

WHAT IT MEANS FOR RATES NGĀ HUA Ā-REITI



We collect region-wide rates, and targeted (area-specific) rates. The funding to help replace the Waikare, our current maritime vessel, will come from a region-wide rate, while the Whangārei transport rate is targeted to Whangārei residents only.

KAIPARA AND FAR NORTH RATEPAYERS: there's no additional increase for 2022/23, meaning the average increase remains around \$48 – as planned in the Long Term Plan 2021-2031. The cost of repaying the Waikare replacement will begin in 2023/24, adding an estimated \$0.80 to the average rates increase in that year.

WHANGĀREI RATEPAYERS: the impact of the transport rate on your average rates bill will be approximately \$4.80. On top of the planned increase from the Long Term Plan 2021-2031, that creates a total average increase of around \$65 in 2022/23. The cost of repaying the Waikare replacement will begin in 2023/24, adding an estimated \$0.80 to the average rate increase in that year.



TELL US WHAT
YOU THINK
TUKUA Ō WHAKAARO

Want to know more, and have your say?

Visit our website – nrc.govt.nz/annualplan2022

You'll find more detail and financial statements in our Annual Plan 2022/23 Supporting Information document, along with our draft user fees and charges schedule, which we review annually too. We'll also explain how you can share your thoughts on both.

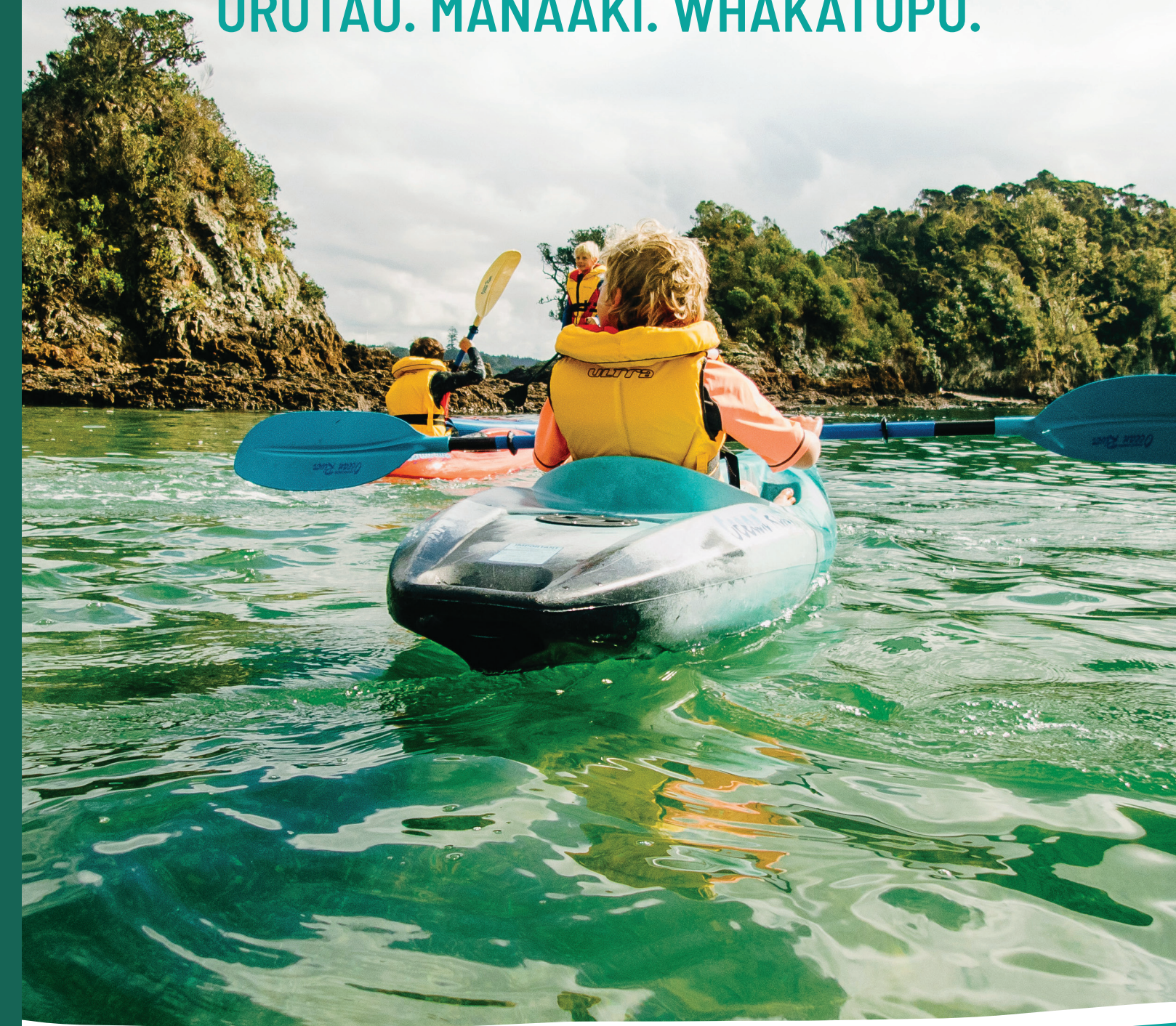
If you want to talk to a councillor about this plan, please give us a call on 0800 002 004 by Friday 8 April to arrange a time.

Your feedback is important to us!
Send us your thoughts by Friday 29 April 2022

P 0800 002 004 W nrc.govt.nz/annualplan2022 E info@nrc.govt.nz

Northland
REGIONAL COUNCIL
Te Kaunihera ā rohe o Te Taitokerau

ADAPT. PROTECT. GROW. URUTAU. MANAAKI. WHAKATUPU.



HAVE YOUR SAY
BY 29 APRIL 2022

OUR PLANS FOR THE COMING YEAR
Annual Plan 2022/23
consultation document

Northland
REGIONAL COUNCIL
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ABOUT OUR ANNUAL PLAN

TŌ MĀTOU RAUTAKI Ā-TAU

Last year we adopted our Long Term Plan 2021-2031 (LTP). It's the roadmap that guides how we support Northland's growth and wellbeing for the next 10 years, while navigating the unpredictable world we live in.

Every year we check in on that plan to ensure we're on track to deliver the next step of our LTP. We review the budget for the next financial year to create an Annual Plan, just for that one year.

There's heaps of amazing mahi underway across the region, especially around water health, biosecurity and climate change. But as we've learned in the past couple of years, things can change quickly, and we must adapt to that.

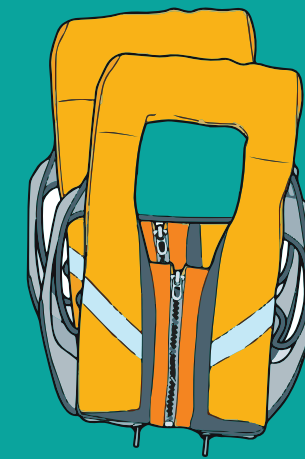
WE NEED TO MAKE A COUPLE OF CHANGES...

so we'd like to hear what you think about them before we lock in our plan for the 2022/23 year.



PROPOSED CHANGES

NGĀ PANONITANGA



Funding a new maritime vessel

In our LTP, we set aside \$1.6M for the design and build of a vessel to replace our current maritime vessel (the Waikare) in the 2022/23 year.

However, the cost of replacing the Waikare has since increased by \$1.7M to \$3.3M. That's because design and build costs have more than doubled in price since we got the initial estimates. The increase is due to the Covid-19 pandemic and its influence on supply chains. It has affected the cost of materials (particularly aluminium), transporting those materials to New Zealand, and labour.

This requires a change of tack. We're now going to borrow to fund the full cost of building the

vessel – which we can do at special low rates through the Local Government Funding Agency – and repay it over 15 years. This cost ultimately needs to come from rates, but because we're borrowing the money in portions over time, this won't have any additional impact on rates bills for the 2022/23 year. It will affect rates in subsequent years, beginning with a 0.25% increase (around 80 cents on the average rates bill) in the 2023/24 year.

The \$1.6M we had set aside in the LTP will be redirected to an investment fund to provide returns over the next 15 years, which means we can keep the rates repayments as low as possible.

Paying for Whangārei's buses

As we said in our LTP, we're working to increase and improve the Whangārei CityLink public transport service, to make sure it's accessible and well used. The cost of running buses has increased substantially, because of Covid, the price of diesel, government legislation, and more. We also need to keep our services operating at the level Whangārei residents expect.

Our proposed changes include the reallocation of some LTP funds for the 2022/23 year, and an increase to targeted rates in the Whangārei area.

We're planning to reallocate funds we'd set aside to increase our CityLink services in conjunction with Whangārei District Council's work to establish T2 lanes (for buses and vehicles with two or more people) along key roads. Central government funding for the lane upgrades has been delayed until at least January 2023, which means our increased services are also delayed.



We can now contribute around half of the allocated funds to the increased costs of running the bus services. The remainder of the cost shortfall needs to be covered by rates targeted to the Whangārei area. This adds approximately \$4.80 extra a year to the average Whangārei rates bill. We'll need to revisit this in our next Annual Plan once expenses and funding are confirmed, to ensure we can keep pace with how quickly costs are changing.

Want more detail about why the costs have increased? See our Annual Plan 2022/23 Supporting Information document at nrc.govt.nz/annualplan2022

WHAT ABOUT GOING ELECTRIC?

In the LTP, we said we'd also look into the option of an electric or hybrid vessel. We've looked into the feasibility of this and decided that isn't possible for now. Firstly, a fully electric vessel wouldn't have the range to safely travel up and down Northland's coast.

Also, hybrid technology for vessels is still in development, and there would be a large increase in the build cost. But we'll keep a close eye on this for the future.

A QUICK HEADS-UP

We had put aside money in the LTP to help fund the internal fit-out of the Oruku Landing conference and events centre in the 2023/24 year. The conditions of this funding weren't met, so the money will no

longer be spent. As the Oruku rate was due to begin in 2023/24, there will be an adjustment in next year's Annual Plan to address this.