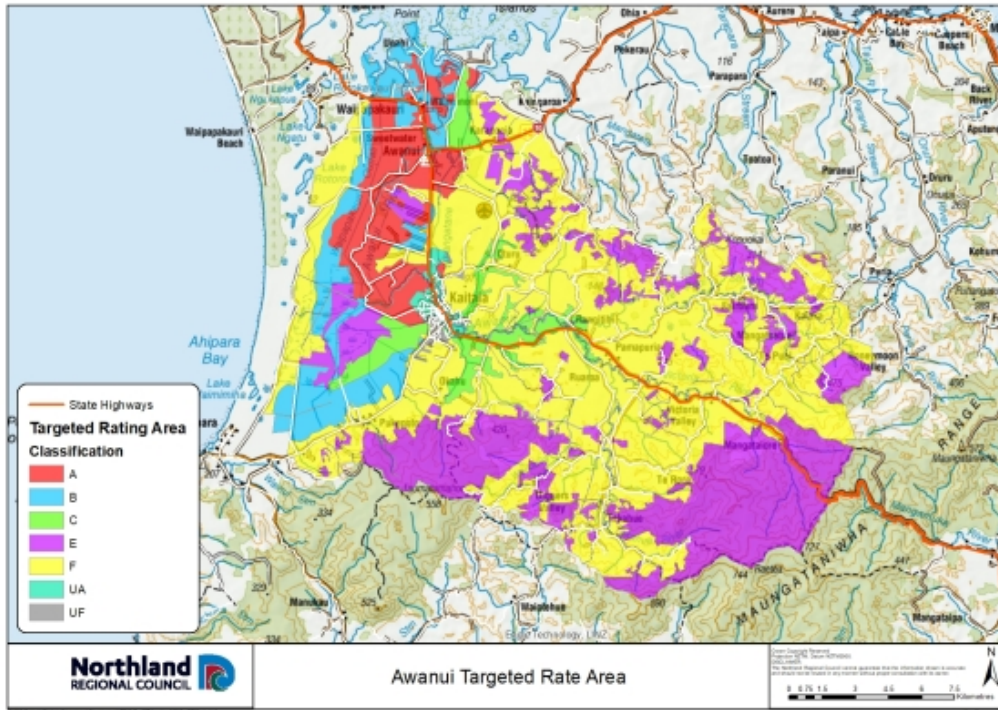
The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

***Awanui river management rate***

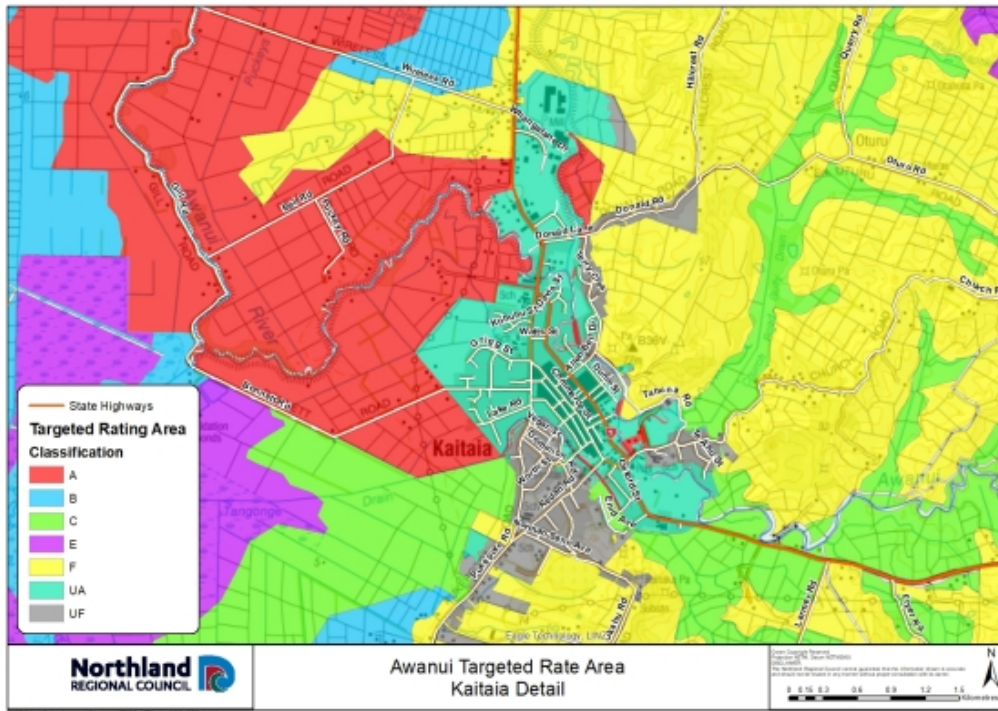
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$299.17 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$329.18	Per SUIP
2	Urban rate classes UF (higher ground) \$30.00 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$60.01	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, \$13.41 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.	\$13.41	Per SUIP

The rating classifications and the rate charged are illustrated in the following maps and table.

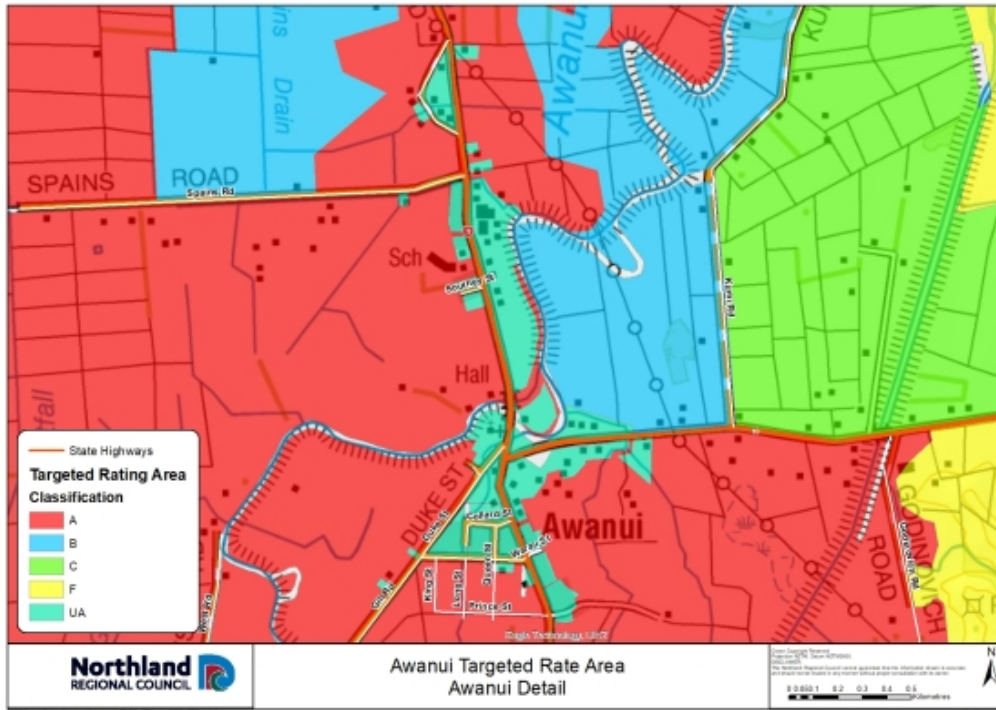
### Awanui River scheme targeted rate



### Awanui scheme targeted rate - Kaitia 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.	\$24.46
C	Moderate benefit; land floods less frequently and water clears quickly.	\$11.07
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.	\$1.10

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 **\$1,090,352** for the 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

<b>Awanui river management rate</b>		
<b>Class</b>	<b>Rural or urban</b>	<b>Total revenue</b>
A & B	Rural	\$139,082
C	Rural	\$17,898
F	Rural	\$27,756
Indirect benefit	Rural	\$21,467
Urban A	Urban	\$475,001
Urban F	Urban	\$39,697
Commercial differential	Majority urban	\$369,451
<b>Total</b>		<b>\$1,090,352</b>

### 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

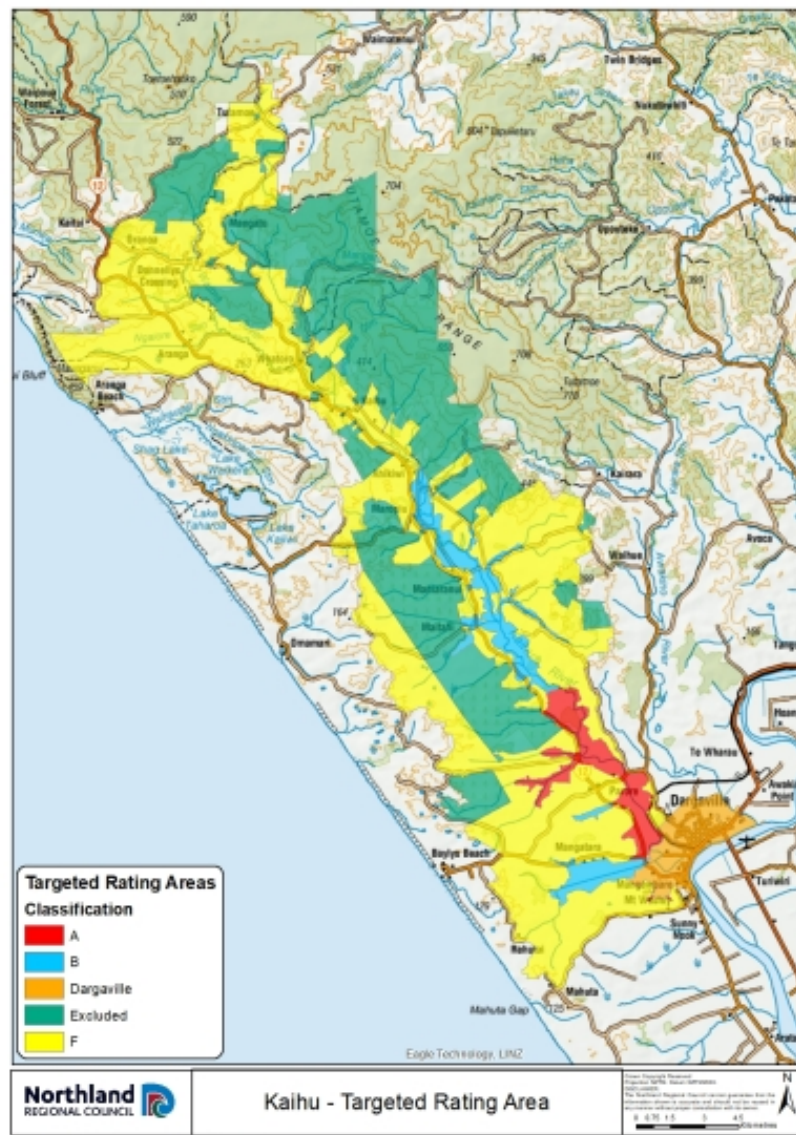
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

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.	\$23.72
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.68
F	Balance of rateable land within the Kaihū River rating area.	\$1.64



Class	Description	Rate per hectare
	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 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

#### *Kaihū river management rate*

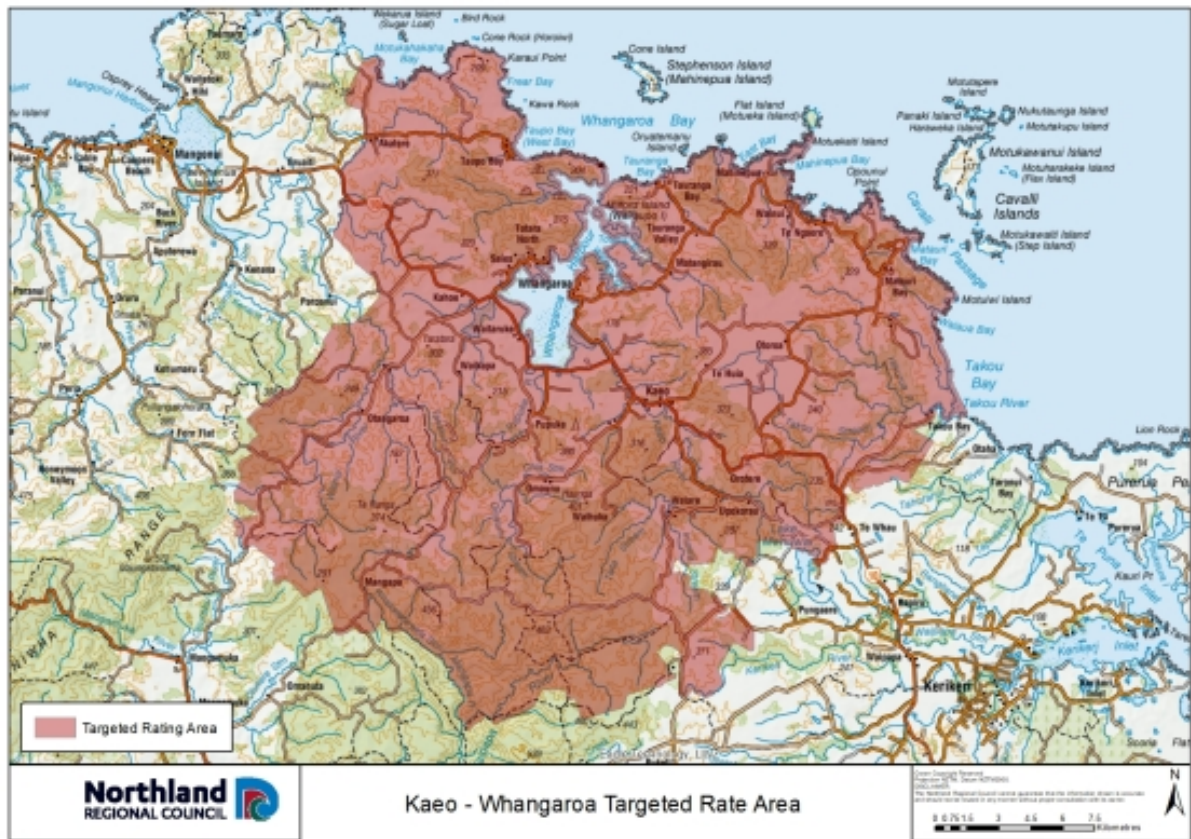
Class	Total revenue
A	\$28,510
B	\$14,480
F	\$31,863
Urban contribution	\$5015
Total	\$79,869

#### 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 Ngāire.

### 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 \$116,645 in the 2019/20 financial year. The rate is set at \$51.90 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.

## 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 map on following page), 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**

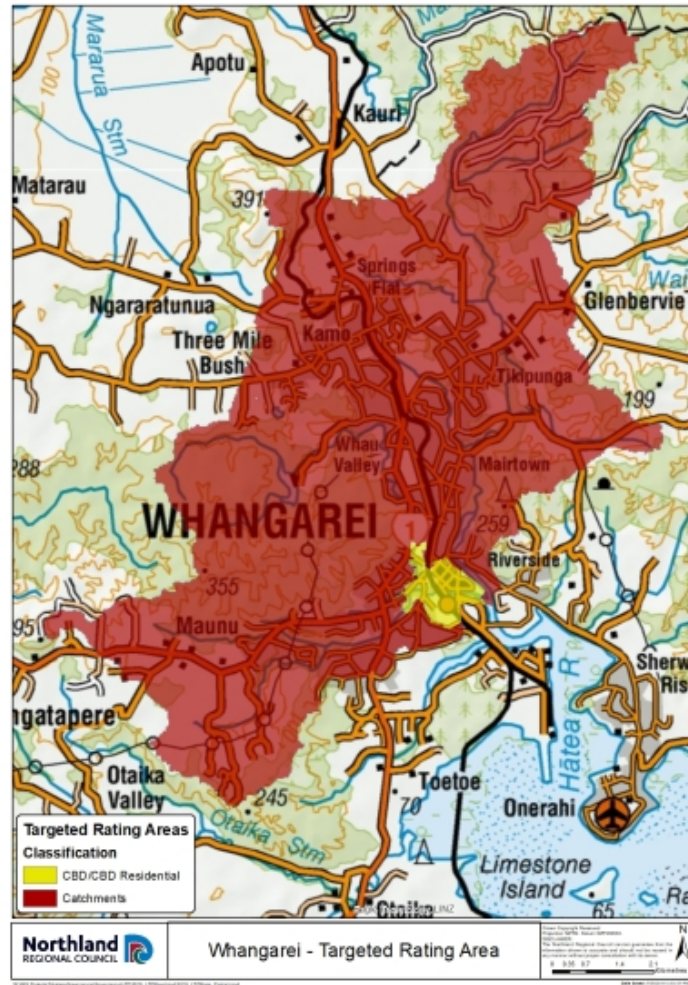
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$352.67	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$119.17	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$43.32	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 include 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 urban rivers management rate area map**



How much is the rate?

The estimated total Whangārei urban rivers management rate is \$1,154,250 in the 2019/20 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.	\$358,663
2	All residential properties in the Whangārei CBD flood area.	\$22,641
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$772,946
Total		\$1,154,250

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.

# Other 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 the 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 repayment 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 Whangarei district councils to determine a separately used or inhabited part of a rating unit (SUIP) as follows:

### Far North district 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.

### Whangarei district 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.

## 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.



# Rating examples

## 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 2019, so they may differ slightly.

## Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculation 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 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 Whangārei transport rate assessed on each separately used or inhabited part of a rating unit;
- 10A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
- 11A 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		(including GST)	
Land Management Rate = LV rate in the \$ = 0.0000991	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002014	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.0000253	(\$)	(\$)	(\$)
<b>Residential Property (non CBD)</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19



Targeted Regional Recreational Facilities Rate		-	-
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
<b>Total Regional Rates</b>		<b>339.50</b>	<b>336.49</b>
<b>Residential Property (in CBD area)</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate – CBD Residential		119.17	136.40
<b>Total Regional Rates</b>		<b>458.67</b>	<b>472.89</b>
<b>Residential Property (in stormwater catchment area)</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	225,000	22.30	26.93
Targeted Freshwater Management Rate		45.32	56.72
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate – General Catchment		43.32	44.29
<b>Total Regional Rates</b>		<b>382.82</b>	<b>380.78</b>
<b>Farm Property</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,750,000	272.59	329.18
Targeted Freshwater Management Rate		553.85	693.28
Targeted Pest Management Rate		59.73	55.57

Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		69.60	97.62
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
<b>Total Regional Rates</b>		<b>1,162.24</b>	<b>1,364.92</b>
<b>Commercial Property (non CBD)</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,000,000	198.25	239.40
Targeted Freshwater Management Rate		402.80	504.20
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
<b>Total Regional Rates</b>		<b>917.86</b>	<b>1,059.45</b>
<b>Commercial Property (in CBD area)</b>			
Targeted Council Services Rate		106.63	91.96
Targeted Land Management Rate	2,000,000	198.25	239.40
Targeted Freshwater Management Rate		402.80	504.20
Targeted Pest Management Rate		59.73	55.57
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		21.16	19.19
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		23.36	23.66
Targeted Emergency Services Rate		11.87	12.06
Whangārei River Management Rate - CBD Commercial		352.67	350.61
<b>Total Regional Rates</b>		<b>1,270.53</b>	<b>1,410.06</b>

## 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
- 10A 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		(including GST)	
Land Management Rate = LV rate in the \$ = 0.0001063	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002157	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002704	(\$)	(\$)	(\$)
<b>Residential Property</b>			
Targeted Council Services Rate		113.22	94.86
Targeted Land Management Rate	225,000	23.92	20.97
Targeted Freshwater Management Rate		48.53	44.19
Targeted Pest Management Rate		64.47	58.42
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		22.84	20.18
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.08	6.23
Targeted Emergency Services Rate		11.87	12.06
<b>Total Regional Rates</b>		<b>334.36</b>	<b>299.32</b>
<b>Farm Property</b>			
Targeted Council Services Rate		113.22	94.86
Targeted Land Management Rate	2,750,000	292.32	256.30
Targeted Freshwater Management Rate		593.18	540.10
Targeted Pest Management Rate		64.47	58.42
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		22.84	20.18

Targeted Regional Sporting Facilities Rate	17.00	17.25
Targeted Regional Infrastructure Rate	74.36	76.18
Targeted Emergency Services Rate	11.87	12.06
<b>Total Regional Rates</b>	<b>1,215.69</b>	<b>1,100.50</b>

Additional for Properties in the Kaihu River Catchment	Land Value	2019/20	2018/19
	(\$)	(\$)	(\$)
10 hectares	Class A	237.20	212.20
	Class B	116.80	116.80
	Class F	16.40	16.50
100 hectares	Class A	2,372.00	2,122.00
	Class B	1,168.00	1,168.00
	Class F	164.00	165.00

## 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 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;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit.

Far North		(including GST)	
Land Management Rate = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<b>Total Regional Rates</b>		<b>297.14</b>	<b>278.88</b>
<b>Farm Property</b>			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92

Targeted Pest Management Rate	47.20	45.08
Targeted Flood Infrastructure Rate	26.43	25.16
Targeted Civil Defence and Hazard Management Rate	16.72	15.57
Targeted Regional Sporting Facilities Rate	17.00	17.25
Targeted Regional Infrastructure Rate	81.62	87.18
Targeted Emergency Services Rate	11.87	12.06
Targeted Far North Transport Rate	8.76	8.86
<b>Total Regional Rates</b>	<b>1,265.13</b>	<b>1,195.70</b>

**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 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;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A 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 District - Awanui Catchment		(including GST)	
Land Management Rate 2018/19 = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
<b>Residential &amp; Commercial Urban</b>			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<b>Plus Awanui river management rates applicable to:</b>			
- Urban rate class UA (floodplain location)		329.18	328.28
- Urban rate classes UF (higher ground)		60.01	60.34
- Commercial Urban UA		987.54	984.84



Lifestyle Property - 10 hectares			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	450,000	52.55	48.02
Targeted Freshwater Management Rate		106.61	101.12
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		13.36	14.26
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		747.34	746.52
- Rural Class A & B		258.06	257.84
- Rural Class C		124.12	124.21
- Rural Class E		13.41	13.50
- Rural Class F		24.36	25.69
Farm Property - 100 hectares			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		81.62	87.18
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		<sup>1</sup> Refer Below	<sup>1</sup> Refer Below
- Rural Class A & B		2,459.85	2,456.90
- Rural Class C		1,120.51	1,120.59
- Rural Class E		13.41	13.50
- Rural Class F		122.93	135.40

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: On \$329.18 for urban commercial class UA; \$988.40 for urban commercial class UF; \$73.29 per hectare for rural commercial A/B; \$33.21 per hectare for rural commercial C; and \$3.29 per hectare for rural commercial

F. The rural rate also includes a single rate of \$13.41 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 Kaeo-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 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;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A targeted Kaeo-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		(including GST)	
Land Management Rate 2018/19 = LV rate in the \$ = 0.0001168	Land Value	2019-2020	2018-2019
Freshwater Management Rate = LV rate in the \$ = 0.0002369	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002968	(\$)	(\$)	(\$)
<b>Residential/Commercial/Other</b>			
Targeted Council Services Rate		82.89	73.20
Targeted Land Management Rate	225,000	26.27	24.01
Targeted Freshwater Management Rate		53.30	50.56
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate		51.90	53.86
<b>Total Regional Rates</b>		<b>349.04</b>	<b>332.74</b>
<b>Farm Property</b>			
Targeted Council Services Rate		82.89	73.20

Targeted Land Management Rate	2,750,000	321.14	293.42
Targeted Freshwater Management Rate		651.50	617.92
Targeted Pest Management Rate		47.20	45.08
Targeted Flood Infrastructure Rate		26.43	25.16
Targeted Civil Defence and Hazard Management Rate		16.72	15.57
Targeted Regional Sporting Facilities Rate		17.00	17.25
Targeted Regional Infrastructure Rate		81.62	87.18
Targeted Emergency Services Rate		11.87	12.06
Targeted Far North Transport Rate		8.76	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate		51.90	53.86
<b>Total Regional Rates</b>		<b>1,317.03</b>	<b>1,249.56</b>

# Summary of rates

The following table illustrates the distribution of the regional rate on forecast basis for the 2019/20 financial year, with the actual 2018/19 regional rate for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

## District Valuation Roll

Estimate – 30 June 2019

	Gross Number of RU (Kaipara) or SUIP (others)	Net Number of RU (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	37,752	36,475	15,268,782	7,760,393	18,395,349	9,364,891	33.07%	32.35%
Kaipara District	14,484	13,789	8,698,428	4,995,834	9,498,838	5,462,467	17.08%	18.87%
Whangarei District	44,650	43,452	27,733,861	14,123,014	27,733,861	14,123,014	49.86%	48.78%
<b>Total Valuation – Northland</b>	<b>96,886</b>	<b>93,716</b>	<b>51,701,070</b>	<b>26,879,241</b>	<b>55,628,048</b>	<b>28,950,372</b>	<b>100.00%</b>	<b>100.00%</b>

	Budgeted Rates 2019/20 (including GST)					Actual Rates 2018/19 (including GST)				
	Far North	Kaipara	Whangārei	Total (gross)	Total (net)	Far North	Kaipara	Whangārei	Total (gross)	Total (net)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Targeted Council Services Rate</b>										
Rate per SUIP	82.89			3,129,232	3,023,383	73.20			2,755,322	2,638,424
Rate per RU		113.22		1,639,877	1,561,189		94.86		1,448,127	1,304,604
Rate per SUIP			106.63	4,760,916	4,633,176			91.96	4,046,936	3,945,505
				<b>9,530,025</b>	<b>9,217,748</b>				<b>8,250,385</b>	<b>7,888,533</b>
<b>Targeted Land Management Rate</b>										
Rate per \$ of Actual LV	0.00018			906,239	895,850	0.00017			817,910	798,392
Rate per \$ of Actual LV		0.00033		531,050	522,542		0.00032		463,291	454,803
Rate per \$ of Actual LV			0.00031	1,399,948	1,351,015			0.00027	1,148,917	1,114,323
				<b>2,837,238</b>	<b>2,769,407</b>				<b>2,430,119</b>	<b>2,367,517</b>
<b>Targeted Freshwater Management Rate</b>										
Rate per \$ of Actual LV	0.00239			1,838,548	1,816,670	0.00227			1,722,441	1,681,336
Rate per \$ of Actual LV		0.00257		1,077,578	1,059,649		0.00254		976,291	958,404
Rate per \$ of Actual LV			0.00204	2,844,318	2,739,685			0.00221	2,419,733	2,346,875
				<b>5,760,443</b>	<b>5,616,003</b>				<b>5,118,466</b>	<b>4,986,615</b>
<b>Targeted Pest Management Rate</b>										

Rate per SUIP	47.20	1,781,745	1,721,475	45.08	1,696,824	1,624,833
Rate per RU	64.47	933,725	888,921	58.42	891,807	803,421
Rate per SUIP	59.73	2,666,949	2,595,393	55.57	2,445,494	2,384,201
		5,382,419	5,205,789		5,034,125	4,812,456
<b>Targeted Flood Infrastructure Rate</b>						
Rate per SUIP	26.43	997,762	964,011	25.16	946,903	906,729
Rate per RU	26.43	382,803	364,435	25.16	384,029	345,968
Rate per SUIP	26.43	1,180,071	1,148,409	25.16	1,107,057	1,079,310
		2,560,636	2,476,855		2,437,988	2,332,007
<b>Targeted Civil Defence &amp; Hazard Management Rate</b>						
Rate per SUIP	16.72	631,312	609,957	15.57	586,076	561,211
Rate per RU	22.84	330,840	314,965	20.18	308,027	277,498
Rate per SUIP	21.16	944,960	919,606	19.19	844,664	823,494
		1,907,111	1,844,528		1,738,767	1,662,203
<b>Targeted Regional Sporting Facilities Rate</b>						
Rate per SUIP	17.00	641,758	620,050	17.25	649,316	621,768
Rate per RU	17.00	246,218	234,403	17.25	263,339	237,239
Rate per SUIP	17.00	759,019	738,654	17.25	759,138	740,111
		1,646,994	1,593,106		1,671,792	1,599,118
<b>Targeted Regional Infrastructure Rate</b>						
Rate per \$ of Actual LV	0.0027	230,315	227,229	0.0027	242,997	237,198
Rate per \$ of Actual LV	0.0020	135,069	132,541	0.0027	137,695	135,172
Rate per \$ of Actual LV	0.0023	357,413	342,679	0.0025	340,740	330,479
		722,798	702,449		721,432	702,850
<b>Targeted Emergency Services Rate</b>						
Rate per SUIP	11.87	448,191	433,031	12.06	453,956	434,697
Rate per RU	11.87	171,954	163,703	12.06	184,108	165,861
Rate per SUIP	11.87	530,084	515,862	12.06	530,736	517,434
		1,150,229	1,112,595		1,168,801	1,117,992
<b>Targeted Whangārei Transport Rate</b>						
Rate per SUIP	23.36	1,043,183	1,015,194	23.66	1,041,229	1,015,132
<b>Targeted Far North Transport Rate</b>						
Far North District	8.76	330,655	319,470	8.86	333,503	319,354
<b>Targeted Awanui River Management Rate</b>						

Far North District - Rural		210,171	207,969		210,494	207,964
Far North District - Urban		892,948	882,383		891,020	882,383
		<u>1,103,119</u>	<u>1,090,352</u>		<u>1,101,515</u>	<u>1,090,348</u>
Targeted Kaihū River Management Rate						
Kaipara District (Kaihu river area only)		<u>79,869</u>	<u>79,869</u>		<u>79,869</u>	<u>79,869</u>
Targeted Kaeo-Whangaroa Rivers Management Rate						
Far North (Kaeo only)	51.90	<u>123,911</u>	<u>116,644</u>	53.86	<u>127,944</u>	<u>116,644</u>
Targeted Whangārei Urban Rivers Management Rate						
Rates per SUIP		<u>1,155,930</u>	<u>1,154,250</u>		- 1,159,654	<u>1,154,266</u>
Total Rates						
		\$ (gross)	\$ (nett)		\$ (gross)	\$ (nett)
Far North District		12,162,786	11,838,121		11,434,710	11,030,933
Kaipara District		5,528,983	5,322,217		5,136,582	4,762,839
Whangārei District		<u>17,642,792</u>	<u>17,153,921</u>		<u>15,844,299</u>	<u>15,451,132</u>
Total Rates		<u><u>35,334,562*</u></u>	<u><u>34,314,259*</u></u>		<u><u>32,415,591</u></u>	<u><u>31,244,904</u></u>



# Financials

## Financial Statements

The following financial statements show our draft financial plan for the 2019/20 year.

Please note that the following documents support the financial information contained in these financial statements, and can be found on our website [www.nrc.govt.nz/annualplanpolicies](http://www.nrc.govt.nz/annualplanpolicies):

- Significant forecasting assumptions
- Significant financial forecasting assumptions
- Accounting policies

## Prospective statement of comprehensive revenue and expense

LTP Year 1		Draft Annual	LTP Year 2
2018/19		Plan 2019/20	2019/20
\$(000)		\$(000)	\$(000)
<b>Revenue</b>			
27,169	Rates	29,838	29,455
4,310	Fees and Charges	4,388	4,398
3,046	Subsidies and Grants	4,255	2,869
1,195	Interest Revenue	918	1,413
6,173	Other Revenue	6,704	7,693
3,228	Other Gains	2,477	3,327
<b>45,121</b>	<b>Total Revenue</b>	<b>48,581</b>	<b>49,155</b>
<b>Expenses</b>			
15,612	Personnel Costs	17,482	16,899
1,626	Depreciation and Amortisation Expense	1,810	1,738
936	Finance Costs	1,340	1,201
-	Other Losses	-	-
26,099	Other Expenditure on Activities	27,867	26,800
<b>44,273</b>	<b>Total Operating Expenditure</b>	<b>48,499</b>	<b>46,638</b>
<b>848</b>	<b>SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>83</b>	<b>2,517</b>
-	INCOME TAX CREDIT/(EXPENSE)	-	-
<b>848</b>	<b>SURPLUS/(DEFICIT) AFTER TAX</b>	<b>83</b>	<b>2,517</b>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO:</b>			
848	Northland Regional Council	83	2,517
	Non-Controlling Interest		
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>			
<i>Items that will be reclassified to surplus/(deficit)</i>			
-	Financial Assets at fair value through other comprehensive revenue and expense	-	-
<i>Items that will not be reclassified to surplus/(deficit)</i>			
-	Gains/(Losses) on Property Revaluations	-	-
-	Gains/(Losses) on Infrastructure Asset revaluations	-	-
-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-

848	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	83	2,517
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## Prospective statement of financial position

LTP Year 1		Annual Report	Draft Annual	LTP Year 2
2018/19		2017/18	Plan 2019/20	2019/20
\$(000)		\$(000)	\$(000)	\$(000)
<b>ASSETS</b>				
<b>Current Assets</b>				
86	Cash and cash equivalents	998	45	81
4,136	Other financial assets	4,039	3,930	4,553
5,453	Receivables	5,862	5,358	5,702
3,205	Inventory	3,102	3,175	3,205
14,194	Assets held for sale	11,248	-	-
<b>27,074</b>	<b>Total Current Assets</b>	<b>25,249</b>	<b>12,507</b>	<b>13,541</b>
<b>Non Current Assets</b>				
6,346	Receivables	5,744	5,900	6,446
58,837	Other financial assets	56,048	42,048	65,475
38,707	Infrastructure, property, plant and equipment	34,836	42,651	40,520
33,473	Investment property	41,100	70,449	47,667
283	Intangible assets	600	525	337
2,713	Forestry assets	3,235	2,862	2,713
7,828	Investment in subsidiaries (excl council controlled organisations) and joint venture company	7,828	7,828	7,828
863	Investment in council controlled organisations	863	863	863
<b>149,050</b>	<b>Total Non Current Assets</b>	<b>150,254</b>	<b>173,125</b>	<b>171,848</b>
<b>176,123</b>	<b>TOTAL ASSETS</b>	<b>175,503</b>	<b>185,632</b>	<b>185,390</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
5,427	Payables	4,453	4,595	5,559
1,661	Employee entitlements	1,751	1,792	1,711
<b>7,088</b>	<b>Total Current Liabilities</b>	<b>6,204</b>	<b>6,387</b>	<b>7,269</b>
<b>Non Current Liabilities</b>				
916	Payables and deferred revenue	653	806	938
19,977	Borrowings and other financial liabilities	18,542	27,077	26,522
18	Employee entitlements	15	19	19
<b>20,911</b>	<b>Total Non Current Liabilities</b>	<b>19,210</b>	<b>27,901</b>	<b>27,479</b>
<b>28,000</b>	<b>TOTAL LIABILITIES</b>	<b>25,414</b>	<b>34,289</b>	<b>34,749</b>

148,124	NET ASSETS	150,089	151,343	150,641
EQUITY				
126,042	Accumulated funds	123,540	139,237	127,663
2,807	Revaluation reserves	3,963	3,963	2,807
19,274	Other reserves	22,586	8,143	20,170
148,124	Total Equity	150,089	151,343	150,641
-	Non-controlling interests in subsidiary companies	-	-	-
148,124	TOTAL EQUITY	150,089	151,343	150,641

### Prospective statement of changes in equity

LTP Year 1	Annual Report	Draft Annual	LTP Year 2
2018/19	2017/18	Plan 2019/20	2019/20
\$(000)	\$(000)	\$(000)	\$(000)
147,276	146,088	151,261	148,124
848	4,001	83	2,517
148,124	150,089	151,343	150,641
<i>Total comprehensive revenue and expense attributable to:</i>			
848	4,001	83	2,517
-	-	-	-
148,124	150,089	151,343	150,641

### Prospective statement of cashflows

LTP Year 1	Draft Annual	LTP Year 2	Variance
2018/19	Plan 2019/20	2019/20	to LTP
\$(000)	\$(000)	\$(000)	\$(000)
Cash flows from operating activities			
26,659	29,136	28,907	(228)
9,275	11,107	10,795	(312)
2,144	2,278	2,144	(134)
2,997	4,011	3,603	(408)
3,616	3,602	3,602	-
3,598	3,708	3,708	-
(45,274)	(49,657)	(47,941)	1,716
(259)	(274)	(265)	9
(936)	(1,340)	(1,201)	139

1,820	Net cash provided (used) in operating activities	2,572	3,355	783
Cash flows from investing activities				
-	Sale of infrastructure, property, plant and equipment	-	14,194	-
410	Other receipts - investing	9,012	(6,300)	(15,312)
(5,190)	Purchase of infrastructure, property, plant and equipment	(18,019)	(17,798)	220
(4,780)	Net cash provided (used) in investing activities	(9,006)	(9,904)	(898)
Cash flows from financing activities				
2,667	Other receipts - financing	6,435	6,545	110
-	Other payments - financing	-	-	-
2,667	Net cash provided (used) in financing activities	6,435	6,545	110
(293)	Net increase/(decrease) in cash and cash equivalents	1	(5)	(5)
379	Cash and cash equivalents at beginning of period	44	86	42
86	Cash and cash equivalents at end of period	45	81	36

### Schedule of reserves

LTP Year 1		Draft Annual	LTP Year 2
2018/19		Plan 2019/20	2019/20
\$		\$	\$
Land Management Reserve			
233,580	Opening Balance as at 1 July	136,000	(176)
(233,756)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(136,000)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(176)	Closing Balance as at 30 June	-	(176)
Awanui River Reserve			
(773,404)	Opening Balance as at 1 July	(761,368)	(598,881)
174,523	Increase /(Decrease) in Reserve throughout the year (operational transfer)	161,016	163,175
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(95,964)	-
(598,881)	Closing Balance as at 30 June	(696,316)	(435,706)
Kaihu River Reserve			
69,450	Opening Balance as at 1 July	60,865	59,276
(10,174)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(10,698)	(10,698)



-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
59,276	Closing Balance as at 30 June	50,167	48,578
<b>Whangaroa Kaeo Rivers Reserve</b>			
42,787	Opening Balance as at 1 July	124,817	30,106
(12,681)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(14,256)	(14,256)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
30,106	Closing Balance as at 30 June	110,561	15,850
<b>Whangarei Urban River Reserve</b>			
(9,571,405)	Opening Balance as at 1 July	(9,077,076)	(9,164,350)
407,055	Increase /(Decrease) in Reserve throughout the year (operational transfer)	455,922	455,922
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(9,164,350)	Closing Balance as at 30 June	(8,621,154)	(8,708,428)
<b>Kerikeri Waipapa Rivers Reserve</b>			
443,592	Opening Balance as at 1 July	425,000	415,985
(12,607)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(29,474)	(29,474)
(15,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(15,330)	(15,330)
415,985	Closing Balance as at 30 June	380,196	371,181
<b>Flood Infrastructure Reserve</b>			
-	Opening Balance as at 1 July	(1,320,000)	(1,319,551)
559,419	Increase /(Decrease) in Reserve throughout the year (operational transfer)	445,029	445,029
(1,878,970)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,131,500)	(1,131,500)
(1,319,551)	Closing Balance as at 30 June	(2,006,471)	(2,006,022)
<b>Whangarei Flood Infrastructure Reserve</b>			
-	Opening Balance as at 1 July	(180,000)	(179,596)
60,404	Increase /(Decrease) in Reserve throughout the year (operational transfer)	36,974	36,974
(240,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(45,000)	(45,000)
(179,596)	Closing Balance as at 30 June	(188,026)	(187,622)
<b>Awanui Flood Infrastructure Reserve</b>			
-	Opening Balance as at 1 July	(194,000)	(193,898)
354,232	Increase /(Decrease) in Reserve throughout the year (operational transfer)	300,926	300,926

(548,130)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(256,500)	(256,500)
(193,898)	Closing Balance as at 30 June	(149,574)	(149,472)
<b>Kaeo Flood Infrastructure Reserve</b>			
-	Opening Balance as at 1 July	21,000	21,430
21,430	Increase /(Decrease) in Reserve throughout the year (operational transfer)	21,030	21,030
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(12,000)	(12,000)
21,430	Closing Balance as at 30 June	30,030	30,460
<b>Infrastructure Facilities Reserve</b>			
(3,346,214)	Opening Balance as at 1 July	(2,639,000)	(3,171,014)
175,200	Increase /(Decrease) in Reserve throughout the year (operational transfer)	175,200	175,200
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(3,171,014)	Closing Balance as at 30 June	(2,463,800)	(2,995,814)
<b>Property Reinvestment Fund Reserve</b>			
22,773,304	Opening Balance as at 1 July	15,748,443	23,046,276
272,972	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1,375,206)	276,248
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(14,112,418)	-
23,046,276	Closing Balance as at 30 June	260,819	23,322,524
<b>Infrastructure Investment Fund Reserve</b>			
8,858,736	Opening Balance as at 1 July	19,602,631	8,968,818
110,082	Increase /(Decrease) in Reserve throughout the year (operational transfer)	111,403	111,403
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
8,968,818	Closing Balance as at 30 June	19,714,034	9,080,221
<b>Equalisation Fund Reserve</b>			
845,516	Opening Balance as at 1 July	1,407,000	765,479
(80,037)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(415,171)	235,214
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
765,479	Closing Balance as at 30 June	991,829	1,000,693
<b>Hatea River Reserve</b>			
169,119	Opening Balance as at 1 July	124,000	116,771
(52,348)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(51,332)	(52,418)

-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
116,771	Closing Balance as at 30 June	72,668	64,353
<b>Investment and Growth Reserve</b>			
2,160,270	Opening Balance as at 1 July	238,010	328,114
(1,850,777)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(633,778)	(633,778)
18,621	Increase /(Decrease) in Reserve throughout the year (capital transfer)	839,900	839,900
328,114	Closing Balance as at 30 June	444,132	534,236
<b>Whangarei Transport Reserve</b>			
(47,539)	Opening Balance as at 1 July	(95,000)	(47,539)
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(24,550)	(7,534)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(47,539)	Closing Balance as at 30 June	(119,550)	(55,073)
<b>Far North Transport Reserve</b>			
162,754	Opening Balance as at 1 July	40,000	162,754
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
162,754	Closing Balance as at 30 June	40,000	162,754
<b>Capital Subsidy Reserve - Public Transport</b>			
-	Opening Balance as at 1 July	67,000	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	67,000	-
<b>Emergency Services Reserve</b>			
-	Opening Balance as at 1 July	183,000	34,453
34,453	Increase /(Decrease) in Reserve throughout the year (operational transfer)	43,453	43,453
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
34,453	Closing Balance as at 30 June	226,453	77,906
19,274,457	Total Special Reserves Closing Balance as at 30 June	8,142,998	20,170,443

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
- And 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 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 council is accountable and transparent.

Where reserves carry a deficit balance, they are deemed to have undertaken internal borrowing from councils consolidated funds. Conversely, where the reserves carry a surplus, they are deemed to have loaned money to councils' consolidated funds.

## Purpose of each reserve fund:

### Land Management reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the Land management reserve maintains a positive balance, it can be used to fund land management activities and emergency events such as remedial storm expenditure on a case-by-case basis.

### River reserves

The Awanui, Kaihu, Kaeo -Whangaroa, Kerikeri-Waipapa and Whangarei urban river reserves were all created to hold targeted rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of their respective river flood management schemes. This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be repaid from future targeted river management rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

### Infrastructure Facilities reserve

The Infrastructure facilities reserve was created to set aside any targeted Infrastructure rates collected and not fully used in any given year for the purpose of funding the holding costs associated with the Marsden Point Rail link project, the capital costs of securing the rail corridor designation, and other activities relating to the development and/or completion of future regional infrastructure projects. The deficit balance of this reserve will be repaid from future targeted Regional Infrastructure rates collected from ratepayers in all three Northland districts.

### Property Reinvestment Fund reserve

This reserve was established to represent the proceeds of 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 have been earmarked to hold the funds pending the identification of approved property investments.

### Equalisation Fund reserve

This reserve was created to set aside 50% of council's forestry net income arising in any year. This reserve is intended to provide future funding of councils 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 reserve be used to fund the cost of forestry operations in non-harvesting years.

### Hātea River Maintenance reserve

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:

1. Ongoing maintenance and dredging;
2. Disposal of dredged spoil material;
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

### 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.

#### **Far North Transport reserve**

This reserve is to be 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 service. This keeps surpluses/ deficits in this activity separate from other activities.

#### **Infrastructure Investment Fund reserve**

This reserve was established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. It will help 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 externally managed funds.

#### **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. The deficit balance of this reserve will be repaid from future targeted Whangarei transport rates collected from ratepayers in the Whangarei district.

#### **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.

#### **Capital Subsidy reserve : Public Transport**

This reserve currently holds capital subsidies received from the NZ transport agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System (RITIS).

All reserves displaying a deficit balance at 1 July 2019 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

## Financial Prudence

There is an expectation that Northland Regional Council (NRC) will act with financial prudence. To measure the level of prudence a number of measures have been developed for the sector.

Northland Regional Council measures financial prudence using the following measures:

		Target	Draft Annual Plan 2019/20
Affordability			
Benchmark			
Rates Benchmark*	i) Total Rates as % of Total Revenue	< 65%	61%
	ii) Total Average Rates Increase as %	< 10%	8.6%
Debt Benchmark	Net Debt as % of Total Revenue	< 175%	-37%
Indicator			
Rates Indicator**			\$366.15
Sustainability			
Benchmark			
a) Balanced budget benchmark***		> 1	1.00
b) Essential services benchmark****		> 1	17.16
c) Net Interest as % of Revenue		< 10%	-4.2%
d) Liquidity		> 110%	199%
Predictability			
Benchmark			
Operations control benchmark***** (result to be published in the annual report)			N/A
* Rates income complies with the limits set in the council's financial strategy			
** Rates revenue per rating unit/SUIP			
*** Revenue, excluding income from development contributions and financial contributions, revaluations and vested assets, exceeds operating expenditure			
**** NRC has invested heavily in Flood Control Infrastructure over the last five years. It is expected that capital investment will be low over the next few years.			





