



ANNUAL PLAN
Mahere a-Tau

2017/18

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Annual Plan images

Ngā Uri A Tuteauru Kapa Haka Roopu was established in 2009.

The group is tutored by Mutunga Rameka and its members are predominantly from the Hokianga valleys of Otaua, Taheke and Waima. The group has an open-door policy encouraging participation from all who are interested. Ngā Uri A Tuteauru have participated at three Tai Tokerau Senior Kapa Haka Regionals and other community events around the region.

In 2016 the group established the first local Haka Wars event. A Kapa Haka and Māori oratory competition involving the six marae based in Otaua, Taheke and Waima was a successful event that united the three valleys for its one common purpose - to revive the Māori language, and local traditions, and to uplift local Marae.

The group will continue to foster and encourage this community event and participate at Tai Tokerau Senior Kapa Haka Regionals, in the hope of representing the Far North at Te Matatini National Kapa Haka Festival.

Photographer: Lena Adams

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Introduction

The forecast financial statements in this 2017/18 Annual Plan have been prepared on the basis of the best information available at the time of preparing the accounts including the latest information on cost and revenue forecasts. Actual results are likely to vary from the information presented and the variations may be material. The purpose of this plan is to inform the community on the spending priorities outlined in the plan and may not be appropriate for any other purpose.

Our Vision, Mission, Values and Expectations

District Vision

He Whenua Rangatira – A District of Sustainable Prosperity and Well-Being.

Our Vision

Council will be a capable, trusted and innovative civic leader, serving and inspiring people, maximising opportunities to empower communities and meet their changing needs; while creating great places.

Our Mission

To work together to deliver on our goals and commitments and enable culturally strong, healthy, vibrant, resilient, prosperous, connected people and communities.

Tikanga - Our Values

- Manawatopu: Unity of purpose and working together
Whanaungatanga Family, community, connecting and caring
- Tu tangata: Strong cultural identities
- Mana tangata: Respect and fairness
- Te Tiriti o Waitangi: Partnership
- Kaitiakitanga: Environmental stewardship and sustainability.

Tumanako - Our Expectations

- He wahi ataahua: Valuing the outstanding beauty of our District
- Oranga taiao, oranga tangata: Nurturing the environment so it nourishes us
- Oranga kainga: A thriving, sustainable local economy
- Mana i te whenua: The role of tangata whenua is valued and respected
- Te ira tangata: Rich heritage and diversity respected and celebrated
- Whanau: A great place for our families to flourish
- Tangata whai ora: Happy, healthy, safe and purposeful people
- He waka hourua: Fit for purpose infrastructure underpinning success
- Kokiri tahi: Empowered communities, working collaboratively.

Message from the Mayor and Chief Executive Officer

Kia Ora Koutou

In 2015, we updated our 10-year plan and set a bold new direction for the Far North District. We had discovered critical gaps in our core infrastructure, so we proposed an extensive works programme to address these. We also wanted to make the District a great place to live, so we included funding in the plan for recreational facilities in each ward. We have made big gains since we adopted our 2015-25 Long Term Plan. In Te Hiku Ward, we began construction of a multi-purpose sports hub at Moerua Park near Kaitaia's cultural hub Te Ahu. In the Bay of Islands-Whangaroa Ward, we bought land for a new Kerikeri wastewater treatment plant, and recently started to build a 27km sewerage network that will allow us to connect more households and businesses to the scheme. In the Kaikohe-Hokianga Ward, we opened the 28km Horeke-Okaihau section of the Twin Coast Cycle Trail – Pou Herenga Tai, which is already attracting visitors to the District and boosting businesses in towns between the Hokianga Harbour and Bay of Islands.

We expect to commission the new Kerikeri sewerage scheme and complete most of stage one of Te Hiku Sports Hub at Moerua Park in 2017/18. We also plan to upgrade our Rawene-Omanaia water supply and reach agreement with the Te Kao community about the most cost-effective way of providing it with safe drinking water. Other infrastructure projects in 2017/18 include upgrading our Paihia and Russell wastewater treatment plants and our sewerage network in Kaitaia which overflows in wet weather.

We are committed to providing an effective and safe transport network, and aim to finalise a plan to improve safety and traffic flows at the hazardous intersection of State Highway 10 and Waipapa Road near Kerikeri. We plan to complete a popular walkway from Haruru Falls to Waitangi and extend a footpath on Kerikeri Road to State Highway 10, giving properties along this road safe pedestrian access to Kerikeri's central business district. Improving roads in rural areas will remain a focus in 2017/18. We have applied for subsidies to seal sections of Pipiwai and Ngapipito Roads, which are heavily used by logging trucks, and we plan to spend \$5 million metalling unsealed roads.

We are committed to improving the services we provide to customers and will begin scanning our property files, so people can view these online when they want, instead of waiting for files to be delivered to one of our offices for inspection. We also plan to undertake an independent review of our procurement practices to ensure these are fair and transparent. Similarly, we need more detail about the costs of maintaining assets, such as parks and reserves, so Council and communities can make more informed decisions when deciding what is affordable. We also think we can make our Annual and Long Term Plans and Annual Reports less costly to produce and more readable and meaningful, so we will be reviewing these documents too.

We are making good progress towards closing gaps in our infrastructure and improving customer services. We thank you for taking an interest in our work programme and encourage you to read this document for amore full picture of the work we are planning to make the Far North a great place to live.

Ka kite ano.



Hon John Carter QSO
Mayor



Shaun Clarke ONZM
Chief Executive Officer

Mayor and Councillors



Hon John Carter
QSO
Mayor



Cr Tania McInnes
Deputy Mayor
Bay of Islands-
Whangaroa Ward



Cr Ann Court
Bay of Islands-
Whangaroa Ward



Cr Dave Hookway
Bay of Islands-
Whangaroa Ward



Cr Willow-Jean Prime
Bay of Islands-
Whangaroa Ward



Cr Sally Macauley
QSM
Kaikohe-Hokianga
Ward



Cr John Vujcich
Kaikohe-Hokianga
Ward



Cr Colin 'Toss' Kitchen
Te Hiku Ward



Cr Felicity Foy
Te Hiku Ward



Cr Mate Radich
Te Hiku Ward

Community Boards

Bay of Islands - Whangaroa Ward

Terry Greening (Chair), *Russell-Opua*
Belinda Ward (Deputy Chair), *Paihia*
Lane Ayr, *Kerikeri*
Martin Robinson, *Kerikeri*
Rachel Smith, *Kerikeri*
Bruce Mills, *Whangaroa*
Kelly Stratford, *Kawakawa-Moerewa*



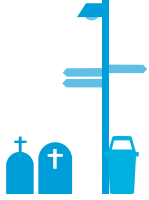





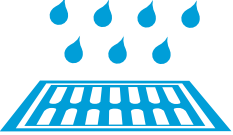



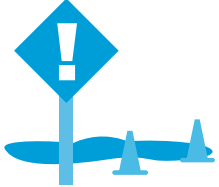


Kaikohe - Hokianga Ward

Mike Edmonds (Chair), *Kaikohe*
Emma Davis (Deputy Chair), *North Hokianga*
Shaun Reilly, *Kaikohe*
Kelly van Gaalen, *Kaikohe*
Robert Cassidy, *South Hokianga*
Louis Toorenburg, *South Hokianga*

Te Hiku Ward

Adele Gardner (Chair), *Kaitaia*
Melanie Dalziel (Deputy Chair), *North Cape*
Bronwyn Hunt, *Kaitaia*
Awhina Murupaenga, *Kaitaia*
Nuu Ward, *Doubtless Bay*
Lawrie Atkinson, *Whatuwhiwhi*

What you get for your rates dollar

 <p>19¢ ROADING</p>	 <p>14¢ WASTEWATER SERVICES</p>	 <p>11¢ COMMUNITY SERVICES Cemeteries, Town Maintenance etc</p>
 <p>11¢ CUSTOMER SERVICES Libraries, Information/Service Centres</p>	 <p>9¢ REGULATORY SERVICES Building, Animal Control etc</p>	 <p>8¢ FORWARD PLANNING Policy, Community Assistance etc</p>
 <p>6¢ RECREATION FACILITIES Parks & Reserves, Maritime, Pools</p>	 <p>4¢ REFUSE Transfer Stations</p>	 <p>4¢ STORMWATER AND FLOOD PROTECTION</p>
 <p>4¢ GOVERNANCE</p>	 <p>3¢ SUSTAINABLE ENVIRONMENT District Plan, Māori Engagement etc</p>	 <p>3¢ WATER SUPPLY</p>
 <p>2¢ PUBLIC SAFETY Civil Defence</p>	 <p>1¢ HOUSING FOR THE ELDERLY</p>	 <p>1¢ FOOTPATHS</p>

Our plan in brief

We are maintaining a steady course for 2017/18, with no significant changes and a lower than anticipated overall general rate increase. Plans and budgets that were initially set through the Long Term Plan (LTP) have been adjusted to accommodate recent events. For the most part, however, we are sticking to the direction set by the LTP.

Strategic Direction

As an organisation, we continue to support the District vision He Whenua Rangatira – a District of Sustainable Prosperity and Well-Being through a commitment to community planning and development, building stronger relationships with iwi and hapu, and forming alliances with other councils in our region.

From a day-to-day perspective we continue to catch up on the backlog of infrastructure renewals through a prudent capital works programme. This means more maintenance and repairs and less new assets. We expect this strategy to help us maintain current levels of service. At the same time, we are completing a series of service delivery reviews and continue to actively seek opportunities to collaborate with other councils. If service delivery reviews result in changes to how we deliver to the community we will at least maintain levels of service, and hope that in some cases we may be able to increase them.

Although the building of new assets is not high on our list of priorities, we do still intend to undertake a large amount of capital projects, and will continue to improve our planning and project management to ensure we achieve affordability, prudent debt levels and timely delivery.

ORIGINALLY PLANNED LTP YEAR 3 2017/18

NOW PLANNED 2017/18

REVENUE
INCLUDES
RATES
SUBSIDIES
FEES & CHARGES

\$128.5
MILLION

\$133.3
MILLION

DEBT

\$125.2
MILLION

\$100.5
MILLION

OPERATING
EXPENDITURE

\$115.8
MILLION

\$110.9
MILLION

CAPITAL
EXPENDITURE

\$63.9
MILLION

\$68.7
MILLION

RATES
INCREASE

WAS
5.8%

NOW
3.51%

Year three of our 2015-25 Long Term Plan

The Annual Plan updates the work plans and budgets that we had set through the Long Term Plan (LTP). For the most part, we are sticking to what was decided through the LTP. The following events occurred after the LTP was developed, causing adjustments in this Annual Plan:

- The LTP made assumptions about the effect inflation would have on things like rates, fees, expenses and staff costs, and made adjustments from year to year using the Local Government Cost Index (LGCI) which was predicted to be around 2.5% in 2017/18. The latest forecast predicts a lower rate of 1.4%. This means we receive less revenue from general rates, although this is somewhat offset by lower cost increases.
- We expect to receive Government subsidies of over \$30 million. \$23 million has been allocated to capital works. This includes funding for roads by the NZ Transport agency and \$7.3 million by the Ministry of Health for the Kerikeri wastewater scheme. While this is more than we had forecast in year three of the LTP, it is a result of delaying projects from previous years and carrying forward the subsidy funding.
- Changes to the schedule of capital projects have been made for various reasons, including delays in completing work and the re-timing of renewals as a result of reassessing asset condition. Although maintaining levels of service will remain a focus, new works such as the Kerikeri wastewater system and new sportsgrounds will feature in 2017/18.
- Debt in 2017/18 was originally forecast to be \$125.2 million, but changes to the timing of debt-funded projects over the first few years of the LTP mean that this figure will be much lower. We anticipate that debt at 30 June 2018 is likely to be \$100.5 million.
- The three-yearly revaluation of all properties was completed in 2016, with an overall land value increase of 11.7% across the District. In some locations value increases were substantial, while in other areas values dropped.
- In the LTP we signalled overall annual general rates increases of no more than 3.5% beyond inflation, (5.87% for year three) and we are staying well below that limit for 2017/18 with an increase of 3.51% including inflation.

WHERE THE MONEY COMES FROM

GENERAL RATES

36%

TARGETED RATES

23%

SUBSIDIES

23%

FEES AND CHARGES

11%

OTHER

5%

RATES PENALTIES

2%

What's happening this year

The 2017/18 year will see a continuation of our journey towards sustainability, affordability and community involvement. We plan to maintain current levels of service and engage with communities where there is a desire for new infrastructure or a higher level of service. Although there are few significant projects in our work programme, there are activities that have substantial budgets and projects that our communities consider very important.

Here are the highlights of what you can expect to see this year:

Kerikeri wastewater

Construction of the new Kerikeri sewerage network is underway and is due to be commissioned in mid 2018. The project will deliver a new treatment plant and 27km of new pipes to connect 1,000 homes and businesses in Kerikeri. The existing plant near Shepherd Road will be decommissioned.

Te Hiku Sports Hub

Phase one of Kaitaia's new multi-purpose sports hub at Moerua Park is underway, with the bulk of the work expected to be completed in 2017/18. Facilities included in the first phase are multi-sport fields for rugby, cricket, soccer, league, athletics, softball and archery, along with roading and access upgrades, and a network of footpaths that will serve as a 2km fitness trail connecting Te Hiku Sports Hub with Te Ahu, Kaitaia's cultural centre.

Waipapa intersection

The NZ Transport Agency (NZTA) has been investigating options for improving safety and operation of the transport network at Waipapa on behalf of the Government and Council. This includes safety and traffic flow improvements to the intersection of SH10 and Waipapa Road. The investigation is ongoing, but NZTA aims to finalise a plan later this year. Council and NZTA will then work together on the solution since we share responsibility for the intersection and the adjoining road network, including walking and cycling connections.

Te Kao water

Council and the Te Kao community have been working together to agree the best option for improving the community's water supply. We anticipate a solution will be agreed soon.

Paihia wastewater

We plan to upgrade the Paihia wastewater treatment plant to comply with consent conditions, and are currently going through a design and build tender process. The project will cost approximately \$3.5 million over two years and is expected to begin construction in October this year with completion in October 2018.

Kaitaia water

The Awanui River water-take consent expires in November this year, so we will be applying for a new one, in doing this, we will work closely with iwi, hapu and the community to make sure the process is as quick and efficient as possible. In the meantime, we can continue to operate under the expired consent as long as an application for a new one is in place before November.

Kaitaia wastewater

This year we intend to make progress on resolving the issue of excessive stormwater entering the Kaitaia wastewater network and causing overflows on private properties. Although Council has yet to agree a preferred solution, work needs to get underway with design and consenting this year.

Russell wastewater

The wastewater treatment plant at Russell will be upgraded this year, making it more resilient and able to handle peak summer flows.

Reticulation renewals

Programmes to replace or repair ageing reticulation, plant, pump station and telemetry assets will be ongoing with substantial budget allocations for both water and wastewater.

Footpaths

This year, the footpath programme will include completion of the Haruru Falls to Paihia walkway and the extension of the Kerikeri Road footpath to SH10. Footpath renewals will be completed on a prioritised basis.

Piwiwai and Ngapipito Roads

We have applied for subsidy from NZTA to provide seal extensions for Piwiwai and Ngapipito Roads, but we won't know if we are successful until after the financial year has started. If NZTA agrees to provide this subsidy, works will be carried out in the 2017/18 summer season.

Roading renewals

We plan to invest \$5 million in heavy metalling for unsealed roads and \$3 million in rehabilitation and resealing across the roading network. We will also carry out a significant number of minor safety improvements ranging from intersection upgrades to visibility improvements.

Southern dog pound

Until recently, Council leased dog pound facilities at Okaihau. The contractor decided to terminate the lease early, so Council is in the process of establishing a new dog pound somewhere in the area. We are exploring a number of options and have established a temporary solution in the meantime. We hope to be able to purchase land and develop a suitable long-term facility with the majority (if not all) of the work completed in 2017/18.

Opononi-Omapere water supply

We have completed ground water investigations and are awaiting a full report at which point we will continue to work with the community to decide the best option to improve the water supply security.

Rawene water

We have secured an 85% government subsidy to enable us to deliver a new water treatment plant at Omanaia. We expect to complete the work in the first quarter of 2018.

Information services

2017/18 is a pivotal year in supporting the digitisation for the Far North. The aim is to continually improve and provide efficient services for our customers. We will be focussing on supporting the business in asset management and improving the capture of data used for decision making regarding community assets. Cyber security remains top of focus to keep abreast of challenges around the world, such as the recent Wannacry virus. GIS and its benefits for customers and staff will be explored further, after recent success with an award for the development of 'Put a Pin On It' for the District Plan.

Broadband

Council is committed to 100% connectivity in the Far North. Along with the other Northland councils we have been a significant force in advocating for the delivery of ultra-fast broadband to 21 Northland communities. We have also participated in the Government's process to roll out rural broadband and better mobile coverage across our District. We have funding in this plan to make this opportunity go as far as it can and we will support the process allowing the use of our land and providing streamlined consenting processes. Most importantly, we will continue to work with communities that weren't chosen to find broadband solutions that meet their needs.

2nd generation District Plan

Building on the success of 'Put a Pin on It' during 2016/17 we will continue to develop the next District Plan (which enables and controls land use and subdivision and responds to key issues) for the Far North. It will respond to the latest changes in the law, Government guidance and standards, the Regional Plan, and community feedback. We will produce a draft proposed plan as the year ends (June/July) for your feedback. Please keep in touch and have your say by visiting our District Plan website: www.letsplantogether.org.nz and / or sign up to our quarterly newsletters.

People development

Having now completed the rebuilding of resources within the organisation, will now focus on developing a high performance culture through Leadership Development, developing our talent and ensuring we have solid well-being initiatives in place to look after our people.

Customer service

A key focus for Council is being more responsive to our customers and enhancing customers' experience when dealing with Council. As part of a customer service improvement programme, Council started measuring the customer experience last year. Over the next 12 months customer feedback will be used to inform opportunities to enhance our services and make improvements. Customers who deal directly with Council this year may be asked to comment on how we did and we hope to see evidence that we are more effectively communicating with our customer and better meeting our communities' needs.

Sustainable development strategy

We are developing a strategy to implement the District vision of He Whenua Rangatira. The District faces challenges to protect the environment, adapt to climate change, reduce inequalities, enable development and create jobs. The sustainable development strategy looks ahead a generation to describe what success looks like and the drivers of change. Council's Long Term Plan will set our response to these drivers for change over the next decade. We will be engaging with stakeholders and communities during the first half of the 2017/18 year.



Capital Projects

This is our capital projects schedule for the 2017/18 year.

A full capital projects schedule by ward is available on our website: www.fndc.govt.nz

Roading and Footpaths

Activity	\$000
New	
Cycleways	409
Dust mitigation	512
Footpaths	18
Resilience improvements	2,228
Roading - minor improvements	2,939
Roading - Waipapa intersection upgrade	261
Streetlighting	400
Walking facilities	450
Renewals	
Bridges and structures	468
Drainage - culverts, kerbs and channels	750
Effluent station equipment	2
Ferry - equipment	585
Ferry - hull renewal	134
Footpaths	176
Roading - network and asset management	1,314
Roading - reseals - chip sealing	3,650
Roading - sealed road rehabilitation	5,326
Roading - unsealed road metalling and rehabilitation	7,716
Traffic services	510
Roading and Footpaths Total	27,846

Water Supply

Activity	\$000
New	
Hardware and software	20
Improved storage resilience	20
Minor capital works	283
Opononi - new water source	50
Pump station overhaul	50
Raw water storage	239
Reservoir works	10
Resource Consent	12
Sludge disposal improvements	20
Water take consents	59
Te Kao - water supply	200
Telemetry upgrades	114
Treated water	834
Treatment plant upgrades	290
Renewals	
Bore upgrades	50
Mains replacement	478
Meter replacement	255
Reservoir works	219
Scheduled renewals	101
Tank replacement	53
Telemetry upgrades	106
Treatment plant upgrades	91
Water Supply Total	3,553

Wastewater

Activity	\$000
New	
Capital reactive works	263
Consents	115
Specified works	63
Paihia - power supply installation	474
Kaitaia - reduction of wastewater overflows	500
Treatment and reticulation improvements and treatment plant improvements	19,290
Renewals	
Discharge consents	25
Pump station upgrades	777
Reticulation renewals	75
Telemetry upgrades	134
Wastewater renewals	97
Wastewater treatment plant upgrades	440
Wetland planting	20
Wastewater Total	23,880

Stormwater

Activity	\$000
New	
Assetfinda hardware and software	20
Paihia - outlet	50
Reactive works	214
Stormwater disposal improvements	82
Renewals	
Floodgates	80
Stormwater renewals	4
Stormwater Total	450

Waste Management

Activity	\$000
New	
Health, safety and security	5
Kaitaia - transfer station scrap shed	42
Renewals	
Transfer station renewals	26
Waste Management Total	73

Environmental Management

Activity	\$000
New	
Southern dog pound	700
Renewals	
Kaitaia dog pound	72
Environmental Management Total	772

District Facilities

Activity	\$000
New	
Amenity lighting	46
Carpark upgrades	16
Cemeteries	21
Community centres	21
Disability access improvements and toilets	197
Libraries	26
Lindvart Park Pavillion upgrade	385
Mangonui boardwalk safety rail	153
Maritime facilities	596
Sportsgrounds	2,001
Renewals	
Airport	21
Amenity lighting	35
Carparks	136
Cemeteries	73
Civil Defence	20
Community centres	202
Halls	352
Housing for the Elderly	417
Information centres	185
Libraries	979
Maritime facilities	280
Parks and reserves	1,250
Public toilets	240
District Facilities Total	7,651

Governance and Strategic Administration

Activity	\$000
New	
Procter library air conditioning	28
IT hardware	138
IT data warehouse and reporting services	100
Kaikohe Civic buildings and library extension and improvements	363
IT software	200
Renewals	
Facilities renewals and upgrades	10
IT hardware	558
Kaikohe Civic buildings and library renewals and upgrades	25
Office equipment	356
Pool vehicles	286
IT software	2,400
Governance and Strategic Administration Total	4,464

CAPITAL PROJECTS TOTAL**68,689**

Council Activities

This section outlines Council's activities and how they are funded. To see the full detail of our activities, including performance targets, please refer to our 2015-25 Long Term Plan



Roading and Footpaths

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Revenue			
11,840	Rates - general	14,212	10,632
5,116	Rates - targeted	5,088	5,448
461	Rates - penalties	461	461
735	Fees, fines and charges	797	689
6,948	Subsidies operational	7,123	7,624
12,419	Subsidies capital	13,937	15,737
-	- Other contributions	-	-
627	Other income	754	602
38,144	Total comprehensive revenue	42,372	41,194
Direct costs			
15,829	Direct costs	16,766	14,983
968	Interest	1,405	887
17,217	Depreciation	17,858	17,709
34,014	Total direct operating expenditure	36,030	33,578
1,157	Indirect costs	1,108	1,198
1,157	Total indirect costs	1,108	1,198
35,171	Total operating expenditure	37,138	34,777
2,973	Net surplus/(deficit)	5,234	6,417

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Capital statement			
2,973	Net surplus/(deficit)	5,234	6,417
-	- Loan	-	-
18,609	Appropriations from reserves	17,157	20,848
3,157	Notional loans raised	3,746	3,661
(960)	Appropriation to reserves	(960)	(1,654)
23,778	Total funding	25,176	29,273
Capital expenditure			
22,492	Capital projects	23,552	27,846
1,286	Debt repayment	1,624	1,427
23,778	Total capital expenditure	25,176	29,273
-	Net surplus/(deficit)	-	-

Prospective funding impact statement for Roading and Footpaths

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
12,300	General rates, uniform annual general charges, rates penalties	14,673	11,093
5,116	Targeted rates	5,088	5,448
6,948	Subsidies and grants for operating purposes	7,123	7,624
735	Fees, charges, and targeted rates for water supply	797	689
27	Internal charges and overheads recovered	158	2
600	Local authority fuel tax, fines, infringement fees, and other receipts	596	600
25,725	Total operating funding	28,434	25,456
Applications of operating funding			
15,665	Payments to staff and suppliers	17,628	16,141
968	Finance costs	1,405	887
1,322	Internal charges and overheads applied	247	41
-	- Other operating funding applications	-	-
17,955	Total applications of operating funds	19,280	17,068
7,770	Surplus (deficit) of operating funding	9,155	8,388
Sources of capital funding			
12,419	Subsidies and grants for capital expenditure	13,937	15,737
-	- Development, financial and other contributions	-	-
1,871	Increase (decrease) in debt	2,122	2,234
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
14,290	Total sources of capital funding	16,059	17,971
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
5,809	- to improve the level of service	9,238	7,216
16,683	- to replace existing assets	14,315	20,630
(432)	Increase (decrease) in reserves	1,661	(1,486)
-	- Increase (decrease) in investments	-	-
22,060	Total applications of capital funding	25,214	26,360
(7,770)	Surplus (deficit) of capital funding	(9,155)	(8,388)
-	Funding balance	-	-

Water Supply

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
2,064	Rates - Targeted	3,050	2,663
225	Rates - Penalties	225	225
6,234	Fees, Fines and Charges	6,254	6,224
	- Subsidies Capital	320	-
	- Other Income	-	-
8,523	Total comprehensive revenue	9,849	9,112
	Direct costs		
4,427	Direct costs	4,874	5,448
547	Interest	886	503
2,269	Depreciation	2,578	2,384
7,242	Total direct operating expenditure	8,338	8,335
	Indirect costs		
995	Indirect costs	868	453
995	Total indirect costs	868	453
8,238	Total operating expenditure	9,205	8,788
285	Net surplus/(deficit)	644	324

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
285	Net surplus/(deficit)	644	324
	- Loan	-	-
1,973	Appropriations from reserves	2,256	2,223
2,737	Notional loans raised	596	2,699
(570)	Appropriation to reserves	(648)	(648)
4,424	Total funding	2,848	4,598
	Capital expenditure		
3,487	Capital projects	1,711	3,553
937	Debt repayment	1,138	1,045
4,424	Total capital expenditure	2,848	4,598
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Water Supply

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
225	General rates, uniform annual general charges, rates penalties	225	225
2,064	Targeted rates	3,050	2,663
	- Subsidies and grants for operating purposes	-	-
6,234	Fees and charges	6,254	6,224
	- Internal charges and overheads recovered	-	-
	- Local authority fuel tax, fines, infringement fees, and other receipts	-	-
8,523	Total operating funding	9,529	9,112
Applications of operating funding			
4,090	Payments to staff and suppliers	4,265	4,796
547	Finance costs	886	503
1,332	Internal charges and overheads applied	1,476	1,104
	- Other operating funding applications	-	-
5,969	Total applications of operating funds	6,627	6,404
2,554	Surplus (deficit) of operating funding	2,902	2,708
Sources of capital funding			
	- Subsidies and grants for capital expenditure	320	-
	- Development, financial and other contributions	-	-
1,800	Increase (decrease) in debt	(541)	1,654
	- Gross proceeds from sale of assets	-	-
	- Lump sum contributions	-	-
1,800	Total sources of capital funding	(221)	1,654
Applications of capital funding			
Capital expenditure			
	- to meet additional demand	-	-
2,356	- to improve the level of service	683	2,201
1,131	- to replace existing assets	1,028	1,352
866	Increase (decrease) in reserves	970	809
	- Increase (decrease) in investments	-	-
4,354	Total applications of capital funding	2,681	4,362
(2,554)	Surplus (deficit) of capital funding	(2,902)	(2,708)
	- Funding balance	-	-

Wastewater

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
488	Rates - general	493	-
10,558	Rates - targeted	12,265	11,578
320	Rates - penalties	320	320
167	Fees, fines and charges	169	135
	- Subsidies capital	-	7,294
	- Other contributions	-	-
	- Other income	-	-
11,534	Total comprehensive revenue	13,248	19,328
	Direct costs		
7,077	Direct costs	7,030	5,930
1,331	Interest	2,173	1,150
3,804	Depreciation	4,263	3,965
12,212	Total direct operating expenditure	13,466	11,045
806	Indirect costs	760	698
806	Total indirect costs	760	698
13,019	Total operating expenditure	14,226	11,743
(1,485)	Net surplus/(deficit)	(978)	7,585

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
(1,485)	Net surplus/(deficit)	(978)	7,585
1,887	Loan	1,444	41
2,349	Appropriations from reserves	7,568	4,991
12,313	Notional loans raised	11,010	14,069
1,406	Appropriation to reserves	794	(474)
16,470	Total funding	19,838	26,211
	Capital expenditure		
14,141	Capital projects	17,026	23,880
2,328	Debt repayment	2,812	2,330
16,470	Total capital expenditure	19,838	26,211
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Wastewater

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
809	General rates, uniform annual general charges, rates penalties	814	320
10,558	Targeted rates	12,265	11,578
	- Subsidies and grants for operating purposes	-	-
167	Fees, charges, and targeted rates for water supply	169	135
	- Internal charges and overheads recovered	-	-
	- Local authority fuel tax, fines, infringement fees, and other receipts	-	-
11,534	Total operating funding	13,248	12,033
Applications of operating funding			
6,837	Payments to staff and suppliers	6,526	5,514
1,331	Finance costs	2,173	1,150
1,046	Internal charges and overheads applied	1,264	1,114
	- Other operating funding applications	-	-
9,214	Total applications of operating funds	9,963	7,778
2,319	Surplus (deficit) of operating funding	3,284	4,255
Sources of capital funding			
	- Subsidies and grants for capital expenditure	-	7,294
	- Development, financial and other contributions	-	-
11,872	Increase (decrease) in debt	9,643	11,779
	- Gross proceeds from sale of assets	-	-
	- Lump sum contributions	-	-
11,872	Total sources of capital funding	9,643	19,074
Applications of capital funding			
Capital expenditure			
	- to meet additional demand	-	-
13,197	- to improve the level of service	15,976	20,705
945	- to replace existing assets	1,051	3,175
50	Increase (decrease) in reserves	(4,099)	(551)
	- Increase (decrease) in investments	-	-
14,191	Total applications of capital funding	12,927	23,329
(2,319)	Surplus (deficit) of capital funding	(3,284)	(4,255)
	- Funding balance	-	-

Stormwater

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
1,834	Rates - general	2,186	2,676
1,140	Rates - targeted	658	656
63	Rates - penalties	63	63
	- Other contributions	-	-
3,037	Total comprehensive revenue	2,907	3,395
	Direct costs		
1,312	Direct costs	1,232	1,761
170	Interest	209	177
773	Depreciation	723	748
2,254	Total direct operating expenditure	2,164	2,686
	Indirect costs		
237	Indirect costs	211	204
237	Total indirect costs	211	204
2,492	Total operating expenditure	2,375	2,890
545	Net surplus/(deficit)	532	505

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
545	Net surplus/(deficit)	532	505
	- Loan	-	-
635	Appropriations from reserves	373	529
927	Notional loans raised	263	396
(545)	Appropriation to reserves	(545)	(656)
1,562	Total funding	623	774
	Capital expenditure		
1,287	Capital projects	267	450
275	Debt repayment	356	324
1,562	Total capital expenditure	623	774
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Stormwater

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
1,897	General rates, uniform annual general charges, rates penalties	2,249	2,739
1,140	Targeted rates	658	656
	- Subsidies and grants for operating purposes	-	-
	- Fees, charges, and targeted rates for water supply	-	-
	- Internal charges and overheads recovered	-	-
	- Local authority fuel tax, fines, infringement fees, and other receipts	-	-
3,037	Total operating funding	2,907	3,395
Applications of operating funding			
1,143	Payments to staff and suppliers	894	1,285
170	Finance costs	209	177
407	Internal charges and overheads applied	549	681
	- Other operating funding applications	-	-
1,719	Total applications of operating funds	1,652	2,142
1,318	Surplus (deficit) of operating funding	1,255	1,253
Sources of capital funding			
	- Subsidies and grants for capital expenditure	-	-
	- Development, financial and other contributions	-	-
652	Increase (decrease) in debt	(93)	72
	- Gross proceeds from sale of assets	-	-
	- Lump sum contributions	-	-
652	Total sources of capital funding	(93)	72
Applications of capital funding			
Capital expenditure			
	- to meet additional demand	-	-
856	- to improve the level of service	263	366
431	- to replace existing assets	4	84
682	Increase (decrease) in reserves	895	875
	- Increase (decrease) in investments	-	-
1,970	Total applications of capital funding	1,162	1,324
(1,318)	Surplus (deficit) of capital funding	(1,255)	(1,253)
	- Funding balance	-	-

Waste Management

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
3,561	Rates - general	4,457	3,570
118	Rates - penalties	118	118
931	Fees, fines and charges	727	1,395
210	Other income	175	235
4,820	Total comprehensive revenue	5,477	5,318
	Direct costs		
3,858	Direct costs	4,658	4,304
156	Interest	162	123
456	Depreciation	333	487
4,470	Total direct operating expenditure	5,153	4,914
	Indirect costs		
350	Indirect costs	324	404
350	Total indirect costs	324	404
4,820	Total operating expenditure	5,477	5,318
	- Net surplus/(deficit)	-	-

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
	- Net surplus/(deficit)	-	-
	- Loan	-	-
333	Appropriations from reserves	427	350
17	Notional loans raised	100	47
	- Appropriation to reserves	-	-
351	Total funding	527	397
	Capital expenditure		
31	Capital projects	207	73
319	Debt repayment	320	323
351	Total capital expenditure	527	397
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Waste Management

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
3,679	General rates, uniform annual general charges, rates penalties	4,575	3,688
-	- Targeted rates	-	-
-	- Subsidies and grants for operating purposes	-	-
926	Fees, charges, and targeted rates for water supply	722	1,390
15	Internal charges and overheads recovered	-	10
200	Local authority fuel tax, fines, infringement fees, and other receipts	180	230
4,820	Total operating funding	5,477	5,318
Applications of operating funding			
3,749	Payments to staff and suppliers	4,383	3,961
156	Finance costs	162	123
460	Internal charges and overheads applied	599	747
-	- Other operating funding applications	-	-
4,364	Total applications of operating funds	5,144	4,831
456	Surplus (deficit) of operating funding	333	487
Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-
-	- Development, financial and other contributions	-	-
(302)	Increase (decrease) in debt	(220)	(276)
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
(302)	Total sources of capital funding	(220)	(276)
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
17	- to improve the level of service	5	47
14	- to replace existing assets	201	26
122	Increase (decrease) in reserves	(94)	137
-	- Increase (decrease) in investments	-	-
154	Total applications of capital funding	113	211
(456)	Surplus (deficit) of capital funding	(333)	(487)
-	Funding balance	-	-

Environmental Management

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
6,472	Rates - general	6,197	7,532
141	Rates - penalties	141	141
3,978	Fees, fines and charges	4,040	4,742
	- Subsidies operational	26	-
8	Other income	11	8
10,599	Total comprehensive revenue	10,416	12,423
	Direct costs		
9,302	Direct costs	9,276	10,690
19	Interest	20	16
179	Depreciation	211	317
9,500	Total direct operating expenditure	9,508	11,024
1,099	Indirect costs	908	1,399
1,099	Total indirect costs	908	1,399
10,599	Total operating expenditure	10,416	12,423
	- Net surplus/(deficit)	-	-

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
	- Net surplus/(deficit)	-	-
	- Loan	-	-
28	Appropriations from reserves	22	106
	- Notional loans raised	-	700
	- Appropriation to reserves	-	-
28	Total funding	22	806
	Capital expenditure		
6	Capital projects	-	772
22	Debt repayment	22	34
28	Total capital expenditure	22	806
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Environmental Management

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
6,613	General rates, uniform annual general charges, rates penalties	6,338	7,673
-	- Targeted rates	-	-
-	- Subsidies and grants for operating purposes	26	-
3,911	Fees, charges, and targeted rates for water supply	3,948	4,675
8	Internal charges and overheads recovered	11	8
67	Local authority fuel tax, fines, infringement fees, and other receipts	92	67
10,599	Total operating funding	10,416	12,423
Applications of operating funding			
7,697	Payments to staff and suppliers	7,713	8,508
19	Finance costs	20	16
2,704	Internal charges and overheads applied	2,470	3,582
-	- Other operating funding applications	-	-
10,420	Total applications of operating funds	10,204	12,106
179	Surplus (deficit) of operating funding	211	317
Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-
-	- Development, financial and other contributions	-	-
(22)	Increase (decrease) in debt	(22)	666
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
(22)	Total sources of capital funding	(22)	666
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
-	- to improve the level of service	-	700
6	- to replace existing assets	-	72
151	Increase (decrease) in reserves	189	211
-	- Increase (decrease) in investments	-	-
157	Total applications of capital funding	190	983
(179)	Surplus (deficit) of capital funding	(211)	(317)
-	Funding balance	-	-

District Facilities

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Revenue			
12,143	Rates - general	11,920	13,750
10,520	Rates - targeted	9,958	10,467
480	Rates - penalties	480	477
1,963	Fees, fines and charges	2,087	1,655
	- Subsidies operational	26	-
	- Subsidies capital	-	-
545	Other contributions	5,025	5,025
17	Other income	3	6
25,666	Total comprehensive revenue	29,499	31,379
Direct costs			
15,311	Direct costs	15,820	15,959
627	Interest	919	620
4,997	Depreciation	4,096	4,914
20,935	Total direct operating expenditure	20,835	21,493
3,312	Indirect costs	2,763	3,856
3,312	Total indirect costs	2,763	3,856
24,246	Total operating expenditure	23,598	25,349
1,420	Net surplus/(deficit)	5,901	6,031

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Capital statement			
1,420	Net surplus/(deficit)	5,901	6,031
	- Loan	-	-
5,414	Appropriation from reserves	13,519	6,168
4,099	Notional loans raised	4,233	3,462
(2,295)	Appropriation to reserves	(6,777)	(7,036)
8,638	Total funding	16,876	8,624
Capital expenditure			
7,781	Capital projects	15,851	7,651
857	Debt repayment	1,025	973
8,638	Total capital expenditure	16,876	8,624
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for District Facilities

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
12,622	General rates, uniform annual general charges, rates penalties	12,399	14,226
10,520	Targeted rates	9,958	10,467
	- Subsidies and grants for operating purposes	14	-
1,937	Fees, charges, and targeted rates for water supply	2,060	1,630
17	Internal charges and overheads recovered	16	6
26	Local authority fuel tax, fines, infringement fees, and other receipts	26	25
25,121	Total operating funding	24,474	26,354
Applications of operating funding			
13,856	Payments to staff and suppliers	13,808	13,643
627	Finance costs	919	620
4,767	Internal charges and overheads applied	4,775	6,172
	- Other operating funding applications	-	-
19,250	Total applications of operating funds	19,502	20,434
5,872	Surplus (deficit) of operating funding	4,972	5,920
Sources of capital funding			
	- Subsidies and grants for capital expenditure	-	-
545	Development, financial and other contributions	5,025	5,025
3,242	Increase (decrease) in debt	3,207	2,489
	- Gross proceeds from sale of assets	-	-
	- Lump sum contributions	-	-
3,786	Total sources of capital funding	8,233	7,514
Applications of capital funding			
Capital expenditure			
	- - to meet additional demand	-	-
4,099	- to improve the level of service	9,485	3,462
3,682	- to replace existing assets	6,366	4,189
1,878	Increase (decrease) in reserves	(2,646)	5,783
	- Increase (decrease) in investments	-	-
9,658	Total applications of capital funding	13,205	13,434
(5,872)	Surplus (deficit) of capital funding	(4,972)	(5,920)
	- Funding balance	-	-

Governance and Strategic Administration

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
4,775	Rates - general	7,685	4,536
189	Rates - penalties	189	189
99	Fees, fines and charges	90	125
	- Other contributions	-	-
493	Other income	246	509
5,555	Total comprehensive revenue	8,210	5,359
	Direct costs		
3,741	Direct costs	5,546	3,527
520	Interest	600	(186)
4,261	Total direct operating expenditure	6,146	3,341
	Indirect costs		
803	Indirect costs	604	512
803	Total indirect costs	604	512
5,064	Total operating expenditure	6,750	3,852
491	Net surplus/(deficit)	1,460	1,507

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
491	Net surplus/(deficit)	1,460	1,507
	- Loan	-	-
2,448	Appropriation from reserves	5,643	3,986
553	Notional loans raised	53	829
(491)	Appropriation to reserves	(1,460)	(1,507)
3,001	Total funding	5,696	4,815
	Capital expenditure		
2,656	Capital projects	5,367	4,464
345	Debt repayment	328	351
3,001	Total capital expenditure	5,696	4,815
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Governance and Strategic Administration

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
7,061	General rates, uniform annual general charges, rates penalties	7,874	6,890
-	- Targeted rates	-	-
337	Subsidies and grants for operating purposes	79	-
735	Fees, charges, and targeted rates for water supply	648	934
108	Internal charges and overheads recovered	14	24
463	Local authority fuel tax, fines, infringement fees, and other receipts	309	563
8,704	Total operating funding	8,925	8,411
Applications of operating funding			
19,290	Payments to staff and suppliers	17,748	19,207
786	Finance costs	867	37
(13,290)	Internal charges and overheads applied	(12,761)	(14,639)
-	- Other operating funding applications	-	-
6,787	Total applications of operating funds	5,854	4,605
1,917	Surplus (deficit) of operating funding	3,071	3,806
Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-
-	- Development, financial and other contributions	-	-
208	Increase (decrease) in debt	(276)	478
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
208	Total sources of capital funding	(276)	478
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
553	- to improve the level of service	53	829
2,102	- to replace existing assets	5,315	3,635
(530)	Increase (decrease) in reserves	(2,572)	(180)
-	- Increase (decrease) in investments	-	-
2,125	Total applications of capital funding	2,795	4,284
(1,917)	Surplus (deficit) of capital funding	(3,071)	(3,806)
-	Funding balance	-	-

Strategic Planning and Policy

Prospective statement of financial performance

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Revenue		
5,894	Rates - general	6,512	5,659
88	Rates - penalties	88	89
	- Other income	-	-
5,982	Total comprehensive revenue	6,599	5,748
	Direct costs		
5,528	Direct costs	6,090	5,147
27	Interest	13	18
11	Depreciation	18	46
5,567	Total direct operating expenditure	6,122	5,211
415	Indirect costs	478	536
415	Total indirect costs	478	536
5,982	Total operating expenditure	6,599	5,748
	- Net surplus/(deficit)	-	-

Statement of source and application for funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	Capital statement		
	- Net surplus/(deficit)	-	-
	- Loan	-	-
34	Appropriation from reserves	20	30
	- Notional loans raised	-	-
	- Appropriation to reserves	-	-
34	Total funding	20	30
	Capital expenditure		
	- Capital projects	-	-
34	Debt repayment	20	30
34	Total capital expenditure	20	30
	- Net surplus/(deficit)	-	-

Prospective funding impact statement for Strategic Planning and Policy

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
5,982	General rates, uniform annual general charges, rates penalties	6,599	5,748
-	- Targeted rates	-	-
-	- Subsidies and grants for operating purposes	-	-
-	- Fees, charges, and targeted rates for water supply	-	-
-	- Internal charges and overheads recovered	-	-
-	- Local authority fuel tax, fines, infringement fees, and other receipts	-	-
5,982	Total operating funding	6,599	5,748
Applications of operating funding			
4,691	Payments to staff and suppliers	5,187	4,484
27	Finance costs	13	18
1,252	Internal charges and overheads applied	1,381	1,199
-	- Other operating funding applications	-	-
5,971	Total applications of operating funds	6,581	5,702
11	Surplus (deficit) of operating funding	18	46
Sources of capital funding			
-	- Subsidies and grants for capital expenditure	-	-
-	- Development, financial and other contributions	-	-
(34)	Increase (decrease) in debt	(20)	(30)
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
(34)	Total sources of capital funding	(20)	(30)
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
-	- to improve the level of service	-	-
-	- to replace existing assets	-	-
(23)	Increase (decrease) in reserves	(2)	16
-	- Increase (decrease) in investments	-	-
(23)	Total applications of capital funding	(2)	16
(11)	Surplus (deficit) of capital funding	(18)	(46)
-	Funding balance	-	-

Far North Holdings Limited

Activity performance indicators

The performance measures and targets are set as part of FNHL Statement of Intent (SOI). The SOI is developed by Far North Holdings Limited in accordance with section 64(1) of the Local Government Act 2002. It represents the objectives, nature and scope of activities and performance targets by which FNHL will be measured. It covers the period from 1st July 2017 to 30 June 2020.

Financial performance objectives

Performance objective Engage in successful commercial transactions

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Growth in Shareholder value	Shareholders' funds increase by \$0.956m, after payment of dividend	Shareholders' funds increase by \$1.0m, after payment of the dividend	Shareholders' funds increase by \$1.12m, after payment of the dividend

Performance objective Provide a commercial return to FNDC

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Dividend return to FNDC	Dividend of \$758,000	Dividend of \$887,000	Dividend of \$1,000,000

Performance objective Effective financial management

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Annual operating profit to exceed \$500,000	\$1.516m	\$1.775m	\$2.01m

Performance objective To achieve a return on funds invested

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Return on Investment (ROI) is higher than the average cost of borrowing on its commercial assets	ROI 8.24% AV cost of borrowings 5.0%	ROI 8.90% AV cost of borrowings 5.0%	ROI 9.53% AV cost of borrowings 5.0%

Performance objective Asset growth and development

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Capital Expenditure	\$4.43m	\$3.65m	\$1.5m

Performance objective Effective governance and financial control

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Clean audit sign off each year from Audit NZ	To achieve	To achieve	To achieve
Annual Board Review with appointed Audit NZ representative	To be held	To be held	To be held
To remain within Banking covenants	To achieve	To achieve	To achieve
Quarterly audit review by BDO	To perform	To perform	To perform
Board Audit and Finance committee meetings to be conducted semi-annually	To be held	To be held	To be held

Council Controlled Organisation initiatives**Ensure that the Bay of Islands airport operates within regulatory requirements**

Measure	Target 2017/18	Target 2018/19	Target 2019/20
CAA Certification	To achieve	To achieve	To achieve

Non-financial performance objectives**Performance objective****Enhancing the Far North as a visitors destination**

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Each year complete at least one customer and airline industry survey that demonstrates satisfaction levels with facilities and services at either Kerikeri or Kaitaia airports	80%	85%	85%

Performance objective**Enhancing and developing a maritime economy**

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Each year complete at least one marina user or maritime services customer satisfaction survey that demonstrates satisfaction levels with facilities and services available	92%	94%	95%

Performance objective**Enhancing the Far North as a destination**

Measure	Target 2017/18	Target 2018/19	Target 2019/20
Complete bi-annual customer satisfaction surveys with cruise ship industry that demonstrates satisfaction levels with Far North Holdings as security authority and provider of disembarking infrastructure	85% or higher satisfaction	Only every second year	85% or higher satisfaction

Performance objective**Position rating of cruise ship destinations within New Zealand**

Measure	Target 2017/18	Target 2018/19	Target 2019/20
As per relevant measures and information from Cruise NZ	Maintain position in top 3	Maintain position in top 3	Maintain position in top 3

Financial Statements

*For a full set of our accounting
policies please refer to the 2015-25
Long Term Plan available on our
website: www.fndc.govt.nz*



Annual Plan disclosure statement for year ended 30 June 2018

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Target	Planned	Met
Rates affordability benchmarks			
Income	Rates will not exceed 90% of income	83.27%	Yes
Increase	Increase will not exceed LGCI +3.5% which equals 6.03% for this year	3.51%	Yes
Debt affordability benchmarks			
Balanced budget benchmark	Debt to not exceed 175% of revenue excluding capital income	54.1%	Yes
Essential services benchmark	100%	120.17%	Yes
Debt servicing benchmark	100%	224.67%	Yes
	10%	2.58%	Yes

Notes:

Rates affordability benchmarks

- For this benchmark —
 - Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in Council's 2015-25 LTP. This is that rate income must not exceed 90% of revenue; and
 - Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in Council's 2015-25 LTP. This is that the increase will not be more than LGCI plus 3.5%.
- Council meets the rates affordability benchmark if —
 - its planned rates income for the year equals or is less than each quantified limit on rates; and
 - its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

- For this benchmark, Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in Council's 2015-25 LTP. This is that debt will not be greater than 175% of revenue excluding capital revenue
- Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Balanced budget benchmark

- For this benchmark, Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment)
- Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

- For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services
- Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

- For this benchmark, Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment)
- Because Statistics New Zealand projects that Council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.

Forecast financial statements

Prospective statement of comprehensive revenue and expense for the year ended 30 June 2018

AP 2016/17 \$000s		LTP 2017/18 \$000s	AP 2017/18 \$000s
Revenue			
47,006	Rates - general	53,661	48,355
2,064	Rates - targeted water	3,050	2,663
27,333	Rates - targeted excluding water	27,968	28,150
2,084	Rates - penalties	2,085	2,082
14,105	Fees, fines and charges	14,164	14,964
6,948	Subsidies operational	7,175	7,624
12,419	Subsidies capital	14,257	23,032
545	Other contributions	5,025	5,025
1,355	Other income	1,190	1,360
113,859	Total comprehensive revenue	128,576	133,255
Expenses			
24,268	Personnel costs	21,786	25,185
29,704	Depreciation & amortisation costs	30,156	30,569
4,365	Finance costs	8,379	3,308
51,292	Other expenses	55,462	51,824
109,630	Total operating expenses	115,783	110,887
4,229	Net operating surplus/(deficit)	12,793	22,369
Surplus/(deficit) attributable to:			
4,229	Far North District Council	12,793	22,369
Items that will not be reclassified to surplus			
43,728	Gain/(loss) on asset revaluations	44,650	34,231
43,728	Total other comprehensive revenue & expense	44,650	34,231
47,957	Total comprehensive revenue & expense	57,443	56,600
Expenditure by activity			
24,246	District Facilities	23,598	25,349
10,599	Environmental Management	10,416	12,423
5,064	Governance & Strategic Administration	6,750	3,852
35,171	Roading and Footpaths	37,138	34,777
2,492	Stormwater	2,375	2,890
5,982	Strategic Planning & Policy	6,599	5,748
4,820	Waste Management	5,477	5,318
13,019	Wastewater	14,226	11,743
8,238	Water Supply	9,205	8,788
109,630	Total operating expenditure	115,783	110,887

Prospective statement of source and application of funds

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Capital statement			
4,229	Net surplus/(deficit)	12,793	22,369
1,887	Loan	1,444	41
31,822	Other funding	46,848	39,229
23,803	Notional loans raised	20,000	25,864
(3,455)	Appropriation to reserves	(9,460)	(11,975)
58,286	Total funding	71,626	75,527
Capital expenditure			
51,882	Capital projects	63,981	68,689
6,404	Debt repayment	7,645	6,838
58,286	Total capital expenditure	71,627	75,527
	- Net surplus/(deficit)	-	-

Depreciation in the statement of financial performance differs from the depreciation shown in the funding impact statement reconciliation as depreciation on corporate activities is allocated to the activities and forms part of the direct and indirect costs.

Prospective statement of changes in equity for the year ended 30 June 2018

AP 2016/17 \$000	Revised 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
1,645,964	1,627,891	Opening balance	1,725,834	1,655,580
47,957	27,690	Total comprehensive income & expense	57,443	56,600
1,693,921	1,655,580	Closing balance	1,783,277	1,712,179

Prospective statement of financial position as at 30 June 2018

AP 2016/17 \$000	Revised 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
PUBLIC EQUITY				
384,825	350,327	Other reserves	437,613	384,323
2,504	1,967	Restricted reserves	3,896	2,202
1,306,592	1,303,286	Retained earnings	1,341,768	1,325,654
1,693,921	1,655,580	Total public equity	1,783,277	1,712,179
ASSETS				
Current assets				
9,284	18,370	Cash & cash equivalents	5,833	28,885
33,880	29,709	Trade & other receivables	35,724	30,274
2,079	-	Other financial assets	4,480	-
93	65	Inventories	67	65
45,335	48,144	Total current assets	46,104	59,223
Non-current assets				
263	605	Other financial assets	256	605
558	739	Forestry	502	747
12,426	10,925	Intangible assets	13,157	10,645
12,000	12,000	Investments in subsidiaries	12,000	12,000
-	-	Derivative financial instruments	1,175	-
1,743,338	1,698,316	Property, plant & equipment	1,859,952	1,763,736
1,768,585	1,722,585	Total non-current assets	1,887,042	1,787,733
1,813,920	1,770,729	Total assets	1,933,146	1,846,956
LIABILITIES				
Current liabilities				
21,188	23,697	Trade & other payables	21,866	24,147
28,000	10,000	Borrowings	10,000	10,000
46	46	Provisions	20	116
-	1,329	Financial guarantee liabilities	-	1,225
-	-	Derivative financial instruments	63	-
1,977	2,546	Employee benefits	1,907	2,595
51,210	37,618	Total current liabilities	33,856	38,082
Non-current liabilities				
67,510	71,425	Borrowings	115,204	90,491
-	-	Trade & other payables	-	-
461	1,346	Derivative financial instruments	25	1,346
-	-	Employee benefits	-	-
820	4,760	Provisions	781	4,857
68,791	77,531	Total non-current liabilities	116,010	96,694
120,001	115,149	Total liabilities	149,866	134,776
1,693,921	1,655,580	Total assets less total liabilities	1,783,277	1,712,179

Prospective statement of cash flows for the year ended 30 June 2018

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
	OPERATING ACTIVITIES		
	Cash was provided from:		
86,151	Rates	92,303	88,915
29,173	Other income	35,368	43,276
-	- Interest and dividends	-	500
	Cash was applied to:		
73,640	Supply of goods, services & employees	73,397	65,350
4,631	Interest paid	6,654	3,531
62	Fringe benefit tax paid	63	35
36,991	Net cash inflows / (outflows) from operating activities	47,557	63,775
	FINANCING ACTIVITIES		
	Cash was provided from:		
29,927	Borrowing	21,445	22,269
	Cash was applied to:		
6,404	Borrowing	7,645	6,838
23,523	Net cash inflows / (outflows) from financing activities	13,800	15,431
	INVESTING ACTIVITIES		
	Cash was provided from:		
-	- Investments	-	-
	Cash was applied to:		
51,882	Purchase & development of property, plant & equipment	63,981	68,689
(51,882)	Net cash inflows / (outflows) from investing activities	(63,981)	(68,689)
8,632	Net increase / (decrease) in cash flows	(2,624)	10,516
652	Cash & cash equivalents opening balance 1 July 2017	8,822	18,370
9,284	Less cash & cash equivalents closing balance 30 June 2018	6,197	28,886
8,632	Cash movements for the year	(2,624)	10,516

Reserve balances report

	LTP 2017/18 \$000	AP 2017/18 \$000
Revaluation reserves		
Opening balance	389,429	349,021
Appropriations	44,650	33,996
Withdrawals	-	-
Closing balance	434,079	383,017
Fair value through equity reserve		
Opening balance	51	80
Appropriations	-	-
Withdrawals	-	-
Closing balance	51	80
Capital reserve		
Opening balance	2,697	2,697
Appropriations	-	-
Withdrawals	-	-
Closing balance	2,697	2,697
Cash flow hedge reserve		
Opening balance	785	(1,471)
Appropriations	-	-
Withdrawals	-	-
Closing balance	785	(1,471)
General separate fund		
Opening balance	646	(897)
Appropriations	-	437
Withdrawals	-	(151)
Closing balance	646	(611)
Special fund		
Opening balance	3,961	4,309
Appropriations	-	-
Withdrawals	-	-
Closing balance	3,961	4,309
Amenity development fund		
Opening balance	242	239
Appropriations	-	-
Withdrawals	-	-
Closing balance	242	239
Community Board reserve fund		
Opening balance	234	234
Appropriations	-	-
Withdrawals	-	-
Closing balance	234	234

	LTP 2017/18 \$000	AP 2017/18 \$000
Community services fund		
Opening balance	(1,187)	(1,969)
Appropriations	-	-
Withdrawals	-	-
Closing balance	(1,187)	(1,969)
Development contributions		
Opening balance	(17,895)	(17,695)
Appropriations	-	-
Withdrawals	-	-
Closing balance	(17,895)	(17,695)
Open spaces development contributions		
Opening balance	(3,861)	(3,838)
Appropriations	-	-
Withdrawals	-	-
Closing balance	(3,861)	(3,838)
Depreciation reserve		
Opening balance	41,149	58,838
Appropriations	31,691	32,868
Withdrawals	(41,149)	(36,405)
Closing balance	31,691	55,301
Retained earnings		
Opening balance	1,308,484	1,263,567
Retained earnings generated	21,845	27,694
Retained earnings generated OPEX	-	-
Withdrawals	-	-
Closing balance	1,330,329	1,291,261
Emergency event reserve		
Opening balance	802	406
Appropriations	542	-
Withdrawals	(136)	-
Closing balance	1,208	406
Mineral survey reserve		
Opening balance	50	50
Appropriations	-	-
Withdrawals	-	-
Closing balance	50	50
Property disposal reserve		
Opening balance	246	169
Appropriations	-	-
Withdrawals	-	-
Closing balance	246	169

Funding impact statement

The Funding Impact Statement (FIS) is one of the key elements of this Annual Plan. It sets out in a single statement the sources of operating and capital funding for everything that Council does and set out the basis of rating which Council has set for the term of this Plan.

The format of this statement is prescribed in the legislation. The intention is that it will provide a concise picture of what Council is spending money on and how those expenditures are funded.

Legislative requirements

The Local Government Act 2002 requires that Council include a FIS in each Annual Plan. This statement in the form required by regulation must include the following information:

- The sources of funding to be used by the local authority
- The amount of funds expected to be produced from each source
- How the funds are to be applied.

Revenue and Financing Mechanisms

In addition to rating income, Council has a number of other sources of revenue including:

- Fees and charges
- Subsidies
- Depreciation funds and other reserves
- Loans and borrowings
- Development and financial contributions in respect of contributions assessed in the years prior to the adoption of this plan.

Summary prospective funding impact statement

Whole of Council

AP 2016/17 \$000		LTP 2017/18 \$000	AP 2017/18 \$000
Sources of operational funding			
51,187	General rates, uniform annual general charges, rates penalties	55,746	52,603
29,397	Targeted rates	31,018	30,813
7,284	Subsidies and grants for operating purposes	7,242	7,624
14,645	Fees and charges	14,598	15,677
174	Internal charges and overheads recovered	199	50
1,356	Local authority fuel tax, fines, infringement fees, and other receipts	1,204	1,485
104,044	Total operating funding	110,008	108,250
Applications of operating funding			
77,017	Payments to staff and suppliers	78,152	77,540
4,631	Finance costs	6,654	3,531
-	- Internal charges and overheads applied	-	-
-	- Other operating funding applications	-	-
81,648	Total applications of operating funds	84,806	81,071
22,396	Surplus (deficit) of operating funding	25,202	27,180
Sources of capital funding			
12,419	Subsidies and grants for capital expenditure	14,257	23,032
545	Development, financial and other contributions	5,025	5,025
19,286	Increase (decrease) in debt	13,799	19,066
-	- Gross proceeds from sale of assets	-	-
-	- Lump sum contributions	-	-
32,249	Total sources of capital funding	33,082	47,124
Applications of capital funding			
Capital expenditure			
-	- to meet additional demand	-	-
26,887	- to improve the level of service	35,702	35,526
24,995	- to replace existing assets	28,279	33,163
2,764	Increase (decrease) in reserves	(5,697)	5,614
-	- Increase (decrease) in investments	-	-
54,645	Total applications of capital funding	58,284	74,303
(22,396)	Surplus (deficit) of capital funding	(25,202)	(27,180)
-	Funding balance	-	-

Rates for 2017/18

This portion of the Funding impact statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council has used to set the rates for the 2017/18 rating year. The second part outlines the rates for the 2017/18 rating year.

General rate

Council has set a general rate on the basis of land value to fund its general activities. This rate has been set on a differential basis as described below.

The general rate differentials are generally based on the land use as defined by Council's valuation service provider and included in the valuation information database. The proposed differentials are set out in the following table. (Refer Local Government (Rating) Act 2002, Sections 13(2)(b) & 14 & Schedule 2 Clause 1.)

General rate differential categories			
Differential	Basis	Description	Land use codes
General	100%	These are rating units which have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as general if the ratepayer demonstrates to Council's satisfaction that the actual use is not commercial)	00, 01, 02, 09, 10 to 17, 19 to 29, 90, 91, 92 & 97-99 (93 - 96 may also be treated as general if the actual use of the land is not commercial)
Commercial	275%	These are rating units which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a general land code use may be treated as commercial if the actual use of the entire rating unit is commercial in nature)	03, 04, 05, 06, 07, 08, 18, 30 to 89, 93, 94, 95, & 96
Mixed Use		Mixed use may apply where two different uses take place on the rating and where each use would be subject to a different differential. In these circumstances Council may decide to split the rating unit in to two divisions for rating purposes and apply the appropriate differential to each part. (Local Government (Rating) Act 2002 Section 27(5))	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. – For more information, refer to the section 'Exemptions to land use differentials'.

Uniform Annual General Charge (UAGC)

Council has set a UAGC on the basis of one charge assessed in respect of every separately used or inhabited part (SUIP) of a rating unit.

This rate has been set at a level designed to ensure that the total of the UAGC and certain targeted rates set on a uniform basis do not exceed the allowable maximum of 30%. The total of the UAGC and applicable uniform targeted rates proposed for 2017/18 is approx. 21.0%. (Refer Local Government (Rating) Act 2002, Section 15 and 21).

Targeted rates

Council has set the following targeted rates:

Roading rate

Council has set two targeted rates to fund a portion of the costs of its roading activities:

- A targeted rate on the basis of a fixed amount of \$100 assessed on every SUIP to fund part of the total costs of the activity (refer: Local Government (Rating) Act 2002 Sections 16 & 17 and Schedule 3 Clause 7)
- A targeted rate assessed on the basis of land value to fund 10% of the balance of the roading activity not funded by the uniform roading rate. The remaining 90% is funded from the general rate. This rate has been set on a differential basis according to land use as described below (refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 and 3 Clause 3).

The roading rate differentials are generally based on land use as defined by Council's valuation service provider and included in the valuation information database. The differential basis is designed to ensure that the specified share of the rate is generated by each of the differential categories. The roading rate differentials are:

Roading rate differential categories			
Differential	Basis	Description	Land use codes
Residential	29%	Rating units which have residential land uses or are used primarily for residential purposes	09, 90,91,92 & 97 - 99 (93 - 96 may also be treated as residential if the actual use is residential in nature)
Lifestyle	20%	Rating units which have lifestyle land uses	02 & 20 - 29
Commercial	7%	Rating units which have some form of commercial land use or are used primarily for commercial purposes	03 - 06, 08, 30 - 39, 40 - 49, 50-59, 60-69, 80-89, 93, 94 (95 & 96 may also be treated as residential if the actual use is commercial in nature)
Industrial	2%	Rating units which have some form of industrial land use or are used primarily for industrial purposes	07 & 70 - 79
Farming General	16%	Rating units which have some form of primary or farming land use or are used primarily for farming purposes other than land used for dairy or horticulture	01, 10, 12-14, 16, 19
Horticulture	1%	Rating units which have horticultural, market garden or other similar land uses	15
Dairy	7%	Rating units which have dairy land uses	11
Forestry	13%	Rating units which have forestry land uses but exclude land which is categorised under the Valuer General's Rules as Indigenous forests or Protected forests of any type	17
Mining/Quarry	4%	Rating units which have mining or quarry land uses	18
Other	1%	Rating units where the defined land use is inconsistent or cannot be determined	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. – For more details, refer to the section 'Exemptions to land use differentials'.

Ward rate

Council has set a targeted rate on the basis of a fixed amount assessed on every SUIP to fund urban, recreational and other local services and activities within the three wards of the District.

The ward rate has been set on a differential basis according to the ward in which the rating unit is located as described below. (Refer: Local Government (Rating) Act 2002 Section 16 & 17 & Schedules 2 Clauses 6 and 3 Clause 7).

Ward rate differential categories		
Differential	Basis	Description
Te Hiku Ward	29%	All rating units located within the Te Hiku Ward
Bay of Islands-Whangaroa Ward	47%	All rating units located within the Bay of Islands-Whangaroa Ward
Kaikohe-Hokianga Ward	24%	All rating units located within the Kaikohe-Hokianga Ward

Stormwater rate

Council has set a targeted rate to fund specific stormwater capital developments within urban communities across the District. This rate has been set as a fixed amount per rating assessed differentially within the following communities – Refer rating area maps – maps 8 to 35. (Refer: Local Government (Rating) Act 2002 Section 16 & 17 & Schedules 2 Clause 1 and 3 Clause 8).

Stormwater rating areas			
Ahipara	Haruru Falls	Kaikohe	Kawakawa
Awanui	Hihi	Kaimaumau	Karikari Communities
East Coast	Houhora / Pukenui	Kaitaia	Kerikeri / Waipapa
Kohukohu	Okaihau	Paihia / Te Haumi	Taupo Bay
Moerewa	Opononi / Omapere	Rawene	Tauranga Bay
Ngawha	Opuha / Okiato	Russell	Whangaroa / Kaeo

Stormwater rate differential categories

Differential	Basis	Description
General	100%	All rating units which are assessed the general rate – general differential
Commercial	200%	All rating units which are assessed the general rate – commercial differential

Kerikeri Mainstreet rate

Council has set a targeted rate on a differential basis on the basis of a fixed amount assessed on every SUIP to fund the Kerikeri Mainstreet project. The area to be rated includes rating rolls 00211, 00213, 00215, 00219, 00221, 00227 and 00229 except for that part of the roll to the south of the Waitangi River which is charged the Paihia Central Business development rate – Refer rating area map 3. (Refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 & 3 Clause 7).

Kerikeri Mainstreet rate differential categories

Differential	Basis	Description
General	100%	All rating units which are assessed the general rate – general differential
Commercial	300%	All rating units which are assessed the general rate – commercial differential

Paihia Central Business District development rate

Council has set a targeted rate on a differential basis on the basis of a fixed amount assessed on every SUIP to fund improvements to the Paihia Central Business area. The rated area includes rating rolls 00221, 00223, 00225, and 00227, but excludes any rating units in those rolls which are currently assessed the Kerikeri Mainstreet rate – Refer rating area map 4. (Refer: Local Government (Rating) Act 2002 Section 16 & Schedules 2 Clause 1 & 3 Clause 7).

Paihia Central Business District development rate differential categories

Differential	Basis	Description
General	100%	All rating units which are assessed the general rate – general differential
Commercial	300%	All rating units which are assessed the general rate – commercial differential

Kaitaia Business Improvement District rate

Council has set a targeted rate to support the Kaitaia Business Improvement District (KBID). Council has a memorandum of understanding with the Business Association for them to undertake agreed improvement works to be funded by the targeted rate. This rate has been set on the basis of land value assessed over all rating units which have been assessed the general rate – commercial differential within the defined rating area within the Kaitaia township. Refer rating area map 2. (Refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 3).

Tanekaha Lane improvement rates

Council has set two targeted rates to fund the sealing of Tanekaha Lane, Kerikeri within the defined rating area – Refer rating area map 1. These rates have been set as follows:

- A targeted rate on the basis of a uniform amount assessed on every SUIP within the rating area to fund 50% of the total costs of the activity (Refer: Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 7); and
- A targeted rate assessed on the basis of a rate per hectare of land within each rating unit to fund the balance of the activity costs (Refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 5).

The last year for the Tanekaha Lane rate will be the 2018 rating year, ending 30 June 2018.

Ross Street upgrade rate

In its consultation document and the 2015–2025 LTP, Council said that it was proposing to set a targeted rate to provide funding for an upgrade to Ross Street prior to the road being transferred to Council as a public road. It was originally indicated that this rate would commence in the 2016/17 rating year but because the transfer of the land has not been completed the rate has been deferred. It is now proposed that this rate will first be charged in the 2018/19 rating year.

Sewerage rate

Council has set a number of targeted rates to fund the provision and availability of sewerage services. These rates are designed to separately fund the capital¹ and operating costs associated with each sewerage scheme. Council's approach is that each scheme will pay its own capital costs through the use of separate targeted capital rates, whereas the combined operating costs are funded on the basis of a district-wide operating rate.

¹ The capital costs associated with sewerage are based on the interest and depreciation costs of each scheme.

Capital rates (set on a scheme by scheme basis)

- Differential rate:** Council has set a series of separate differential targeted rates for the capital costs associated with the provision of sewerage services to each of the District's 16 separate sewerage schemes. These rates have been set differentially on the basis of the provision or availability of service as set out below. (Refer: Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedules 2 Clause 5 & 3 Clauses 7 & 9).

Sewerage capital rate differential categories		
Differential	Basis	Description
Connected	100%	All SUIPS that are connected, either directly or indirectly, to any of the District's public reticulated wastewater disposal systems
Serviceable	100%	Any RATING UNIT that is capable of being connected to a public reticulated wastewater disposal system, but is not so connected ²

Note: Local Government (Rating) Act 2002 Section 18(3) allows Council to set each differential on a different basis. The connected differential is assessed on the basis of the SUIP whereas the serviceable differential is assessed on the basis of the rating unit.

- Additional pan rate:** In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a rating unit exceeds two per SUIP which has been assessed the connected differential rate, an additional targeted rate will be assessed in respect of every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP. (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clauses 7 & 12)³.

Operating rates (set on a district-wide basis)

- Operating rate:** Council has set a targeted rate to fund the operating costs associated with the provision of sewerage services. This rate has been set on the basis of a fixed amount on every SUIP that is connected, either directly or indirectly, to a public reticulated wastewater disposal system. (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7)
- Additional pan rate:** In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a rating unit exceeds two per SUIP which has been assessed the operating rate, Council has set an additional targeted rate to be assessed on every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP. (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clauses 7 & 12).

Notes:

- For the sake of clarity, SUIPS which are connected to any of the District's sewerage rating areas will be assessed for both the capital and operating rates
- Rating units that are outside of one of the defined sewerage schemes and that are neither connected to, nor capable of connection to a public reticulated sewerage system will not be liable for these rates.

Water rates

Council has set a number of targeted rates to fund the provision and availability of water supplies. These rates are designed to separately fund the capital and operating costs associated with each water supply scheme. Council's approach is that each scheme will pay its own capital costs through the use separate targeted capital rates, whereas the operating costs will be funded on the basis of a district-wide operating rate.

Capital Rates (Set on a scheme by scheme basis)

- Differential rate:** Council has set a series of separate differential targeted rates to fund the capital costs associated with the provision of water supplies to each of the District's eight separate water supply schemes. These rates have been set differentially on the basis of the provision or availability of service as set out below. (Refer: Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedules 2 Clause 5 & 3 Clauses 7 & 9).

Water capital rate differential categories		
Differential	Basis	Description
Connected	100%	All SUIPS that are connected, either directly or indirectly, to any of the Districts public reticulated water supply systems
Serviceable	100%	Any RATING UNIT that is capable of being connected to a public reticulated water supply system, but is not so connected ⁵

Note: Local Government (Rating) Act 2002 Section 18(3) allows Council to set each differential on a different basis. The connected differential is assessed on the basis of the SUIP whereas the serviceable differential is assessed on the basis of the rating unit.

² Capable of connection means that rating unit is not connected to a public reticulated sewage disposal system but is within 30 metres of the reticulation, within an area serviced by a sewerage scheme and Council will allow the rating unit to connect

³ In terms of the Local Government (Rating) Act 2002 a rating unit used primarily as a residence for one household will be treated as having only one pan

⁴ The capital costs associated with water supplies are based on the interest and depreciation costs of each scheme

⁵ Capable of connection means that rating unit is not connected to a public reticulated water supply system but is within 100 metres of the reticulation, an area serviced by a sewerage scheme and Council will allow the rating unit to connect.

Operating rates (set on a district-wide basis)

1. **Operating rate:** Council has set a targeted rate for a water supply based on the volume of water supplied. This rate will be assessed per cubic metre of water supplied as recorded by a water meter. Different rates have been set depending on whether the supply is potable or non-potable water (Local Government (Rating) Act 2002, Section 19).
2. **Non-metered rate:** Council has set a targeted rate for a water supply to every SUIP which is supplied with water other than through a water meter. This rate will be based on a flat amount equivalent to the supply of 250 cubic metres of water per annum. Different rates have been set depending on whether the supply is potable or non-potable water (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 8 & 9).

Notes:

- For the sake of clarity, SUIPS which are connected to any of the District's water supply schemes will be assessed both the capital and operating rates
- Rating units that are outside of one of the defined water supply schemes and that are neither connected to, nor capable of connection to a public reticulated water supply system, will not be liable for these rates.

Land drainage rates

There are four land drainage rating areas in the Far North District all located of which in the northern part of the Te Hiku Ward.

Kaitaia drainage area

Council has set a targeted rate to fund land drainage in the Kaitaia drainage area to be assessed on the basis of a uniform rate per hectare of land area within each rating unit located within the drainage rating area. Refer rating area map 6 for details of the rating area (Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 5).

Kaikino drainage area

Council has set a targeted rate to fund land drainage in the Kaikino drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area map 7 for details of the rating area.

This rate will be assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Motutangi drainage area

Council has set a targeted rate to fund land drainage in the Motutangi drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area map 7 for details of the rating area.

This rate will be assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Waiharara drainage area

Council has set a targeted rate to fund land drainage in the Waiharara drainage area. This rate will be assessed differentially according to location as defined on the valuation record for each rating unit – refer rating area map 7 for details of the rating area

This rate will be assessed as a rate per hectare of land within each rating unit according to the differentials described below (Local Government (Rating) Act 2002 Section 16 & Schedule 3 Clause 5).

Drainage rate differential categories

Differential	Basis	Description
Differential area A	100%	All rating units or parts of rating units located within the defined differential rating area A
Differential area B	50%	All rating units or parts of rating units located within the defined differential rating area B
Differential area C	17%	All rating units or parts of rating units located within the defined differential rating area C

BOI Recreation Centre rate

Council has set a targeted rate to provide funding for an operational grant to support the BOI Recreation Centre. This rate will be assessed on the basis of a fixed amount on every SUIP within the area contained within rating rolls 400 to 499 – refer rating area map 5 for details of the rating area (refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7).

Lump sum contributions

Council is not seeking any lump sum contributions in respect of any targeted rates. (Local Government Act 2002 Schedule 10 Clause 20(4)(e)).

Exemptions to land use differentials

Notwithstanding the above, Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code.

Council also reserves the right to apply a different differential to any SUIP if it can be demonstrated, to its satisfaction, that the actual use of that part differs from that described by the current land use code for the entire rating unit.

For Council to be able to apply two or more differentials to a single rating unit the area of the land that is used for each purpose must be capable of clear definition and separate valuation.

In some instances there may be two or more different uses taking place on the rating unit but it is not possible or practical to define the areas separately. In those instances, the differential category will be based on the 'highest and best use' applied by Council's valuation service provider and the rates have been set accordingly.

Where the area of the land used for the different purpose is only minimal or cannot be separately defined, Council reserves the right not to assess that part using a different differential.

In every instance where Council proposes to change the differential on a rating unit from one category to another category it will consult with the owner concerned and give them the opportunity to lodge an objection to that proposal.

Where any rating unit or separately used or inhabited part of a rating unit would normally be subject to a commercial differential but complies with one or more of the exceptions set out below, that rating unit will be subject to the general rate general differential.

Where the rating unit or part thereof is in receipt of a remission of rates pursuant to a policy adopted by Council and is not used for private pecuniary profit and is not subject to a licence for the sale of liquor.

Where the rating unit is used solely for the purposes of providing private rental accommodation. This exclusion does not include properties such as hotels, motels or other forms of visitor accommodation except for bed and breakfast establishments, home or farm stay operations or similar accommodation providers where less than six bedrooms are provided for guest accommodation. Such properties will however, be subject to any additional sewerage charges where additional toilets are provided for guest use, for example ensuite facilities.

Schedule of rates for 2017/18

Set out in the following tables are the indicative rates which Council has set for the 2017/18 rating year. For comparison purposes the rates for the 2016/17 rating year are also shown. Please note all rates include GST.

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2016/17 (GST Inc)
			Rate (GST Inc)	Total Rate	
GENERAL RATES					
Uniform annual general charge	Per SUIP ¹	-	\$473.20	\$17,677,096	\$473.20
General differential	Per \$ of land value	1	\$0.0047772	\$35,757,806	\$0.0053110
Commercial differential	Per \$ of land value	1	\$0.0131373	\$4,664,671	\$0.0146053
TARGETED WARD SERVICES RATE					
BOI - Whangaroa ward differential	Per SUIP	6	\$364.80	\$6,116,237	\$339.10
Te Hiku ward differential	Per SUIP	6	\$300.20	\$3,742,744	\$283.00
Kaikohe - Hokianga ward differential	Per SUIP	6	\$385.00	\$3,127,355	\$349.60
TARGETED ROADING RATES					
Uniform roading rate	Per SUIP	-	\$100.00	\$3,735,650	\$100.00
Roading differential rate					
Residential	Per \$ of land value	1	\$0.0001348	\$404,649	\$0.0001561
Lifestyle	Per \$ of land value	1	\$0.0001285	\$267,277	\$0.0001374
Farming general	Per \$ of land value	1	\$0.0001320	\$218,845	\$0.0001428
Horticulture	Per \$ of land value	1	\$0.0001297	\$13,616	\$0.0001458
Dairy	Per \$ of land value	1	\$0.0001975	\$94,932	\$0.0002388
Forestry	Per \$ of land value	1	\$0.0017958	\$177,900	\$0.0017664
Commercial	Per \$ of land value	1	\$0.0003307	\$95,465	\$0.0003306
Industrial	Per \$ of land value	1	\$0.0004440	\$27,431	\$0.0003697
Mining/quarry	Per \$ of land value	1	\$0.0101256	\$54,602	\$0.0102550
Other	Per \$ of land value	1	\$0.0002071	\$12,719	\$0.0002341
STORMWATER TARGETED RATES					
General differential	Per rating unit	1	\$35.78	\$509,221	\$35.78
Commercial differential	Per rating unit	1	\$71.56	\$109,272	\$71.56
TARGETED DEVELOPMENT RATES					
Kerikeri Mainstreet rate					
General differential	Per SUIP	1	\$9.20	\$58,604	\$9.20
Commercial differential	Per SUIP	1	\$27.60	\$15,484	\$27.60

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2016/17 (GST Inc)
			Rate (GST Inc)	Total Rate	
Paihia CBD development rate					
General differential	Per SUIP	1	\$18.00	\$36,189	\$18.00
Commercial differential	Per SUIP	1	\$56.00	\$20,496	\$56.00
Kaitaia BID rate	Per \$ of land value	-	\$0.0015294	\$57,500	\$0.0011698
BOI RECREATION CENTRE RATE					
Uniform targeted rate	Per SUIP	-	\$5.00	\$24,130	\$5.00
PRIVATE ROADING RATES					
Tanekaha Lane Road sealing rates					
Uniform rate	Per SUIP	-	\$310.78	\$6,216	\$310.78
Rate per Ha	Per Ha of land area	-	\$89.65	\$4,351	\$89.65
Ross Street upgrade rate (From 2016/17)					
Uniform targeted rate	Per SUIP	-	\$0.00	\$0	\$0.00
SEWERAGE TARGETED RATES					
Sewerage capital rates					
Ahipara					
Ahipara connected	Per SUIP	5	\$288.31	\$143,867	\$306.38
Ahipara availability	Per rating unit	5	\$288.31	\$44,688	\$306.38
Ahipara additional pans	Per sub pan ²	-	\$172.99	\$5,190	\$183.83
East Coast					
East Coast connected	Per SUIP	5	\$243.68	\$336,035	\$254.98
East Coast availability	Per rating unit	5	\$243.68	\$124,033	\$254.98
East Coast additional pans	Per sub pan	-	\$146.21	\$16,960	\$152.99
Hihi					
Hihi connected	Per SUIP	5	\$614.34	\$95,837	\$718.32
Hihi availability	Per rating unit	5	\$614.34	\$17,202	\$718.32
Hihi additional pans	Per sub pan	-	\$368.60	\$2,580	\$430.99
Kaeo					
Kaeo connected	Per SUIP	5	\$736.13	\$127,350	\$812.05
Kaeo availability	Per rating unit	5	\$736.13	\$8,834	\$812.05
Kaeo additional pans	Per sub pan	-	\$441.68	\$37,101	\$487.23
Kaikohe					
Kaikohe connected	Per SUIP	5	\$200.00	\$335,000	\$206.89
Kaikohe availability	Per rating unit	5	\$200.00	\$16,200	\$206.89
Kaikohe additional pans	Per sub pan	-	\$120.00	\$89,880	\$124.13
Kaitaia & Awanui					
Kaitaia & Awanui connected	Per SUIP	5	\$274.02	\$706,424	\$287.24
Kaitaia & Awanui availability	Per rating unit	5	\$274.02	\$26,854	\$287.24
Kaitaia & Awanui additional pans	Per sub pan	-	\$164.41	\$124,458	\$172.34
Kawakawa					
Kawakawa connected	Per SUIP	5	\$549.02	\$315,137	\$554.86
Kawakawa availability	Per rating unit	5	\$549.02	\$6,039	\$554.86
Kawakawa additional pans	Per sub pan	-	\$329.41	\$52,706	\$332.92
Kerikeri					
Kerikeri connected	Per SUIP	5	\$484.70	\$561,767	\$438.45
Kerikeri availability	Per rating unit	5	\$484.70	\$46,047	\$438.45
Kerikeri additional pans	Per sub pan	-	\$290.82	\$95,098	\$263.07
Kohukohu					
Kohukohu connected	Per SUIP	5	\$809.32	\$72,029	\$694.80
Kohukohu availability	Per rating unit	5	\$809.32	\$5,665	\$694.80
Kohukohu additional pans	Per sub pan	-	\$485.59	\$7,769	\$416.88
Opononi					
Opononi connected	Per SUIP	5	\$311.86	\$119,131	\$329.90
Opononi availability	Per rating unit	5	\$311.86	\$38,047	\$329.90
Opononi additional pans	Per Sub Pan	-	\$187.12	\$19,273	\$197.94

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2016/17 (GST Inc)
			Rate (GST Inc)	Total Rate	
Paihia					
Paihia connected	Per SUIP	5	\$371.99	\$744,352	\$402.63
Paihia availability	Per rating unit	5	\$371.99	\$81,838	\$402.63
Paihia additional pans	Per sub pan	-	\$223.19	\$263,811	\$241.58
Rangiputa					
Rangiputa connected	Per SUIP	5	\$352.80	\$34,574	\$366.44
Rangiputa availability	Per rating unit	5	\$352.80	\$7,056	\$366.44
Rangiputa additional pans	Per sub pan	-	\$211.68	\$847	\$219.86
Rawene					
Rawene connected	Per SUIP	5	\$569.94	\$132,796	\$588.85
Rawene availability	Per rating unit	5	\$569.94	\$20,518	\$588.85
Rawene additional pans	Per sub pan	-	\$341.96	\$16,072	\$353.31
Russell					
Russell connected	Per SUIP	5	\$481.80	\$266,917	\$556.36
Russell availability	Per rating unit	5	\$481.80	\$82,388	\$556.36
Russell additional pans	Per sub pan	-	\$289.08	\$39,893	\$333.82
Whangaroa					
Whangaroa connected	Per SUIP	5	\$743.99	\$10,416	\$626.41
Whangaroa availability	Per rating unit	5	\$743.99	\$4,464	\$626.41
Whangaroa additional pans	Per sub pan	-	\$446.39	\$4,910	\$375.85
Whatuwhiwhi					
Whatuwhiwhi connected	Per SUIP	5	\$359.45	\$246,223	\$363.72
Whatuwhiwhi availability	Per rating unit	5	\$359.45	\$167,144	\$363.72
Whatuwhiwhi additional pans	Per sub pan	-	\$215.67	\$3,882	\$218.23
Sewerage operating rate					
Connected rate (All schemes)	Per SUIP	-	\$523.49	\$6,412,270	\$433.58
Subsequent pan rate (All schemes)	Per sub pan	-	\$314.10	\$1,177,546	\$260.15
WATER TARGETED RATES					
Water capital rates					
Kaikohe					
Kaikohe connected	Per SUIP	5	\$287.88	\$537,760	\$255.30
Kaikohe availability	Per rating unit	5	\$287.88	\$25,621	\$255.30
Kaitaia					
Kaitaia connected	Per SUIP	5	\$279.62	\$710,235	\$237.80
Kaitaia availability	Per rating unit	5	\$279.62	\$23,768	\$237.80
Kawakawa					
Kawakawa connected	Per SUIP	5	\$358.76	\$416,520	\$301.16
Kawakawa availability	Per rating unit	5	\$358.76	\$12,198	\$301.16
Kerikeri					
Kerikeri connected	Per SUIP	5	\$171.73	\$411,980	\$151.72
Kerikeri availability	Per rating unit	5	\$171.73	\$21,638	\$151.72
Okaihau					
Okaihau connected	Per SUIP	5	\$374.73	\$65,578	\$287.26
Okaihau availability	Per rating unit	5	\$374.73	\$2,248	\$287.26
Omapere/Opononi					
Omapere/Opononi connected	Per SUIP	5	\$664.08	\$258,991	\$521.14
Omapere/Opononi availability	Per rating unit	5	\$664.08	\$65,744	\$521.14
Paihia					
Paihia connected	Per SUIP	5	\$219.17	\$455,874	\$182.96
Paihia availability	Per rating unit	5	\$219.17	\$19,068	\$182.96
Rawene					
Rawene connected	Per SUIP	5	\$459.84	\$143,930	\$274.86
Rawene availability	Per rating unit	5	\$459.84	\$10,116	\$274.86
Te Kao (from 2016/17)					
Te Kao connected	Per SUIP	5	\$0.00	\$0	\$0.00
Te Kao availability	Per rating unit	5	\$0.00	\$0	\$0.00

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2016/17 (GST Inc)
			Rate (GST Inc)	Total Rate	
Water operating rates					
Water by meter rates					
Potable water	Per M ³	-	\$3.06	\$6,787,080	\$3.06
Non-potable water	Per M ³	-	\$1.99	\$1,989	\$1.99
Non-metered rates					
Non-metered potable rate	Per SUIP	-	\$1,039.65	\$74,855	\$995.86
Non-metered non-potable rate	Per SUIP	-	\$771.90	\$3,088	\$728.11
DRAINAGE TARGETED RATES					
Kaitaia drainage area	Per Ha of land area		\$8.57	\$79,350	\$9.73
Kaikino drainage area					
Kaikino A	Per Ha of land area	6	\$11.53	\$4,343	\$12.97
Kaikino B	Per Ha of land area	6	\$5.77	\$2,285	\$6.49
Kaikino C	Per Ha of land area	6	\$1.96	\$2,573	\$2.17
Motutangi drainage area					
Motutangi A	Per Ha of land area	6	\$42.46	\$20,299	\$38.91
Motutangi B	Per Ha of land area	6	\$21.23	\$10,035	\$19.45
Motutangi C	Per Ha of land area	6	\$7.22	\$11,065	\$6.50
Waiharara drainage area					
Waiharara A	Per Ha of land area	6	\$26.01	\$3,728	\$13.53
Waiharara B	Per Ha of land area	6	\$13.00	\$10,106	\$6.77
Waiharara C	Per Ha of land area	6	\$4.42	\$2,266	\$2.26

***Differential matters**

- 1 Land use
- 5 Provision or availability of a service
- 6 Location of the rating unit

Notes:

- 1 Per SUIP - Separately used or inhabited part of a rating unit
- 2 Per sub pan - per subsequent pan

All rates are GST inclusive.

Example rates

Set out below are examples of the rates drawn from a range of land uses and property land values. Additionally, examples are shown for a range of residential properties drawn from a number of communities across the District.

Example of Rates on different land uses and values

Property example	Land values	General rates	UAGC	Road UAC	Road rate	Ward rate	Ave. water rate	Ave. sewer cap	Sewer op	Storm water	Other	2017/18 Final rates	2016/17 rates	Increase \$	% Increase
High Value Residential*	280,000	1,338	473	100	38	347	275	347	523	36	-	3,477	3,486	-9	-0.3%
Average Value Residential	144,000	688	473	100	19	347	275	347	523	36	-	2,808	2,743	65	2.4%
Median Value Residential	115,000	549	473	100	16	347	275	347	523	36	-	2,666	2,584	82	3.2%
Low Value Residential**	32,000	153	473	100	4	347	275	347	523	36	-	2,258	2,130	128	6.0%
High Value Lifestyle*	410,000	1,959	473	100	53	347	-	-	-	-	-	2,932	3,130	-198	-6.3%
Average Lifestyle	240,000	1,147	473	100	31	347	-	-	-	-	-	2,098	2,203	-105	-4.8%
Median Value Lifestyle	160,000	764	473	100	21	347	-	-	-	-	-	1,705	1,767	-62	-3.5%
Low Value Lifestyle**	51,000	244	473	100	7	347	-	-	-	-	-	1,171	1,174	-3	-0.2%
High Value General Farming*	1,270,000	6,067	473	100	168	347	-	-	-	-	-	7,155	7,822	-667	-8.5%
Average General Farming	630,000	3,010	473	100	83	347	-	-	-	-	-	4,013	4,332	-319	-7.4%
Median Value General Farming	320,000	1,529	473	100	42	347	-	-	-	-	-	2,491	2,641	-150	-5.7%
Low Value General Farming**	55,000	263	473	100	7	347	-	-	-	-	-	1,190	1,196	-6	-0.5%
High Value Horticulture*	850,000	4,061	473	100	110	347	-	-	-	-	-	5,091	5,534	-443	-8.0%
Average Horticulture	490,000	2,341	473	100	64	347	-	-	-	-	-	3,325	3,570	-244	-6.8%
Median Value Horticulture	380,000	1,815	473	100	49	347	-	-	-	-	-	2,784	2,969	-185	-6.2%
Low Value Horticulture**	205,000	979	473	100	27	347	-	-	-	-	-	1,926	2,014	-88	-4.4%
High Value Dairy*	2,940,000	14,045	473	100	581	347	-	-	-	-	-	15,546	17,212	-1,666	-9.7%
Average Dairy	1,440,000	6,879	473	100	284	347	-	-	-	-	-	8,083	8,887	-804	-9.1%
Median Value Dairy	1,070,000	5,112	473	100	211	347	-	-	-	-	-	6,243	6,834	-591	-8.6%
Low Value Dairy**	395,000	1,887	473	100	78	347	-	-	-	-	-	2,885	3,088	-203	-6.6%
High Value Forestry*	395,000	1,887	473	100	709	347	-	-	-	-	-	3,516	3,691	-175	-4.7%
Average Forestry	209,000	998	473	100	375	347	-	-	-	-	-	2,293	2,375	-82	-3.4%
Median Value Forestry	104,000	497	473	100	187	347	-	-	-	-	-	1,604	1,632	-27	-1.7%
Low Value Forestry**	46,000	220	473	100	83	347	-	-	-	-	-	1,223	1,221	2	0.1%
High Value Commercial*	435,000	5,715	473	100	144	347	275	347	523	72	-	7,996	8,488	-492	-5.8%
Average Commercial	200,000	2,627	473	100	66	347	275	347	523	72	-	4,830	4,978	-148	-3.0%
Median Value Commercial	91,000	1,195	473	100	30	347	275	347	523	72	-	3,362	3,350	12	0.4%
Low Value Commercial**	14,000	184	473	100	5	347	275	347	523	72	-	2,326	2,200	126	5.7%
High Value Industrial*	280,000	3,678	473	100	124	347	275	347	523	72	-	5,939	6,184	-245	-4.0%
Average Industrial	147,000	1,931	473	100	65	347	275	347	523	72	-	4,133	4,192	-59	-1.4%
Median Value Industrial	92,000	1,209	473	100	41	347	275	347	523	72	-	3,387	3,369	18	0.5%
Low Value Industrial**	32,000	420	473	100	14	347	275	347	523	72	-	2,571	2,470	101	4.1%
High Value Mining/Quarry*	230,000	3,022	473	100	2,329	347	-	-	-	-	-	6,271	6,614	-342	-5.2%
Average Mining/Quarry	121,000	1,590	473	100	1,225	347	-	-	-	-	-	3,735	3,904	-169	-4.3%
Median Value Mining/Quarry	118,000	1,550	473	100	1,195	347	-	-	-	-	-	3,665	3,829	-164	-4.3%
Low Value Mining/Quarry**	30,000	394	473	100	304	347	-	-	-	-	-	1,618	1,642	-24	-1.4%

Notes: *High Value = 90th Percentile. ** Low Value = 10th Percentile

Residential rates by ward and community

Property example	Land values	General rates	UAGC	Road UAC	Road rate	Ward rate	Ave. water rate	Ave. sewer cap	Sewer op	Storm water	Other	2017/18 Final rates	2016/17 rates	\$ Increase	% Increase
Te Hiku															
Ahipara	118,491	571	473	100	16	300	-	288	523	36	-	2,307	2,280	\$27	1.2%
Awanui	34,766	166	473	100	5	300	-	274	523	36	-	1,877	1,803	\$74	4.1%
East Coast Bays	141,568	676	473	100	19	300	-	244	523	36	-	2,371	2,355	\$16	0.7%
Hihi	114,580	547	473	100	15	300	-	614	523	36	-	2,608	2,670	\$(62)	-2.3%
Kaitaia	42,623	204	473	100	6	300	280	274	523	36	-	2,196	2,084	\$112	5.4%
Rangiputa	229,189	1,095	473	100	31	300	-	353	523	36	-	2,911	2,945	\$(34)	-1.1%
Te Kao	33,000	158	473	100	4	300	-	-	-	-	-	1,035	1,037	\$(2)	-0.1%
Whatuhiwhi	110,937	530	473	100	15	300	-	359	523	36	-	2,336	2,296	\$40	1.7%
Bay of Islands-Whangaroa															
Kaero	56,117	268	473	100	8	365	-	736	523	36	-	2,509	2,501	\$8	0.3%
Kawakawa	42,297	202	473	100	6	365	359	549	523	36	5	2,618	2,474	\$144	5.8%
Kerikeri/Waipapa	151,635	724	473	100	20	365	172	485	523	36	9	2,907	2,810	\$97	3.5%
Moerewa	17,796	85	473	100	2	365	359	-	-	36	5	1,425	1,352	\$73	5.4%
Okaihau	79,224	378	473	100	11	365	375	-	-	36	9	1,747	1,678	\$69	4.1%
Opuā	183,829	878	473	100	25	365	219	372	523	36	5	2,996	2,977	\$19	0.7%
Paihia	188,789	902	473	100	25	365	219	372	523	36	18	3,033	3,017	\$16	0.5%
Russell	335,240	1,602	473	100	45	365	-	482	525	36	5	3,631	3,776	\$(145)	-3.8%
Whangaroa	192,214	918	473	100	26	365	-	744	523	36	-	3,185	3,056	\$129	4.2%
Kaikohe-Hokianga															
Kaikohe	50,054	239	473	100	7	385	288	200	523	36	-	2,251	2,128	\$123	5.8%
Kohukohu	92,943	444	473	100	13	385	-	809	523	36	-	2,783	2,595	\$188	7.3%
Ngawha	59,874	286	473	100	8	385	288	200	523	36	-	2,299	2,182	\$117	5.4%
Opononi / Omapere	112,466	537	473	100	15	385	664	312	523	36	-	3,045	2,858	\$187	6.5%
Rawene	67,824	324	473	100	9	385	460	570	523	36	-	2,880	2,627	\$253	9.6%

Other rating policy statements

Projected number of rating units

Local Government Act 2002 Schedule 10 Clause 20A requires Council to state the projected number of rating units within the District or region of the local authority at the end of the preceding financial year.

For the purposes of the 2017/18 Annual Plan, Council has assumed that there will be no growth in the number of rating units. It is projecting a total of 37,647 rating units with a land value of \$8,067,104,000 and capital value of \$15,448,163,000 as at 30 June 2017.

Definition of a separately used or inhabited part of a rating unit

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 is 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
- 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, e.g. 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
- Individual offices or premises of business partners.

Postponement charges

Pursuant to the Local Government (Rating) 2002 Act, Council will charge a postponement fee on all rates that are postponed under any of its postponement policies. The Postponement fees are as follows:

- Application Fee: \$50
- Administration Fee: \$50 pa
- Financing Fee on all postponements: Currently set at 4.75% pa but may vary to match Council's average cost of funds.

At Council's discretion all these fees may be added to the total postponement balance.

Payment of rates

Rates

With the exception of water by meter charges, Council will charge the rates for the 2017/18 rating year by way of four instalments. Each instalment must be paid on or before the due dates set out below. Any rates paid after the due date will become liable for penalties as set out:

Rates instalment dates

Instalment	Due date	Penalty date
One	20 August 2017	27 August 2017
Two	20 November 2017	27 November 2017
Three	20 February 2018	27 February 2018
Four	20 May 2018	27 May 2018

Note: Where any due date or penalty date falls on a weekend or public holiday, the due date or penalty date will be the first working day following that date.

Water by meter

Water meters are read on a six-month cycle and are payable on the 20th of the month following the issue of the invoice. If the invoicing dates do change the due date will always be the 20th of the month following the invoice date.

Penalties on rates

Sections 57 and 58 of the Local Government (Rating) Act 2002 empower councils to charge penalties on the late payment of rates.

Pursuant to sections 57 and 58 of the Act, Council will impose the following penalties:

A ten percent (10%) penalty on any portion of each instalment of rates assessed in the 2017/18 financial year that is not paid on or by the due date for payment, as stated above.

Penalties on water by meter rates

A ten percent (10%) penalty on any portion of the rate assessed for the supply of water, as separately invoiced, that is not paid on or by the due date for payment as set out on the invoice. This penalty will be added on the 27th day of the month in which the invoice was due.

Rating area maps

Rating area maps are located on our website, please see www.fndc.govt.nz keyword: rates



General Information



Glossary

Activity

A good or service provided by or on behalf of local authority.

Activity Management Plans (AMPS)

AMPs cover all aspects of managing an asset. They include policy, financial forecasting and engineering requirements for all major activities. They ensure that the required level of services is maintained over the long-term by helping Council anticipate and plan for future needs and renewals.

Allocated costs

Allocation of costs by support departments to other Council departments for services provided. They reflect the true cost of the provision of goods and services.

Annual Plan

A plan produced by Council every year that sets out what it plans to do for the following year and into the future, how much it will cost and how Council plans to fund it. Every third year it is part of the LTP (Long-Term Plan, formerly LTCCP, Long-Term Council Community Plan).

Annual Report

A document that Council prepares each year, which provides the public with information on the performance of the local authority during the past year, both in financial and non-financial terms.

Appropriation

Money that has been set aside from or brought into an operating revenue account.

Assets

Assets are available resources owned by Council. Non-current assets are assets that have a useful life of more than one year, such as roads, parks, footpaths and buildings.

AWPT

Abbreviation for Area Wide Pavement Treatment Programme. AWPT is a NZTA subsidised programme of renewal of pavements including overlays and chemical stabilisation. It should not be confused with Council's road sealing programme.

BERL

Business and Economic Research Ltd. This is the name of the index councils use for inflation figures across all areas like roading, water and stormwater. These all have different inflation rates.

Capital Value (CV)

The value of land plus any additions like buildings, driveways and fences.

Capital expenditure (CAPEX)

Capital expenditure is additions, improvements or renewals to fixed assets that have or will be built or purchased by Council, where the benefit will be reflected over more than one financial year.

CBEC

Abbreviation for Community Business and Environment Centre.

CP

Abbreviation for commercial paper.

Community

The people of the area covered by Council.

Community Board

A local elected board within a community to advise a district council on issues affecting the community and to carry out functions delegated to it by Council.

Community development (CD)

Is a broad term applied to the practices and disciplines of involving local people in the economic and social progress of our communities. Community development seeks to provide individuals and groups of people with the skills they need to effect change in their own communities. These skills are often created by forming and supporting interest groups working for an agreed common agenda.

Community outcomes

The future that a community wants to achieve. These outcomes set the direction for Council plans and help in the coordination of activities.

Constituency

An electoral area within district boundaries.

Council Controlled Organisation (CCO)

An organisation in which a Council has 50% or more of the voting rights.

Council Controlled Trade Organisation (CCTO)

As for a CCO but with the intention of making a profit.

Council

A territorial authority, being an elected group of people that by democratic process have the mandate of the community they represent to make decisions and provide local governance. In the context of this document, 'Council' refers to the Far North District Council, while 'council' refers to territorial authorities generally.

Development contributions

A mechanism provided under the Local Government Act 2002 to fund capital expenditure needed to meet extra demand placed on utilities by development and is met by the developer/subdivider.

Depreciation

The loss in value of an asset over time. This is an accounting device to ensure that an appropriate amount of capital expenditure is allocated as an expense each year and matched against the income of Council (including rates) in the statement of financial performance.

Deighton Total Infrastructure Management System (dTIMS)

A decision support tool used by managers to plan, analyse and select maintenance and rehabilitation activities in the life-cycle of their infrastructure assets.

Far North Holdings Limited (FNHL)

A Council Controlled Trading Organisation in which the Far North District Council is the major shareholder. FNHL manages fixed and non commercial assets including maritime facilities and assets.

Fees and Charges

Fees and Charges are charges for a Council service that must be met by the user of the service (e.g. entrance fees to swimming pools, fees for dumping waste at transfer station etc).

FNDC

Abbreviation for Far North District Council.

FRAs

Abbreviation for Forward Rate Agreements.

Infrastructure

The systems that help a district function such as roads, public water supply, refuse and effluent disposal.

Internal recoveries

Recovery of costs by support departments from other Council departments.

ISDA

Abbreviation for International Swaps and Derivatives Agreement.

Land Value (LV)

The probable price that would be paid for the bare land at the date of valuation. The value includes development work such as drainage, excavating, filling, levelling, retaining walls, clearing, building up fertility and flood protection.

Levels of Service (LOS)

A measure of a service that Council delivers e.g. a number of sports fields available for use, library opening hours, water quality etc.

LGA

Local Government Act (2002). The purpose of the LGA is to provide for democratic and effective local government that recognises the diversity of New Zealand communities. The Act provides the general framework and powers under which New Zealand's 78 local authorities – regional, district and city councils – operate.

LGCI

Local Government Cost Index. A BERL measure of the cost of business for a local authority.

Liabilities

Amounts that the organisation owes. Non-current liabilities are amounts that are not due to be paid within the next year.

Loan funds

This is money used by Council that it has obtained by raising a loan.

Local Government Statement

A collection of information prepared under Section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community, how it makes decisions, and the ways in which citizens can influence those processes.

Long Term Plan (LTP)

Our 10-year plan adopted every three years that sets out the planned activities, budgets and service provision of Council.

NZTA

New Zealand Transport Agency. NZTA is a Crown entity established under the Land Transport Management Act 2003. The objective of the Agency is to undertake its functions in a way that contributes to an affordable, integrated, safe, responsive and sustainable land transport system. Each year the NZ Transport Agency funds innovative and relevant research that contributes to this objective.

New Zealand Transport Strategy

Government's vision for transport for an affordable, integrated, safe, responsive and sustainable transport system.

NZ GAAP

New Zealand Generally Accepted Accounting Practices.

Operating expenditure

Spending for the normal day to day services of Council. This also includes depreciation, interest on loans, and allocated costs.

Performance indicators

Performance indicators are used by Council to measure how well services are performing. They enable targets to be set for service improvement and comparisons of performance over time with other organisations.

Private benefit

This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price and water by meter, although there are exceptions to the rule.

Public benefit

This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

Rates

Money that property owners pay to the District and Regional Council for the provision of assets and services.

Regional Council

A Council that represents a regional community, manages natural resources and deals with issues that affect the environment. Our Regional Council is the Northland Regional Council.

Renewal expenditure

This is spending that replaces deteriorating assets with new assets that have the same service potential as the originals.

Reserve contribution

A contribution made either in money or land (at Council's discretion) to the District's reserves, payable for any subdivision in which the number of lots is increased, or for any significant development of land.

Resource Consent

Special permission from Council for an activity related to land.

Restricted assets

Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in Trust for specific purposes.

Reticulation

When water is supplied from a main source and distributed within a defined area, for a cost. Also a means of wastewater disposal where sewage is discharged to a main source where it is treated for disposal.

Revenue and financing policy

This is a statement about who should pay for the services provided by Council. The policy outlines who will benefit from each activity and who should pay for it, taking into account fairness and what is practical.

RFS

Request for Service. This is Council's system for tracking all public requests such as maintenance requests, questions or complaints.

Service levels

Defined service parameters or requirements for a particular activity or service against which service performance may be measured.

Significance

The degree of importance of an issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact on and likely consequences for:

- The current and future well-being of the District or Region
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- The capacity of Council to perform its role and the financial and other costs of doing so.

Special Consultative Procedure(SCP)

A formal consultation process defined in legislation, setting out a series of steps that must be followed when councils consult on particularly types of decisions.

Special Funds/Reserve Funds

Money set aside for a specific purpose. Some uses are legally restricted and others created by Council.

Stormwater Catchment Management Plans

SCMPs are designed for the sustainable management of stormwater runoff within a defined catchment utilising piped networks and overland flows giving consideration to current and future development, climate change, system capacity and condition, water quality, financial affordability and the environment.

Sustainability

Sustainability focuses on improving the quality of life for all people without increasing the use of natural resources beyond

the capacity of the environment to supply them indefinitely. Sustainable activities utilise resources and build capacity in a way that ensures the activity can be safely maintained over time.

Sustainable development

Sustainable Development has many definitions. Most interpretations share the fundamental idea that it is development that maintains or enhances economic opportunity and community well-being while protecting and restoring the natural environment upon which people and economies depend. Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.

Territorial Authority

A city or district council.

Triennial agreement

An agreement entered into by all of the local authorities within a region that sets out the basis for community and coordination between authorities.

Uniform Annual General Charge (UAGC)

The fixed component of rates levied in respect of every separately rateable property as a contribution to the costs of activities, works or services, the costs of which are not otherwise recovered from separate rates and charges. This amount does not vary with the value of the property.

Utilities (Utility assets)

Utilities are items of network infrastructure that provide mechanisms for the delivery of services. In a local government context, utilities are commonly public water supply, wastewater, sewerage and solid waste.

Ward

An area within the District administered by Council.

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