



**Te Kaunihera
o Te Hiku o te Ika**
Far North District Council

TE PAE TATA THREE YEAR LONG TERM PLAN

2024-27



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**TE TĪMATATANGA
INTRODUCTION**

KUA REREKĒ TĒNEI MAHERE - HE AHA AI? THIS PLAN IS DIFFERENT - WHY?

In 2022 and 2023, the Far North, and other parts of New Zealand, were battered by back-to-back severe weather events. This included Cyclone Gabrielle which struck the North Island early in February 2023. The impact on our already vulnerable road infrastructure was significant.

Over 12 months from July 2022, 487 slips affected Far North roads. Of those, 140 were caused by Cyclone Gabrielle – the highest number of slips on record for a single event. Culverts and other drainage assets, footpaths and seawalls were also damaged. The repair bill for our local roading network has been estimated at \$41 million, with approximately \$15 million of these repairs now completed.

The government recognised that these weather events and the extra work they created would significantly reduce the ability of affected councils to develop and engage with the public on a 10-year Long Term Plan (LTP) while also focusing on recovery and rebuilding. It gave eight councils, including ours, the option to create a shortened three-year plan spanning 2024-27.

This option allows councils to focus on cyclone recovery. For us in the Far North, the goal will be repairing our damaged infrastructure, particularly focusing on roads, and making the best use of funding offered by the government.

This simplified version of the plan lets us:

- Plan for the next three years instead of 10.
- Concentrate on recovering from the weather events in 2022/23.
- Focus on our number one priority – repair our transport network.

For more information about repairing our damaged roads and slip repairs, please see page 101.

Disclaimer:

This LTP has been prepared in accordance with the Severe Weather Emergency Recovery Legislation Act 2023 and the Severe Weather Emergency Recovery (Local Government Act 2002—Long-term Plan) Order 2023 issued in October 2023. The Order simplifies the process for preparation of an LTP by certain councils affected by the severe weather events of 2023 and enables the council to adopt an LTP that has not been formally audited. While this LTP is not required to include a formal audit report, all due care has been exercised in the preparation of this LTP and supporting information, having regard to the information available to the council at that time.

NGĀ KARERE A TE KAHIKA ME TE KAIWHAKAHAERE MATUA

Kia ora koutou

I ngā marama o Māehe me Āpereira, i whakawhitiwhiti kōrero mātou mō tā mātou mahere (LTP) whāiti. I whiwhi mātou e 506 o ngā tāpaetanga i te roanga o taua wā, ā, 35 ngā kaitāpae i kōrero hāngai ki te kaunihera.

I whakamārama mātou i roto i tā mātou tuhinga whakawhitiwhiti nā ngā pānga a Huripari Gabrielle, ko mātou tētahi o ngā kaunihera e waru i kōwhiria ai e te kāwanatanga ki te waihanga i tētahi Mahere Paetae Roa e toru tau kē te roa tēnā i te mahere tūturu 10 tau te roa. Nā konā i mau ai i a mātou tēnei whai wāhitanga kia kaha ake ai tā mātou aro ki te kaupapa matua, arā ki ō mātou hapori – te whakatikaina o tō mātou huinga rori pākarukaru.

Nā ngā huarere kino piri tata i whiwhi ai te kaunihera i tētahi pire whakatikatika tino nui. Kua pūhuitia tēnei e te whakapikanga utu – koia ēnei ko ngā utu nui katoa kua kitea i Aotearoa i ngā tau 30 neke atu. Ko te whakapikanga utu nui e whakararu nei i ngā āheinga ki te utu i ngā whakapainga rori takatū me ngā pānga kinotanga o ngā mahere pūtea mō ētahi atu kaupapa kua whakaūhia kētia ki tā mātou LTP 2021–31.

He pakeke te whakamahere mō tēnei takiwā nā tōna whānuitanga ā-rohe me te tini o ngā hapori iti. Nā tēnei, he pakeke te whakamahere, te hanga, te tiaki me te utu i ā mātou mahi rori, wai, waipara, wai āwhā me ētahi atu hanganga. He tūranga nui anō tō te kaunihera ki te whakatairanga i te oranga ōhanga, pāpori, ahurea, taiao hoki mō ngā reanga o nāiane me ngā reanga e heke mai ana. Ko te āhua o tā mātou tuku i ēnei ratonga ka tino whai pānga ki ngā whakataunga, nō reira he mea nui kia whai whakaaro mō te pānga a ngā whakataunga o ēnei rā ki ngā reanga kei te heke mai.

Ko te tuku i ngā mahi e herea ana mātou e te ture kia mahia, ā, me te tautoko ā-pūtea i ngā ratonga e mōhio nei mātou ka whai patanga ki ngā hiahia o ō mātou kainoho, he wero nui. Ahakoa ēnei wero, e ū tonu ana mātou ki te tautoko i te taumata o ngā ratonga me te whakapiki i te oranga o te hapori. I tēnei wā tonu, e mōhio ana mātou he pakeke tā ngā

kaihono o Te Tai Tokerau utu i ā rātou pire, ā, ko te whakapiki noa i ngā reiti kaunihera hei whakautu i te pikinga utu, ehara i te kōwhiringa.

Hei whakautu ki ō whakahokinga kōrero, kua arotake anō ngā kaimahi me ngā mema pōti i ngā tahua pūtea i ia rārangi ki te whakaheke i tā mātou whakapaunga moni i te wā e whakaputa tonu ana i ngā ratonga matua. Kua tārewahia ētahi kaupapa ki te tau e heke mai ana. Mā te whakatārewatanga o ēnei kaupapa e wātea ai te tuku pūtea me te arotahi ki ngā whakapainga o tō mātou whatunga waka.

Mā roto i tēnei tukanga, kua kitea e mātou ētahi huarahi whakaora pūtea. Kei roto i ēnei, ko te kore whakakī i ētahi tūranga mahi, te tiro tiro ki te āhua o tā mātou whakamahere me te tautoko ā-pūtea i ētahi mahi, ā, me te whai huarahi hou e tutuki ai ngā putanga. Nā tēnei ko pikinga reiti katoa o te 4.5 paihēneti mō te tau 2024/25, kua heke iho tēnā i te 16.5 paihēneti i tūtohua tuatahitia.

Ka kitea te rārangi whānui o ngā putanga o te whakawhitinga kōrero me ngā whakataunga matua i te whārangi 10.

Ahakoa ngā wero o te tau kua hipa, e aro tonu ana mātou ki te whakatika i tō mātou hononga rori. Kua tukuna tā mātou mahere ki a Waka Kotahi NZ Transport Agency, ā, ko tā rātou whakatau whakamutunga mō te pūtea ka puta i te marama o Hepetema 2024.

Ngā mihi nui.



Moko Tepania
Kahika



Guy Holroyd
Kaiwhakahaere Matua

MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

Kia ora koutou

In March and April, we consulted on our reduced Long Term Plan (LTP). We received 506 submissions during that period, with 35 submitters addressing the council directly.

We explained in our consultation document that due to the impacts of Cyclone Gabrielle we were one of eight councils given the option by the government to create a three-year LTP instead of the normal 10-year plan. We grabbed that opportunity so we could more effectively focus on our residents' number one priority – repairing our seriously battered road network.

Back-to-back severe weather events left the council with a considerable repair bill. This has been compounded by spiralling inflation – the highest rates experienced in New Zealand in more than 30 years. High inflation reduces our ability to pay for urgent road repairs and seriously impacts budgets for other projects already committed to in our 2021-31 LTP.

Planning for this district is challenging due to its huge geographic spread and many small communities. That makes it tough to plan, build, maintain and pay for our roading, water, wastewater, stormwater and other infrastructure. The council also plays an important role in promoting economic, social, cultural, and environmental well-being for current and future generations. How we deliver these services can significantly impact on outcomes, so it's crucial to consider how decisions today will affect future generations.

Delivering what we are legally bound to do, while funding the services we know our residents need is a challenge. Despite those challenges, we remain committed to maintaining service levels and enhancing community well-being. At the same time, we know that many Far North residents are struggling to pay their bills and that simply raising council rates to cover increased costs isn't an option.

In response to your feedback, staff and elected members have re-assessed budgets line by line to reduce what we spend while continuing to deliver core services. Some projects have had to be pushed out into future years. Delaying these will allow us to fund and focus on repairing our transport network.

Through this process, we have identified several cost savings. These include not filling some employment vacancies, looking at how we plan and fund some activities, and finding ways to achieve outcomes in new ways. This has resulted in a total rate increase of 4.5 percent for 2024/25, down from the 16.5 percent initially proposed.

A full list of outcomes of the consultation and key decisions can be found on page 10.

Despite the challenges of the past year, our focus remains on repairing our road network. We have submitted our plan to Waka Kotahi NZ Transport Agency, and its final decision on funding is expected in September 2024.

Ngā mihi nui.



Moko Tepania
Mayor



Guy Holroyd
Chief Executive Officer

NGĀ MANU MĀTĀRAE CIVIC LEADERSHIP



**Kahika - Mayor
Moko Tepania**



**Councillor
Ann Court**
Bay of Islands-
Whangaroa Ward



**Councillor
Felicity Foy**
Te Hiku Ward



**Councillor
Hilda Halkyard-
Harawira**
Ngā Tai o Tokerau
Ward



**Councillor
Babe Kapa**
Ngā Tai o Tokerau
Ward



**Councillor
Penetaui Kleskovic**
Ngā Tai o Tokerau
Ward



**Councillor
Steve McNally**
Bay of Islands-
Whangaroa Ward



**Councillor
Mate Radich**
Te Hiku Ward



**Councillor
Tāmāti Rākena**
Ngā Tai o Tokerau
Ward



**Kōwhai -
Deputy Mayor
Kelly Stratford**
Councillor
Bay of Islands-
Whangaroa Ward



**Councillor
John Vujcich**
Kaikohe-Hokianga Ward

For information about our council committees and memberships please see our website www.fndc.govt.nz

NGĀ RĀNGAI HAPORI COMMUNITY BOARDS

Bay of Islands - Whangaroa



Lane Ayr
(Deputy Chair)
Kerikeri



Tyler Bamber
Waipapa



Jane Hindle
Russell-Ōpua



Bruce Mills
Whangaroa



Roddy Pihema
Kawakawa-Moerewa



Amy Slack
Kerikeri



Belinda Ward
(Chair)
Paihia

Kaikohe - Hokianga



Mike Edmonds
Kaikohe



Trinity Edwards
Kaikohe



Tanya Filia
(Deputy Chair)
South Hokianga



Harmonie Gundry
North Hokianga



Jessy McVeagh
South Hokianga



Chicky Rudkin
(Chair)
Kaikohe

Te Hiku



Darren Axe
North Cape



Sheryl Bainbridge
Doubtless Bay



Rachel Baucke
Kaitāia



Adele Gardner
(Chair)
Kaitāia



John Stewart
(Deputy Chair)
Kaitāia



Bill Subritzky
Whatuwhiwhi

HONONGA RAUTAKI STRATEGIC LINKAGES

NGĀ WĀHANGA E WHĀ O TE HAUORA • THE FOUR ASPECTS OF WELLBEING



Ā iwi
Social



Ōhanga
Economic



Taiao
Environmental



Ahurea
Cultural

TIROHANGA • OUR VISION

HE WHENUA RANGATIRA
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING

ARONGA • OUR MISSION

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

HE RAUTAKI WHAKAAROTAU • OUR STRATEGIC PRIORITIES



Repair our transport network



Address
affordability



Better asset
management



Enable
sustainable
economic
development



Adapt to
climate
change



Protect our
water
supply



Deepen our
sense of
place and
connection

NGĀ HUA KI TE HAPORI • OUR COMMUNITY OUTCOMES



Proud,
vibrant
communities



Communities
that are
healthy, safe,
connected and
sustainable



Resilient
communities
that are
prepared for
the
unexpected



Prosperous
communities
supported by
a sustainable
economy



A wisely
managed
environment that
recognises the
role of tangata
whenua as
kaitiaki



We celebrate
our unique
culture and
history

TE MAHI TAHI ME TE MĀORI WORKING WITH MĀORI

TE PAE O UTA



TŪ KOTAHI

INCREASED PARTICIPATION
IN COUNCIL STRUCTURES
AND DECISION-MAKING
PROCESSES



WHANAKE TAHI

CREATE ENABLERS ACROSS
STAFF TO RESPOND MORE
EFFECTIVELY TO MĀORI



KŌKIRI TAHI

EMPOWERED COMMUNITIES,
WORKING COLLABORATIVELY

He Whenua Rangatira A District of Sustainable Prosperity and Well-being

He Ara Tāmata Creating Great Places, Supporting Our People

The council's vision and mission illustrates the connection between people and place. This is especially so for tangata whenua who have a long and rich association with the Far North. The council recognises this long settlement and therefore the special position of tangata whenua within the District and the significant and long-term role Māori can play in the council's decision-making.

As important are our values by which we operate:

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

The council recognises it needs to establish meaningful and enduring relationships with Māori to enable effective participation in decision making while at the same time achieving mutually beneficial outcomes. Our values provide a vehicle for this to occur.

Translating our vision, mission and values into tangible outcomes for and with Māori, three key areas of work have been identified to help guide and underpin our work: :

- Tū Kotahi - Increased participation in the council structures and decision-making processes
- Whanake Tahi - Create enablers across staff to respond more effectively to Māori
- Kōkiri Tahi - Empowered communities, working collaboratively.

Understanding these goals and embedding them across all functions is crucial if the council is to be successful in building relationships with Māori founded on trust and mutual respect.



Tū Kotahi - Increased participation in the council structures and decision-making processes

The Far North has a rich and diverse history. We have one of the largest Māori populations in New Zealand with over half of the District identifying as Māori. The Far North is also home to Te Tiriti o Waitangi / the Treaty of Waitangi, the founding document of Aotearoa New Zealand.

The council acknowledges and respects the Crown's responsibility as Treaty partner and the requirement of local government to consider the principles of Te Tiriti o Waitangi / the Treaty of Waitangi, specifically the obligations placed on the council to provide opportunities for Māori to participate in decision-making and other council processes which is meaningful to both parties.

We recognise the requirement on local government to contribute to the Crown's broader relationship responsibilities by ensuring engagement with Māori is meaningful.

We also recognise the Treaty of Waitangi settlement process and outcomes, and are committed to supporting the spirit and implementation of our District's Treaty settlements and assisting negotiations between the Crown and Māori when invited.

The council will:

- Strengthen relationships with mātauranga and Te Ao Māori
- Enable Māori participation in the council's decision-making processes
- Share decision-making opportunities alongside Māori on matters of interest to them.

We will do this by ensuring:

- That council staff are equipped to provide Te Ao Māori governance direction and advice to better inform our elected members
- That council are committed to developing robust systems that enable Māori participation in council decision-making
- That council are committed to developing systems to engage with hapū at hapū level
- That the implementation of iwi/hapū Environmental Management Plans are formalised
- That a Hapū engagement framework is developed

- That the Significance and Engagement Policy includes hapū engagement and resourcing
- That Memorandums of Understanding with iwi, hapū and whānau are reviewed and refreshed.



Whanake Tahī - Create enablers across staff to respond more effectively to Māori

The council acknowledges the unique perspective of Māori and recognise that tangata whenua are more than an interest group or stakeholder.

Therefore, we need to ensure we are including the right people, at the right time - across all levels of the council - for Māori to make informed decisions about our processes and work. In doing so, we also need to ensure we maintain ongoing open discussions and interactions with Māori to provide relevant information to assist them to participate in our decision-making processes.

The council will:

- Build organisational capability, capacity, and cultural competency
- Give effective consideration and understanding of Māori needs and issues in policy thinking and development
- Improve processes and systems to maintain and enhance capability to give effect to roles in relation to Māori and to promote a responsive culture and working environment
- Ensure council leaders can make informed decisions based on Te Pae o Uta goals, principles and values
- Develop in-house training and make this available so staff can grow their confidence and basic capability to identify and apply a Te Ao Māori lens across internal workstreams
- Ensure policies and strategies are reflective of Te Pae o Uta goals, principles, and values
- Value and recognise staff cultural competency
- Review training competency measures
- Increase use of te reo across our services
- Undertake a cultural audit for the council.



Kōkiri Tahī – Empowered communities, working collaboratively

We recognise that having the capability and capacity to engage are issues for both the council and Māori.

The council will continue to provide opportunities for Māori to gain knowledge of the council processes and will actively assist Māori with developing their capacity to input into decision-making processes via hui and targeted training workshops and kanohi ki te kanohi learning alongside whānau, hapū and iwi (wānanga)

The council will:

- Enable effective communication and engagement with Māori
- Enable the council's role in contributing to Māori well-being
- Build Māori capability and capacity within the community in order to work in collaboration with the council on mutual obligations and programmes.

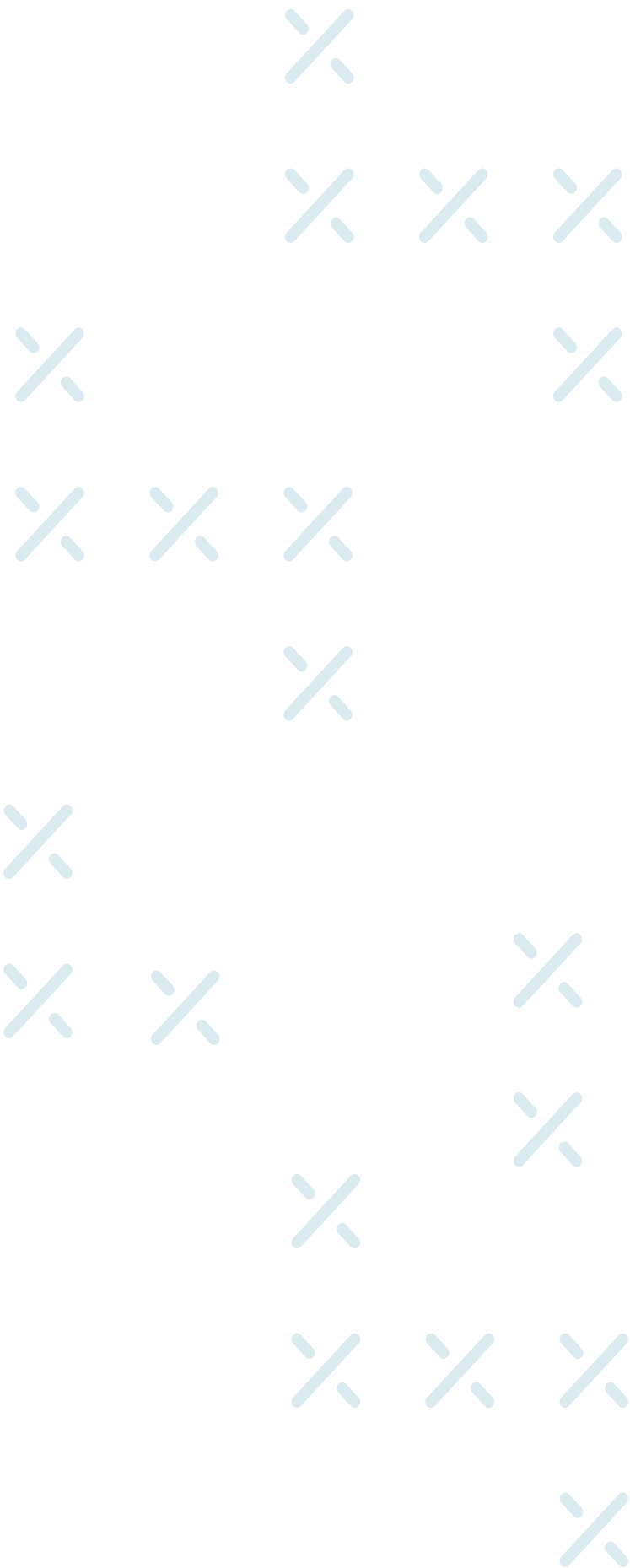
We will do this by ensuring:

- The council will work in the following areas to achieve the outcomes noted above:
 - Papakāinga and Māori housing
 - Whānau and tamariki well-being
 - Marae development
 - Te reo Māori
 - Māori identity and culture
 - Māori business, tourism and employment
 - Realising rangatahi potential
 - Kaitiakitanga/te taiao.

Looking forward

The council is looking to build a strong foundation from within and move towards long-term mutual relationships and partnering with Māori.

We have started our journey by showing our intent for greater surety for Māori in our decision making and by approving Te Pae o Uta and the Te Reo and Tikanga Policy. We aim to grow from these recent decisions and are committed to do so.



NGĀ PUTANGA A NGĀ WHAKAWHITINGA KŌRERO ME NGĀ WHAKATAU MATUA

OUTCOMES OF CONSULTATION AND KEY DECISIONS

As previously mentioned, this plan was developed differently to how we would normally approach a LTP. With the next three years focusing on repairing our roading network.

There was a number of other challenges that we needed to address in this LTP and were mindful of increasing costs to the council, changes in government and the effects on previously made decisions - such as the repealing of 3Waters legislation and infrastructure projects that we need to ensure go ahead while still maintaining what we have. In essence, this is a back to basic LTP.

The LTP consultation document and supporting information were adopted on 12 March 2024.

The consultation document described what our priorities and projects are for the next three years, with the focus and our number one priority being repairing our transport network affected by the weather events in 2022/23.

Included in our consultation were the following key proposals that we sought feedback on:

- Issue 1: Should we change the way we rate stormwater across the District?
- Issue 2: Should we change the way we rate for those who access or could access water supply and wastewater services?
- Issue 3: How do we continue to provide community services in the future?

We also provided supporting information that included policies and other documents that helped us define the details behind the plan.

The consultation period ran from 27 March to 28 April 2024.

Throughout that period, staff and elected members engaged with the community through six drop-in sessions and pop-up meeting events across the District, providing residents opportunities for one-on-one, in-depth discussions on the proposals.

These pop-up stalls were at:

- Kaitiāia Farmers Market
- Packhouse Market in Kerikeri
- The Te Tai Tokerau Secondary Schools Kapa Haka Festival in Ōkaihau.

We received 506 submissions during the consultation process. A full schedule of submissions can be found on our website.

Verbal submissions days were held on April 30, May 1, and May 3 to provide 35 submitters an opportunity to address the council directly. Recordings of the hearings are available on the council's Facebook and YouTube pages.

The council held two deliberation meetings on 6 June and 13 June 2024 to discuss and debate the proposed issues as well as any other matters that arose from the submissions received.

In addition to the issues we asked for your feedback on, many submitters raised other issues that are of importance to them.

For many of these, the council's decision was not to make any change to the LTP, but this does not mean that the topics and issues raised were not considered important.

We would like to acknowledge and thank everyone who submitted their thoughts, feedback and comments either in writing or verbally.

Key proposal outcomes



Should we change the way we rate stormwater across the District?

We asked this question because past severe weather events have significantly impacted our stormwater infrastructure, pushing it to its limits.

We needed to determine how to rate this activity going forward to address the increasing problems caused by more severe weather events and climate change effects. Additionally, we aimed to ensure that our stormwater program is delivered effectively, making our long-term investment resilient and future-proof.

Our preferred option was: Option 2 - Change to a targeted rate based on land use and introduce a public good rate.

What you told us

We received 374 responses to this issue.

Option	Percentage
1. Status quo.	45.7%
2. Change to a targeted rate based on land use and introduce a public good rate.	54.3%

The council's decision

The council decided in their deliberations meeting on 6 June to move to Option 2: Change to a targeted rate based on land use and introduce and introduce a public good rate of \$10.00 per rating unit. This means the council can start tackling the issue by providing more funding to address it. For more information on our Stormwater and Drainage capital works programme for the next three years please see page 131.

ISSUE 2 Should we change the way we rate for those who access or could access water supply and wastewater services?

We requested feedback on this issue because the way these services are funded is difficult because of how our District is spread out, meaning we have to have a lot of water supply and wastewater schemes that supply services to our communities.

Some smaller communities end up paying more because there are less people living in that area and some larger communities pay less because there are more people who live there and use those services, so the cost can be spread out over a wider number of ratepayers.

We did not have a preferred option for this proposal. We thought it best to receive your feedback and how this affects you before we decided on the outcome.

What you told us

We received 358 responses on this issue.

Option	Percentage
1. Status quo.	33.5%
2. Change to district-wide rates for those connected to / or have the ability to connect to water supply and / or wastewater services.	34.9%
3. Change to targeted ward rate for those connected to / or have the ability to connect to water supply and / or wastewater services.	13.4%
4. Change to targeted scheme-based operational rate for those connected to / or have the ability to connect to water supply and / or wastewater services.	18.2%

The council's decision

The council resolved in their deliberations meeting on 6 June to continue with Option 1: Status quo and not to change the way we rate for water supply / wastewater services at this time.

ISSUE 3 How do we continue to provide community services in the future?

With the ever increasing move to people preferring to use online services as network coverage improves and for convenience, we wanted to know your thoughts about if we should look at reducing the number of service centres / libraries / site and information centres across the District or combining these into central locations.

Our preferred option was: Option 1 - Provide multi-purpose centres: two for Bay of Islands-Whangaroa, one each for Kaikohe-Hokianga, and Te Hiku.

What you told us

We received 400 responses on this issue.

Option	Percentage
1. Provide multi-purpose centres: two for Bay of Islands-Whangaroa, one each for Kaikohe-Hokianga, and Te Hiku.	25.0%
2. Provide a multi-purpose centre for each ward.	19.8%
3. Status quo.	55.3%

The council's decision

The council, after thorough deliberating this issue in their meeting, concluded to continue with Option 3: Status quo.

However, the council requested that staff conduct further work to explore additional cost-saving measures and look at how we providing these services in the future.

Additionally, the council emphasised that if any changes are to be made, it is essential to engage in further discussions with any affected communities to ensure their concerns and needs are addressed.

Other changes

Rates increase

The council received numerous comments regarding the unaffordability of the proposed rate increases. In response, a further review of budgets was conducted to reduce the rate increase.

This included identifying additional operational cost reductions and conducting a final review of the capital works programme.

The review was also necessary due to the repeal of the 3Waters legislation and its impacts, which required the inclusion of previously unidentified projects.

Additionally, there was an increased focus on providing more accurate cost estimates for some projects and adjusting the timing to ensure that the capital works program was evenly distributed over the three-year period, to balance rate increases.

The council continued to work with its Council Controlled Trading Organisation - Far North Holdings Limited regarding their Statement of Intent and options for a special dividend.

After careful consideration and assessment the Far North Holdings Board agreed to sensible special dividend payment.

As a result of the reviews and additional income, the council's revised rate increase is now 4.5 percent for 2024/25.

Capital works programme updates

Transport Network

Unsubsidised sealing: The council has decided to reinstate the budget of \$2 million per year for the next three years. This funding will now be called Unsubsidised Capital Funding and will be used primarily for road projects, with flexibility for various needs.

For instance, it can be allocated for re-establishing the base course on a gravel road, sealing, or addressing drainage issues.

Cycle Trail and cycleways: The funding lines for the Pou Herenga Tai (Twin Coast Cycle Trail) and cycleways has been separated from Roothing and Footpaths activities and are now categorised as 'Cycle Trail and Cycleways' under the 'Transport Network' activity.

District Facilities

Town beautification: The council decided in their deliberations to reinstate the town beautification funding allocated to community boards. They acknowledge the valuable contributions made by the community boards and recognise that this funding enhances the well-being of communities across the District.

The total amount of funding is \$171,000 per year for the next three years (\$57,000 per community board).

Skate Park, Kaitāia: As completion nears, an additional \$80,000 has been allocated to fulfil all community-requested facilities at the Skate Park.

Housing for the Elderly: The council agreed to reduce the budget as they proceed with divestment of the portfolio. The revised budget ensures that the council continues to meet the requirements under the Health Homes standards and provision for essential works.

Corporate Services

Otawere Reservoir share purchase: In June 2023, the council agreed to purchase shares from the Te Tai Tokerau Water Trust on the basis that:

- The reservoir would provide strategic options which future-proof municipal water supply for Kerikeri and its surrounds
- The reservoir will be a catalyst for substantial economic and employment growth for the wider region

- The reservoir will enable high quality land in the region to be converted to its highest value and best use, commercial horticulture, as opposed to lifestyle subdivision
- The reservoir will serve as a catalyst for the development of horticulture of substantial blocks of Māori land.

Securing water supply will enhance resilience and by agreeing to purchase shares will ensure future economic development for the District.

Stormwater

With increases in severe weather events, the council has prioritised some projects to ensure that stormwater issues in several communities. A significant project, budgeted at \$1.6 million, focuses on addressing stormwater issues on State Highway 12 in Ōmāpere. Other initiatives include pipe renewals and funding for reactive repairs, ensuring timely responses to issues as they arise.

Water supply

There have been several changes in the water supply activity, particularly regarding consent renewals where more accurate costings have been provided and timed correctly. Timely funding of consents will ensure compliance with regulations and standards.

A reduction in budget has been applied to the fluoridation of water with request for a two year delay been requested by the council to the Ministry of Health.

Wastewater

Similar to water supply, additional funding has been allocated for discharge consents, addressing overflows, and improving treatment plants and schemes. These investments aim to mitigate environmental impacts and enhance the well-being of our communities.

Rating changes

Paihia waterfront: The waterfront project is currently funded from the general rate. The council decided in the 13 June meeting to change this to being funded from the ward rate.

Windsor Landing public toilet and Rangitane footpath: The council decided to reclassify these two projects rating classification to ward rated due to the location being below mean high water springs.

Roading subsidies

While the council adopts its LTP in June, Waka Kotahi NZ Transport Agency does not make their final funding decision until September, so we adopt the LTP with some uncertainty about the level of subsidy funding we will receive.

The Northland Transportation Alliance (NTA) have put in a bid for subsidised funding of \$28.7 million in 2024/25. The local share (ratepayers portion) will be \$17.6 million if the bid is fully funded.

The work programme will be revisited once final allocations are notified by Waka Kotahi NZ Transport Agency and projects prioritised by the NTA.

Corrections and other updates made

Government legislation changes: As changes to legislation have been rolled out, changes have been required to be made to our LTP.

These include updates in the following sections of this LTP:

- Significant forecasting assumptions for building consents and local government reforms
- Updating of groups and activities to reflect the changes to information and Levels of Service in water supply, wastewater and stormwater activities
- Alignment of activities to reflect the council's restructuring of the organisation in 2022/23
- Updating of the community outcomes in the funding arrangement area of the Revenue and Financing Policy.

NGĀ HUA O Ā KOUTOU UTU RĒTI THIS IS WHAT YOUR RATES DOLLAR CONTRIBUTES TO

GENERAL RATES

TARGETED RATES

20
CENTS

TRANSPORT NETWORK

10
CENTS

COMPLIANCE

16
CENTS

WASTEWATER

10
CENTS

COMMUNITY SERVICES

08
CENTS

CUSTOMER SERVICES

03
CENTS

WATER

08
CENTS

RECREATION FACILITIES

06
CENTS

FUTURE PLANNING

04
CENTS

STORMWATER AND DRAINAGE

06
CENTS

CORPORATE SERVICES

05
CENTS

SUSTAINABLE ENVIRONMENT

03
CENTS

REFUSE

01
CENT

CIVIL DEFENCE





**NGĀ RAUTAKI
OUR STRATEGIES**

TE RAUTAKI TŪĀHANGA

OUR INFRASTRUCTURE STRATEGY

1. Introduction

1.1 About the strategy

1.1.1 Strategy purpose

Our Infrastructure Strategy aims to ensure responsible management of the council's infrastructure assets and services. It has been prepared in accordance with the requirements of section 101B of the Local Government Act 2002, modified as part of the Severe Weather Emergency Recovery Order 2023, for a council affected by weather events.

This strategy has a five-year planning horizon (greater than the minimum of three years under the shortened LTP regime). This is a temporary change to support local authorities during the recovery phase from the recent extreme weather events.

However, we wish to prepare for the future and put in the right building blocks for the 2027 Infrastructure Strategy, particularly growth planning, climate adaptation and improving asset management practices. The approach adopted for the 2024 strategy is setting up the right upfront strategic planning (top down) and with supporting underlying data (bottom up). It will take a few planning cycles to achieve an evidence-based strategy.

1.1.2 Strategy scope

Our Infrastructure Strategy covers the core infrastructure assets:

- Transport network
- Water supply
- Wastewater
- Stormwater.

Our strategy also covers non-core assets at a high level.

The non-core assets are:

- Built spaces (community buildings, halls, and libraries)
- Maritime assets including jetties, wharves and boat ramps
- Open spaces including cemeteries, parks and reserves, and playgrounds
- Solid waste including consented closed landfills and Resource Recovery Centre.

1.1.3 Strategy layout

The strategy has been structured to show clear distinction between Our Present (Sections 1, 2, 4 and 5), Our Direction (Section 3) and Our Future (Sections 6, 7 and 8). The strategy layout is shown in the table below. The non-core activities are covered only in Our Present sections.

Table 1 Strategy layout

Strategy focus	Strategy section	Description
Our Present	Section 1 Introduction	Identifies the infrastructure assets included in this strategy.
		Summarises progress on implementing the key actions identified in the 2021 Infrastructure Strategy at district level.
		Illustrates the linkages between strategic documents.
		Sets the scene for our present – district geographic context and tangata whenua, and assets at a glance.
	Section 2 Strategic context	Sets the scene with the various new legislation at a national level.
		Provides the Far North context with trends covering population growth, economic and tourism trends, and natural hazards.
		Overview of the significant weather events and flood recovery efforts.
	Overview of the community and waste activities, regional collaboration initiatives and growth planning.	

Strategy focus	Strategy section	Description
Our Direction	Section 3 Our direction	Discusses the significant infrastructure issues at district level and management responses to them.
Our Present	Section 4 How we manage our infrastructure	Describes our asset management approach.
		Describes the Levels of Service Framework. States confidence in the asset data used for this strategy.
	Section 5 Risk management	Describes the council's risk management approach, and the impacts of climate change on our assets.
		Identifies the critical assets.
Our Future	Section 6 Managing our assets over the next five years	Documents the current asset state in terms of age, condition and performance for each activity.
		Discusses the service levels and identifies the key challenges for each activity.
		Identifies the principal options for the significant issues and documents implications, cost and when, for each activity. Identifies the financial forecasts associated with the actions proposed and funding sources for each only.
	Section 7 Financial summary	Identifies the financial forecasts associated with the actions proposed and funding sources for the combined activities.
	Section 8 Financial assumptions and uncertainty	Details specific planning and financial assumptions for the Infrastructure Strategy.
	Section 9 Strategy improvement	Summary of the key actions to address the identified weak areas in the strategy.

1.2 Achievements since 2021

We have made some progress on implementing the key actions identified in the 2021 Infrastructure Strategy, as outlined below at district and activity levels.

Table 2 Achievements at district level

Significant challenges – key themes	Strategic responses	Achievements since 2021
Managing our assets	Continue to invest in our asset management programme	Water supply and wastewater hydraulic models and stormwater models developed are being finalised. Programme Darwin, intended to improve asset management practices, was disestablished in anticipation of the move to the abandoned Water Services Entities.
	Optimise the way infrastructure is funded and delivered	Work completed to support a Development Contributions Policy are (refer to Section 2.6 for details): <ul style="list-style-type: none"> The draft Growth Planning Review (April 2023) included mapping data in GIS The Development Contributions Policy Gap Analysis (May 2023) identified required information for the different activities.

Significant challenges – key themes

Strategic responses

Achievements since 2021

Managing change	Implement the Climate Change Roadmap	There was slower progress than expected in implementing the 2020 Climate Change Roadmap due to various management structural changes. A Climate Action Implementation Plan is being developed to put the Climate Action Policy into action (refer to Section 5.2).
	Integrate strategic infrastructure delivery with land use planning	A full review of its District Plan is still underway. A new District Plan has been proposed (Proposed District Plan). The original submission period closed in October 2022. A spatial mapping tool has been produced to assist the public in understanding those submissions seeking spatial outcomes (such as rezoning) for specific properties.

The delivery of the planned capital works programme was impacted by Covid-19 lockdowns for Northland and the Auckland Region’s restrictions which isolated Northland from the rest of the country and key supply chains. These impacts have been compounded by inadequate internal resourcing.

Table 3 Achievements at activity level

Activity issues Achievements since 2021

Water supply	<ul style="list-style-type: none"> • 14km pipeline from Sweetwater, near Awanui, Kaitāia to improve the town’s resilience during dry weather • The leak detection project commenced, resulting in successful identification and repairs being undertaken • The council confirmed a partnership with Te Tai Tokerau Water Trust which is building a mid-North water storage reservoir and delivery system • Initiatives to improve water resilience including increased water conservation messaging and education • Water safety plans and reporting for Taumata Arowai • Installation of new sample points and online monitoring equipment of water quality in the network.
Wastewater	<ul style="list-style-type: none"> • Taipā wastewater treatment plant upgrade is progressing with additional aeration, electrocoagulation trial initiated, and ongoing investigation into discharge to land • Ōpononi wastewater treatment plant upgrade is in detailed design to meet new three-year consent timeframes • Detailed design to reduce Kaitāia’s wastewater overflows is expected by mid-2024 with construction scheduled for 2025 • Upgrades to Kaitāia’s wastewater treatment plant is being coordinated with the consent renewal for which consultation has started • The Kaikohe wastewater treatment plant working group has identified a preferred upgrade option for which feasibility is now being investigated • Construction of a replacement aeration tank for the Hihi wastewater treatment plant is expected by mid-2024, after which the working group will consider upgrade options.
Stormwater	<ul style="list-style-type: none"> • Investment in training to improve accuracy in classifying service requests / complaints has resulted significantly lower stormwater service requests /complaint numbers than the average in previous years • Pipe renewals in Commerce Street with additional storage expected in 2025 • Remediation works in Mangōnui , Cable Bay, Russell, Kaitāia and Awanui • Construction of network upgrades in Kaitāia, Moerewa, Ōmāpere and Whatuwhiwhi are expected to commence in 2024.

Activity issues Achievements since 2021

Roading	<ul style="list-style-type: none"> • Strengthening the forestry road network • Asphalt re-surfacing. • Improved data and modelling • Unsealed Centre of Excellence • Dry dock repair to the Hokianga Ferry.
Built spaces	<ul style="list-style-type: none"> • Management structure – the new management structure has consolidated the asset functions into one team under the Property and Facilities Group (previously under Infrastructure and Asset Management) • Animal shelter – purpose-built south facility located in Kaikohe • New toilet facilities added throughout the District.
Maritime assets	<ul style="list-style-type: none"> • Management agreement with Far North Holdings Limited (FNHL) with increased budget subject to approval • Acquisition of additional land at Ōpononi for boat trailer parking.
Open spaces	<ul style="list-style-type: none"> • A new management system (Discover EverAfter) in place for searching cemetery family / genealogy records • New pump tracks and playgrounds opened in 2021/22 at Awanui, Ahipara, Kerikeri and Kaikohe, catering for the youth in the communities • Agreed core Levels of Service for open space management with community boards prior to tendering new Open Spaces Management operation and maintenance contract.
Solid waste	<ul style="list-style-type: none"> • Service delivery review – a Section 17A Review of the services was completed in 2022 prior to the existing contracts expiring • Strategic planning – a waste assessment was completed to establish the planning foundations for the council's review of its Waste Management and Minimisation Plan • The opening of a new recycling centre at Waitangi making it easier for residents to recycle and reduce solid waste going to landfill.

1.3 The Far North – the place we live

1.3.1 The Far North – our rich Māori history

The great explorer Kupe, who many iwi trace their lineage to, is said to have first set foot in New Zealand on the shores of the Hokianga Harbour. Many Māori believe that Kupe gave birth to the nation we know today.

Te Tai Tokerau Northland is rich in Māori culture, from the language to the legends, the kai (food) to traditional performances, and most importantly, the sacred and significant places. The Far North has a rich Māori history and significance nationally including the Waitangi Treaty Grounds, New Zealand's most important historic site.

Tangata whenua have a long and rich association with the Far North. The council recognises this long settlement and therefore the special position of tangata whenua within this District, and the significant and long-term role Māori have in the council's decision making.

1.3.2 Our District

The Far North District is the northernmost territorial local authority in New Zealand. The Far North ranks as the 14th largest district by land area compared to other districts. The land area and main townships are shown in the map in Figure 1.

Around half of the population reside in small urban settlements located throughout the District. The largest townships are Kerikeri and Paihia on the east coast, Kaitiāia to the north and Kaikohe, located between the east and west coast. The rest of the population lives in rural or semi-rural settlements.

Figure 1 Map of Far North District



The coastline of the Far North is one of the District’s defining geographic features - it is unique, diverse and extensive. We generally have high rainfall during spring, autumn and winter with prolonged dry spells during summer. This seasonal rainfall can lead to low flows in our smaller river catchments. Long periods without rain affect the amount of water that is available to supply communities and commercial and industrial activities. The Far North District has a diverse range of soils and rock strata, including highly productive soils, and much of our land is prone to erosion which affects our infrastructure.

The Far North District is part of the Te Tai Tokerau Northland Region and along with neighbouring Whangārei and Kaipara District Councils.

1.3.3 Assets at a glance

We own and manage \$3.1 billion (replacement value) of infrastructure assets (including three water assets) which can be summarised as follows.

Table 4 Asset summary

Activities	Description	Replacement value (\$)
Built spaces	<ul style="list-style-type: none"> 73 community buildings 19 community halls Council offices - 3 hubs and 2 satellite offices 6 libraries, 1 mobile library and 1 museum at the Te Ahu centre Public toilets - 69 owned and 73 maintained 	83,765,281 (As at October 2023)
Maritime assets	<ul style="list-style-type: none"> 31 wharfs / jetties 27 boat ramps 45 boat trailer carpark areas 	28,977,200 (As at June 2023)
Open spaces	<ul style="list-style-type: none"> 500 hectares of parks and reserves (including sportsfields) in more than 30 locations 11 active cemeteries Te Puāwaitanga – Bay of Islands Sports Hub 28 playgrounds 3 motor camps 	43,310,532.35 (As at October 2023)

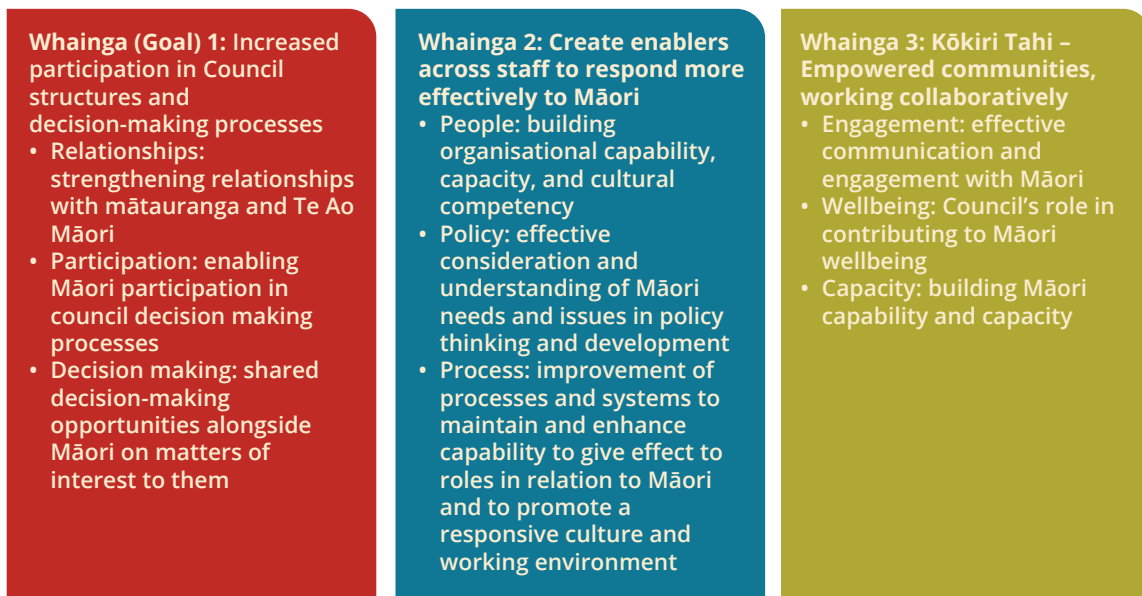
Activities	Description	Replacement value (\$)
Solid waste	<ul style="list-style-type: none"> 1 Resource Recovery Centre at Kaitāia and 1 private facility contracted at Waipapa 12 community recycling centres 4 consented closed landfills 	10,016,491 (As at June 2023) (Excludes the council-owned assets at the closed landfill sites)
Stormwater	<ul style="list-style-type: none"> 181,234m of line assets (culverts, channels, pipes) 5,077 point assets (catchpits, manholes, soak holes) 30 other assets (spillways, grills, inlets/outlet structures) 69 floodgates 1 pump station 31 ponds 	174,871,228 (As at June 2023)
Transport network	<ul style="list-style-type: none"> 2,507km network length - 908km sealed and 1,598km unsealed 550 bridges 234km footpaths 24km cycleways 1 Hokianga Ferry 	2,318,400,925 (As at 30 June 2023)
Wastewater	<ul style="list-style-type: none"> 290,005m gravity mains 155,266m pressure pipes 13,406 service connections 788 domestic pump stations 16 treatment plants 153 pump stations 16 treatment plants 12 wetlands 1 borefield 73 septic tanks 	284,120,019 (As at June 2022)
Water supply	<ul style="list-style-type: none"> 376,391m of pipes 1,902 valves 1,249 hydrants 10,226 water meters 23 treatment water storage 11 treatment plants 17 pump stations 11 water sources 	169,965,718 (As at June 2022)
Asset total		3,113,427,394

1.4 Strategic linkages

The partnership with tangata whenua is embedded into the way the council works today although it is recognised this is evolving. The new Te Kuaka - Te Ao Māori Committee was established in late 2022. Its membership includes all councillors and representatives from the 12 iwi (generally the chairs).

Te Pae o Uta - te Ao Māori Framework has been developed to guide staff to improve the council's responsiveness and inclusion of Te Ao Māori across the organisation. The Te Pae o Uta has three goals with supporting focus areas as shown in the Figure 2. These goals have been woven through this strategy. An Implementation Plan is being developed to support staff to use the framework in their day to day decision making process.

Figure 2 Te Pae o Uta - goals and focus areas



The council’s vision and mission illustrates the connection between people and place. The council’s vision and mission statements can be found under the strategic linkages on page 6.

The council is committed to working with tangata whenua and supporting Māori contribution to decision making processes with special regard to the views of mana whenua in Far North District.

The link between the council’s vision, Mana Whenua, community outcomes, and asset management framework are shown in Figure 3. Importantly, this link is in two directions. Our strategic documents direct our infrastructure planning, the nature and level of our asset management investment, and our asset management system provides key information and inputs that inform our strategic thinking.

Figure 3 Relationship between strategic documents and asset management framework



The strategic priorities for this LTP can be found on page 6. Repairing Far North’s transport network is high priority.

2. Strategic context

2.1 National context

There are various sector changes that will impact long-term planning for the council's assets. These are described in the table below with the impacts at activity level discussed in later sections of this strategy.

Table 5 Summary of Government's reform programmes

Government reform programmes / legislative changes	Description
Government's three water proposals	The new Government is implementing its Local Water Done Well policies. This will be achieved through legislative amendments in a staged approach. A framework and transitional arrangements for the new water services system will be established. Alternative models include regional / sub regional Council Controlled Organisations. This strategy will be updated as required as the Government implements its repeals of the legislation and preferred model for three waters.
Resource management system reforms	The new Government intends to repeal the Resource management system reforms. The Natural and Built Environment Act 2023 is being repealed and the Government is now working on fast-track consenting.
Government's Emergency Management Trifecta Programme	This will impact how National Emergency Management Agency and Local Civil Defence Emergency Management Groups interact during emergencies.
Waste management changes	The Government released its new Te rautaki para Waste strategy in April 2023 along with changes to kerbside recycling services. The changes particularly impact local government as it sets national targets to be met by 2030. Minimum standards for diverting waste from landfill start in 2026.
Future for Local Government	The Future for Local Government Panel released its final report in June 2023. It has made 17 recommendations for the incoming government to decide after the general elections in October 2023. The report presents an opportunity for councils to better position themselves to deliver community aspirations.

2.2 The Far North - our context

2.2.1 Population trends

The Far North District is home to approximately 74,700 (based on Infometrics 2023 estimates). This is a 1.4% increase from the year earlier (2022). Our population is projected to continue to grow. It is projected to increase to 79,594 by 2032 (based on Infometrics 2022 estimates under the medium growth scenario).

The annual growth rate reduces to about 0.8% per annum for the next ten years (2022 to 2032).

The key demographic factors that impact the District and used for infrastructure planning purposes are shown in Figure 4.

Figure 4 Key demographic factors

	2023	2033
Our population is aging - proportion of older people aged 65+	21.2%	26.5%
Proportion of youth* in the District is a mirror image of the national trend	14,532	14,372 or -0.1% annual average change
Number of households projected to grow	29,356	31,111

Source: Infometrics, 2023 estimates, medium growth scenario, *0-14 years

Greenfield development is predicted in the following six areas over the next ten years (2022 to 2032):

- Kerikeri
- Kaitiāia
- Kaikohe
- Kawakawa
- Paihia
- East Coast*

There are also communities with non-growth / declining populations and are mainly located on the west coast. These are rural communities with a higher proportion of Māori population.

* East Coast includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Figure 5 GDP and employment growth (September 2022 to September 2023)

	Far North District	Northland Region	New Zealand
Gross domestic product (GDP)	1.2%	-0.6%	1.7%
Employment (place of residence)	3.6%	3.0%	3.0%

Source: Infometrics (September 2023)

The District's top four main industries (as percentage of GDP) are:

Agriculture, forestry and fishing	12.4%
Property operations	11.1%
Rental, hiring and Real Estate Services	9.5%
Construction	7.4%

Economic innovation: The new leading edge Ngawha Innovation and Enterprise Park at Kaikohe (opened in June 2023) is transforming the traditional economies of Far North District and the wider Te Tai Tokerau Northland Region. It has been designed to create employment opportunities for one of the most deprived yet potentially successful communities. The Park provides modern facilities to encourage more collaboration between businesses and to co-locate research and development activity.

It also has an education and training precinct focused on working with providers to deliver skills needed by the businesses at the Park and wider district. The Park is seeking to provide pathways to work and further education by working together with local schools, the Ministry for Social Development, Department of Corrections and Probation Services.

Regional Economic Development Strategy Te Rerenga Strategy (draft): The four Northland councils (including the Regional Council) have prepared the draft Te Rerenga – Tai Tokerau Northland Economic Well-being Pathway. It set a vision for a sustainable, innovative, and prosperous economy. It focuses on the well-being of people and

2.2.2 Economic trends

Economic statistics: The Far North economy continued to expand at 1.2% pa against a decline for the region at -0.6%pa and more subdued economic expansion nationally at 1.7%, as shown in Figure 5. Solid employment growth in the Far North District at 3.6%pa helped achieve this economic growth, slightly higher than regional and national rates at 3.0%pa each. This economic growth has been limited from more restrained population growth, spending, and primary sector earnings.

the planet alongside traditional economic measures. The draft Regional Economic Development Strategy Te Rerenga has not been endorsed by the Joint Regional Economic Development Committee or the council.

2.2.3 Tourism trends

Tourism trends is considered in terms of visitor numbers and peak season:

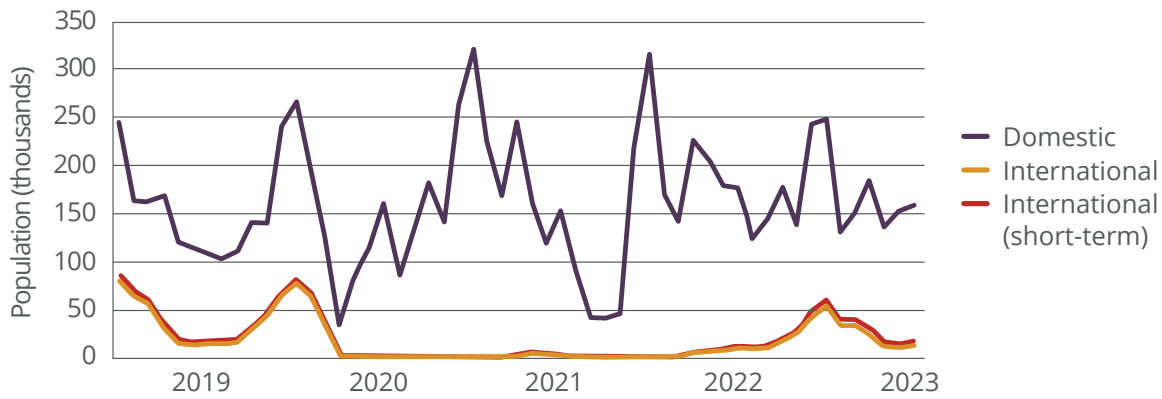
Visitor numbers: There were 1.75m visitors to the Te Tai Tokerau Northland Region in the 12 months to 1 July 2023. Visitor numbers have rebound post Covid-19 but are not necessarily at the same level. They were also impacted by bad weather and multiple road closures. There are 92 cruise ships expected for the 2023/24 season to the Bay of Islands against the pre-Covid-19 height of 83 in the 2019/20 season. This has a significant impact to region's economy.

Seasonal peaks: Parts of the Far North District experiences volatility in the number of people in the District including:

- Seasonal workers for the horticulture industry
- Summer season with holiday makers using their holiday homes or short term rental accommodation, camp grounds etc
- Domestic and international tourists.

There is higher demand from the domestic than international visitors as shown in Figure 6 (for the region). Russell and Paihia attract the international tourists by vehicles and / or cruise ships.

Figure 6 Visitor numbers to Northland Region



Source: Monthly unique local and visitor populations, MBIE (October 2023)

2.2.4 Natural hazards

The Far North District is subject to several natural hazards including:

- Inundation including both storm-related coastal events and tsunami as well as high intensity rainfall events
- Other weather hazards, earthquakes, landslides, fire and volcanic activity.

Slippage and flooding are the main hazard areas of effect:

- Slippage: The significant weather events since July 2022 and the impact on the transport network is covered in 2.3 Flood recovery.
- Flooding: There is a high flood risk for many settlements, infrastructural assets and primary production activities due to Northland's weather systems, coupled with a history of widespread development on flood-prone land. The major settlements at significant risk from flooding include Kaitiāia, and Kerikeri-Waipapa. There are also many other smaller settlements at risk, such as Kāeō, several settlements throughout the Hokianga and several east coast communities.
- Primary productivity is impacted through inundation and loss of stock and damage to pasture. Inundation of flood waters for greater than 72 hours can result in pasture die-off and impacts productivity.

The council is preparing and adapting for the impact of natural hazards with a multi-faceted approach. This includes our District Plan with objectives to ensure that development is discouraged in

potentially hazardous areas such as flood prone areas. We have GIS maps which identify hazards and suspect ground conditions.

Northland Regional Council also identifies hazard areas such as coastal hazard, indicative areas of flooding and erosion prone. The council will look to identify opportunities to collaborate with Northland Regional Council on provisions for natural hazard information and modelling.

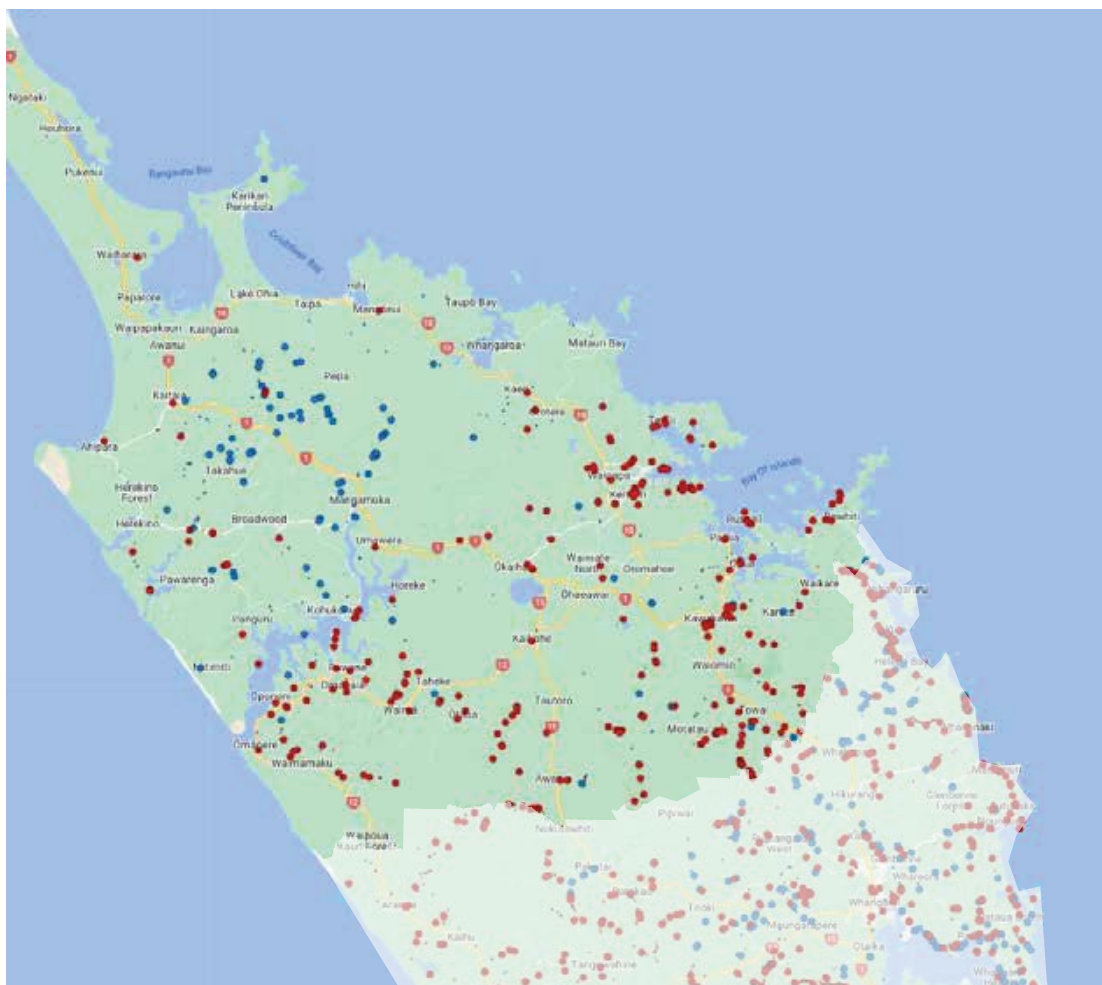
2.3 Flood recovery

There have been at least ten different significant weather events since July 2022 impacting the Te Tai Tokerau Northland Region. Specifically, storm flooding and Cyclone Gabrielle caused considerable damage to roads across the Far North District. Cyclone Gabrielle caused the highest road damage on record for a single event.

There were 487 slips caused by back-to-back storms and cyclones since July 2022. Most slips (312 as at November 2023) have already been repaired. The remaining sites are complex and have required detailed inspections by engineers to confirm repair options. The 38 most complex slips will require specialised engineering and formal procurement processes to be undertaken due to the cost and risk before contracts can be let. Some of these repairs may take up to three years to complete.

The council is requesting Government Funding Support for the estimated \$7.8 million local share component of the total repair estimate of \$29.1 million.

Figure 7 Damage to the road network due to Cyclone Gabrielle



Recorded transport network damage ● July 2022 - January 2023 ● February 2023

2.4 Strategic Challenges for Non-Core Assets

2.4.1 Overview of non-core assets

The provision of the built spaces, open spaces, maritime assets is important as they contribute to the liveability and well-being of our communities. The solid waste assets and services provide public health protection with the safe removal of refuse. It also promotes waste minimisation and diversion from landfills to protect the environment and address carbon emissions from the waste sector.

The council's asset management maturity for the non-core assets is still evolving. The council is not required to cover the non-core assets in the 2024 Infrastructure Strategy as part of the 2024-27 LTP process. However, it wishes to put in place the right planning blocks for the 2027 Infrastructure Strategy, particularly for the non-core activities.

2.4.2. Strategic challenges - community activities

The council wishes to lift its asset management practices for built spaces, open spaces and maritime assets including having the right data and information to inform the strategy.

It is recognised that this will take time to build internal people capability, set up appropriate processes, collect asset data and store it in an asset management system. There is currently no asset management system for managing the non-core assets. The selection and implementation of a preferred system is a high priority improvement action.

Overall, there is reasonably reliable data for maritime assets compared with built and open spaces assets. FNHL in partnership with the council undertakes regular inspections and condition assessments of the maritime assets.

Coupled with improving its asset management practices, the council also wishes to understand community's aspirations and how built spaces, open spaces and maritime assets support this.

As a first step, strategic documents are proposed to be developed to guide future decision making to ensure appropriate asset provision at the right time and in the right location.

These are:

- Community facilities strategic approach
- Housing Strategy
- Open Spaces Strategy (under development).

The key issues in managing the built spaces, open spaces and maritime assets are summarised in Table 6.

Table 6 Key issues – built spaces, open spaces and maritime assets

Focus areas	Activity	Key issues
Management	Built spaces, open spaces	There is a lack of strategic documents to guide elected members to make sound decisions for built and open spaces assets. This results in fragmented decision making.
	Built spaces	There is a mixed model of ownership for council buildings. The current ownership model needs to be reviewed before any new buildings are built to ensure they are aligned to the council's strategic direction.
	Open spaces	Asset ownership of three water assets located in parks and reserves requires clarification including maintenance responsibilities. There are also legacy asset ownership issues with sea walls, stop banks and carparks.
	Maritime assets, open spaces	The impacts of climate change will impact open space assets (such as walking tracks along coastlines) and maritime assets (particularly the coastlines such as wharves and boat ramps). Far North 2100 considers infrastructure retreat.
	Maritime assets	Changes in demographic and population particularly in eastern areas with high growth. This results in high demand for maritime assets and services including parking and can cause safety issues.
People	All	There has been loss of people capability and capacity with the various management structure changes.
Process	Built spaces, open spaces	Deferred maintenance and renewals, the need to minimise rate increases and a historic underinvestment in this activity has resulted in poor quality assets.
Data	Built spaces, open spaces	There is limited utilisation data available for built and open spaces assets. Understanding current demand is important to plan for future growth.
		Asset data is not always used to inform asset management planning. Condition data has been collected for most asset groups but not always stored in a system.
System	All	There is currently no asset management system for managing the built spaces There have been various system reviews completed but no preferred system has been agreed corporately to date.

2.4.3 Strategic challenges - solid waste activity

The solid waste activity in the Far North, and across the country, is currently undergoing significant change, triggered by:

- National waste sector disruption from the Government releasing its Te rautaki para / Waste strategy in early 2023, along with announced changes to standardise kerbside collection services and introduce national targets for the amount of household waste diverted away from landfill. As part of this, there is a new requirement for kerbside recycling services to be provided by the council before 2027 and kerbside food collection services by 2030 (although timing may change by the new Government).
- The recommendations from the Section 17A review of the Solid Waste Service, completed in late 2022, have been modified to incorporate the direction set by the central Government.

- The council's 2017 Waste Management and Minimisation Plan was reviewed at the end of 2023 and the decision was made to update the plan to set new objectives and targets for the next six years, in line with central Government's Waste Strategy and the Far North's broader values.
- Contracts for the operation of the council's network of Refuse Transfer Stations and Community Recycling Centres will expire towards the end of 2024 and replacement contracts are in the process of being procured so these services remain available. In light of the changes described above, pricing for additional services has been included and the replacement contracts will include options for including kerbside collection services in the future.

The key issues in managing the solid waste activity are summarised in the table below:

Table 7 Key issues – solid waste activity

Focus areas	Key issues
Management	Historically the council has let the private market provide kerbside collection services. Mandated changes mean the council in the future will need to provide kerbside recycling and food collection services as a minimum and community engagement to encourage behaviour change to support circular economy and waste minimisation. The proposed kerbside collection services are being investigated including the timing.
People	There is only one dedicated person for the solid waste activity, with no back up and increasing demands with additional services and community engagement expected.
Process	There is no proactive management of the leachate systems at the closed landfills.
Data	There is general uncertainty in the extent and quality of solid waste data from kerbside and commercial sources due to these being private services. There is also a lack of transparency in solid waste volumes which makes setting appropriate reduction and diversion targets a challenge.
System	There is currently no formal asset register for the solid waste activity. Finance's Fixed Asset Register is the default asset inventory list.

2.5 Land drainage activity

The council also owns four land drainage schemes - Kaitāia, Kaikino, Motutangi and Waiharara. These are mostly managed by the separate land drainage committees including setting works programmes and setting targeted rates. The land drainage network consists of open channels and some floodgates. The primary purpose of the land drainage network is to allow landowners to drain their land for pastoral use.

There was limited existing land drainage data and information to develop an Asset Management Plan to inform the 2024 strategy. It is intended that this be improved to inform the 2027 strategy and included as an activity.

The council still needs to apply for resource consents for the four drainage schemes it administers as a high priority.

2.6 Regional collaboration

2.6.1 Northland context

As a remote district, regional collaboration and maintaining relationships are essential for the council in responding to legislative changes as well as connecting with Government agencies such as the Department of Internal Affairs and Waka Kotahi NZ Transport Agency.

We regularly collaborate with neighbouring Whangārei and Kaipara District Councils at management level with various activity specific forums. The three district councils collaborate with Northland Regional Council for a regional integrated planning approach including natural hazards and climate action. This will increase with the development of the long-term Regional Spatial Plan as required by the new Spatial Planning Act 2023.

There have been regional strategic documents prepared jointly including:

- Regional Economic Development Strategy Te Rerenga (draft) (refer to Section 2.2.4)
- Regional Accessibility Strategy (draft and still to endorsed by Northland Forward Together and the council).

Historically, there has been limited regional collaboration for solid waste assets and services. This is partly due to the council letting the private market provide kerbside collection services. However, there is opportunity for greater regional collaboration with disruption in the waste sector and the Government’s mandated requirements.

2.6.2 Management of Far North’s assets

There are various custodial arrangements for managing the council’s core infrastructure and maritime assets as summarised in the table below:

Table 8 Summary of asset custodial arrangements

Activity	Asset custodian	Responsibility	Description
Transport Network	Northland Transportation Alliance (NTA)	Operational and maintenance, renewal and capital planning, Activity Management Plan development, road corridor access approvals.	NTA was established in 2016 and is a collaborative alliance between Far North, Whangārei and Kaipara District Councils, Northland Regional Council, and Waka Kotahi NZ Transport Agency. It combines and co-locates the individual council staff and resources.
Three Waters	Far North Waters Alliance	Operational and maintenance, renewal and capital planning, Asset Management Plan development, consent monitoring compliance, drinking water compliance.	This is an alliance between the council and Ventia for managing the three water assets. The council and contractor’s staff co locate and work as one team.
Maritime assets	FNHL	Operational and maintenance, renewal and capital planning, user fees administration, condition inspection reports, operating consents.	FNHL provides the day to day operational management of the maritime assets as well as technical asset management functions.

2.6.3 Long term and integrated planning

We will need to work with Far North Waters Alliance and NTA particularly for long term planning. The functional roles and responsibilities are relatively straight forward for the technical asset planning and service delivery elements. However, there are areas of overlaps in responsibility, particularly in strategic and growth planning, and relationships with iwi and key stakeholders. Essentially, the council is the plan maker and the entities are the plan takers.

The functional roles and responsibility aspects are defined in the following table and highlights the shared areas of responsibility (shown as shaded).

There are areas where responsibilities are shared due to the nature of the work, complex issues, and understanding existing relationships.

Table 9 Functional roles and responsibilities

Key functions	Core activities	Council's role	Entity role
Strategy	Identifies community outcomes for the District.	R	I
	Establishes long term policy and strategy for the District.	R	C
	Prepares LTP.	R	C
	Prepares Infrastructure Strategy.	R	R
	Updates growth model for the District.	R	R
	Manage growth planning to identify the expected location, timing, and sequence of future development capacity.	R	R
	Aligns three waters bulk infrastructure with the District's growth maps and infrastructure schedule.	I	R
	Establish service level outcomes for all assets including three waters and transport network.	R	C
	Relationship with iwi and key stakeholders for three water assets.	R	R
Technical asset management	Prepares Three Waters Asset Management Plan and transport network activities.	I	R
	Collects and analyses asset data.	-	R
	Integrates three waters and transport network asset management with the LTP and Infrastructure Strategy.	R	C
Investment planning and prioritisation	Integrates planning processes.	R	I
	Capital works prioritisation for three waters.	C	R
	Uses the Te Ao Māori framework in growth planning decision-making.	R	I
Plans and manages network	Develops three waters and transport network forward works programmes.	I	R
	Develops asset management delivery plans.	-	R
	Monitors compliance and performance of three water and transport network assets.	I	R
Service delivery	Delivers three waters and transport network capital works programme.	C	R
	Delivers three waters and transport network operations and maintenance.	-	R

Key for functional roles:

- R – Responsible
- C – Consult
- I – Informed

Planning for infrastructure will be an iterative process particularly with information flows, data gaps, aligning strategic priorities and building relationships.

The mechanisms for managing the integrated planning process and functional roles are:

- The council/NTA – Have developed an Integrated Transport Strategy (ITS) to address key transport issues faced by the District. A series of workshop developed the LTP Recommended programme of works.
- Far North Waters Alliance – annually through the Alliance Agreement.

The effectiveness of the integrated planning framework will be formally reviewed every three years sequenced with the LTP.

2.7 Growth planning

2.7.1 Where we are at

The council recognises its growth planning practices need to improve. The council is a reasonably sized district council based on population and geographic spread coupled with steady population growth. It needs to lift its practices and work towards planning for growth long term.

Significant work is underway / completed to improve the robustness of the council's strategic growth planning framework. These are:

- Growth Planning Assessment – Reviewed the current growth planning process and identified the required evidence base to support a Development Contributions Policy, Infrastructure Strategy and Spatial Plan. The draft Growth Planning Review (April 2023) included mapping data in GIS.
- Development Contributions Policy Gap Analysis – A stocktake of the existing evidence base to assist with a project plan for the preparation of a Development Contributions Policy. The Development Contributions Policy Gap Analysis (May 2023) identified required information for the different activities.
- Spatial Plan – the council is undertaking spatial planning to provide for growth and changes in the District. The Kerikeri-Waipapa Spatial Plan is the first spatial planning project being

undertaken as part of the implementation of Far North 2100. The council will commence a project to develop a District-wide Spatial Strategy in 2024 that will inform long term growth and spatial planning objectives for the District.

The following activity specific tools have also been built to help with infrastructure planning including running scenarios:

- Transport network planning model
- Stormwater, wastewater and water supply hydraulic network models.

2.7.2 How do we get there

The council wishes to plan long term for growth with a 30-year horizon and understand where bulk infrastructure is required to service development. The outputs from the planning tools will inform our strategic planning and investment decisions.

We will achieve these desired growth planning outcomes through the multi-faceted approach. However, it will take time to lift our growth planning practices. In the interim, we will undertake various initiatives to build our growth planning capability and capacity. The future and interim growth outcomes and the alignment with Te Pae o Uta - te Ao Māori Framework are described in the following table.

Table 10 Future and interim growth outcomes

Alignment with Te Pae o Uta – Te Ao Māori framework

Interim growth outcomes – transition

Future growth outcomes – aspirational

Focus area: Relationships

<p>Whaingā (Goal) 1 - Increased Participation In council structures and decision-making processes - relationships</p>	<ul style="list-style-type: none"> • Build relationships with tangata whenua to understand growth / non-growth communities with Te Ao Māori view. • Continue to foster the relationships with NTA and Far North Waters Alliance so infrastructure planning is integrated. Both entities are informed of council's planning timeframes so there is alignment. 	<ul style="list-style-type: none"> • We will develop long term growth plans to inform NTA and Far North Waters Alliance on providing bulk infrastructure to service development areas. • We will collaborate with neighbouring Whangārei and Kaipara District Councils and be guided by Northland Regional Council's Regional Spatial Plan for regional integrated planning approach.
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Focus area: People

<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – people</p>	<ul style="list-style-type: none"> Recruit to build an internal growth team including planning engineer. Work across council teams to build sound evidence for infrastructure planning. Start to build cultural competency and capability for growth planning to strengthen awareness internally. 	<ul style="list-style-type: none"> Capable and fully resourced internal growth team to proactively plan long term and build relationships internally and externally.
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Focus area: Planning tools

<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process</p>	<ul style="list-style-type: none"> Continue to use the proposed District Plan to inform growth planning until spatial planning tools are developed and ready to use. Develop and implement the prioritised work programme including the completion of a district-wide spatial strategy. The process to develop the various growth planning tools are inclusive of Māori needs and issues. Develop sub-district area plans (as detailed chapters of the district-wide spatial strategy) so identified growth areas are ready to go live in accordance with the proposed District Plan. 	<ul style="list-style-type: none"> We will have accurate and fit for purpose spatial planning tools available to run scenarios to inform investment decisions. We will have useful outputs from the spatial planning tools, sub-district area plans and network planning models (three waters and transport network) to inform bulk infrastructure size, location, and timing. The planning outputs identify the expected location, timing, sequence of future development capacity in the growth areas and benefit areas. Continually review the process effectiveness and any new legislative, national or regional requirements such as regional spatial plans.
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Focus area: Decision-making

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> Identify the growth driven capital projects at the council, NTA and Far North Waters Alliance for the 10 year horizon. The council’s proposed approach to growth planning is described in the LTP and Infrastructure Strategy documents. Start to use the Te Ao Māori framework in growth planning decision making internally. The council starts to develop an anticipated timetable of development by areas so sequenced and scheduled by decades and populate in the infrastructure schedule. The council communicates the final infrastructure schedule internally and externally with infrastructure providers (including NTA, Far North Waters Alliance and Waka Kotahi NZ Transport Agency). 	<ul style="list-style-type: none"> We will have 30 year horizon of infrastructure requirements including major capital projects that will inform our LTP, Financial Strategy and Infrastructure Strategy processes. The Te Ao Māori framework is used in growth planning decision-making internally with the council staff. Undertake effective communication with Māori communities with growth planning particularly for non – growth / declining areas. Design the infrastructure alongside the hapū and within the communities. We will plan for growth based on sound evidence to ensure urban sustainability and affordable infrastructure. The council formally documents the District’s growth planning approach and Infrastructure Schedule in a Future Development Strategy (or similar). We will identify and implement an appropriate mechanism for funding investment in the infrastructure that is required to support growth in our District.
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3. Our direction

3.1 Our significant challenges

In preparing this strategy, four strategic district infrastructure issues have been identified that are at the forefront of infrastructure planning and decision making. These are:

- Sufficient evidence to make sound infrastructure decisions
- Lack of integrated planning particularly for growth planning
- Climate change impacts on the District and resilience of critical infrastructure

- Well-being of our community for healthy and sustainable outcomes.

3.2 Our management response

The key strategic issues, implications and the council's management response, and the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the following table.

Table 11 Strategic district issues

Alignment with Te Pae o Uta - Te Ao Māori framework

Implications

The council's management response

Well-being of our community for healthy and sustainable outcomes.

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being</p>	<ul style="list-style-type: none"> • The District continues to experience higher levels of deprivation compared to other parts of the country when using the New Zealand Deprivation Index. On a scale of one to ten (least to most deprived scores), Far North District is assessed individually as having a score of 8.1. • There is also a risk of increasing existing inequities and creating new and additional inequities particularly with housing in the Far North District. Identified housing issues include increasing waiting lists for social housing. • Research has shown that housing often fails to meet the needs of diverse populations. A recent publication by the Royal Society Te Apārangi (2021) highlighted inequalities in housing, particularly for Māori. • Inequities have grown in the Far North District with cost of living pressures and significantly increase in demand for emergency housing. 	<ul style="list-style-type: none"> • Our community puts a high value on communal spaces for their well-being. We are strengthening our strategic planning framework including developing Open Space and Housing Strategies to improve inequities and liveability in our communities. • We will work iwi and hapū to understand the issues in developing strategies that impacts their well-being. • Continue to seek external funding where applicable to offset the large capital projects and impact on the general rates. • Undertake sound activity management planning so capital expenditure can be forecast over the longer term to smooth any short-term spikes.
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Strategic issue: Sufficient evidence to make sound infrastructure decisions

<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process</p>	<ul style="list-style-type: none"> We know that we need to continue to invest in our infrastructure assets. We need to keep ahead so there is not an unsustainable deficit that is unaffordable for our current and future ratepayers. Investment is also required to ensure that our assets meet the Levels of Service to our communities, predicted growth, meets legislative requirements, and resilient to any disruption. We know that our underlying asset data to make good decisions need improving particularly for the non-core activities. We need to lift our AM capability to enable sound infrastructure decisions. 	<ul style="list-style-type: none"> Identify the missing asset data gaps through the 2024 AMP development including the Improvement Programmes with prioritised actions. Set up adequate processes and systems as well as people capability to ensure asset data is kept up to date, accurate and complete. Continue to implement the various transport asset data improvements identified with the Te Ringa Maimoa Data Quality Reports (Waka Kotahi NZ Transport Agency partnership programme to lift AM capability). The process to improve the robustness of underlying data is inclusive of Māori needs and issues.
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Strategic issue: Lack of integrated planning particularly for growth planning

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> Far North's resident population has been steadily growing and is predicted to continue to grow. Greenfield development is predicted in specific areas including Waipapa, Haruru and Kerikeri South. We need to plan for growth based on sound evidence to ensure urban sustainability and affordable infrastructure. It will be a challenge to plan for growth with the core infrastructure effectively managed outside of the council at NTA and Far North Waters Alliance. 	<ul style="list-style-type: none"> Continue with our growth planning processes and fit for purpose tool development (refer to Section 2.4.3 for management response for growth planning). Test the introduction of a Development Contributions Policy in the 2024 LTP. Start to use the Te Ao Māori framework in growth planning decision making internally. We will work collaboratively with Far North Waters Alliance and NTA on planning for growth long term. The council will be the plan maker and the entities will be the plan takers.
	<ul style="list-style-type: none"> We are already experiencing impacts such as cyclones and record flood events. The Far North District is particularly susceptible to weather related events with our communities being cut off for long periods due to the state highways and our local roads being flood damaged. 	<ul style="list-style-type: none"> We will implement our prioritised work programme for climate change adaptation planning and implement across our activities (refer to Section 5.5.2 for strategic response to climate change).

Strategic issue: Climate change impacts on the District and resilience of critical infrastructure

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> Food supplies were unable to come into our District as well as agricultural produce unable to leave. Tourist numbers were impacted with the State Highways cut off including cancelled cruise ships to the Bay of Islands. 	<ul style="list-style-type: none"> Renewals planning – Our critical assets are the priority for our renewal programmes. Non-critical assets are managed on reactive repairs / replacement. We renew our assets with a risk-based approach. Proactively improve transport network resilience and reliability when undertaking capital and renewals works.
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Alignment with Te Pae o Uta – Te Ao Māori framework

Alignment with Te Pae o Uta – Te Ao Māori framework	Implications	The council’s management response
<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> A key focus is strengthening the infrastructural resilience of our infrastructure assets. Infrastructure resilience is tested in the Far North District as it is exposed to a variety of natural hazards coupled with climate change including landslides, flooding, and storms. These natural disasters can cause considerable damage to infrastructure assets and affect delivery of service. 	<ul style="list-style-type: none"> Operational transport response – NTA will continue with its operational response including closed roads due to road slips or under slips. NTA will continue with road drainage maintenance including hotspots in urban areas and vulnerable sections of the rural network that are prone to blockages and cause flooding. Alternative transport routes – NTA will continue to accommodate emergency diversions from State Highway routes in collaboration with Waka Kotahi NZ Transport Agency. We will invest in risk mitigation on vulnerable sections of the transport network. Remote communities - We will continue to utilise emergency planning for potentially isolated communities. We will explore capital investment options to strengthen resilience for the isolated communities where practical and affordable. We will develop Community Adoption Plans and undertake community education. We will work alongside the hapū and within the communities to understand the issues and design culturally useful solutions.

4. How we manage our infrastructure

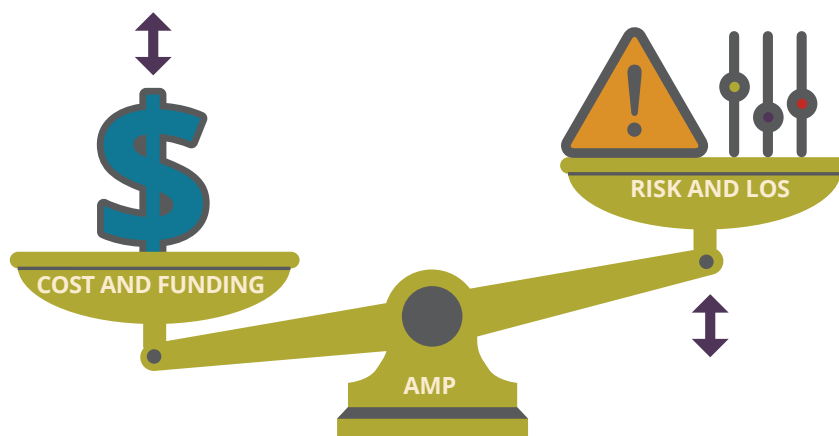
4.1 Asset management approach

4.1.1 Overall asset management approach

The council is committed to providing good quality infrastructure assets that serve the needs of the community. The asset management approach is

for the sustainable management of its assets and activities. Effective asset management requires the balance between Levels of Service, risk and cost as shown in Figure 8.

Figure 8 Asset management balancing act



An Asset Management Policy sets out the requirements for appropriate management of its assets and activities. It also defines the principles and responsibilities that an organisation applies when managing its infrastructure assets. The council currently does not have a documented Asset Management Policy. The development of an Asset Management Policy is recognised as a high priority improvement action as it will ensure consistency across the diverse range of infrastructure assets including those managed by various custodial arrangements.

4.1.2 Building asset management capability

We wish to lift our internal asset management capability and capacity, particularly for non-core assets. The council's asset management practices are still evolving and the focus is on getting the right building blocks in place. This will be through investing in people coupled with data, processes and systems. The technical 2024 Asset Management Plans (where developed) have identified improvements based on the opportunities identified through the plans' development consistent with good industry practice. Note that Asset Management Plans still need to be developed for the three water activities.

4.1.3 Capital works delivery

There have been significant under-spends over the last two years mainly due to:

- Restrictions due to Covid-19 lockdowns in the Northland Region. This was impacted again with Auckland Region's restrictions cutting the Northland Region off from the rest of the country.
- Inadequate internal resourcing to deliver the planned works.
- Various management restructures hampering activity resourcing and inconsistent, clear strategic direction.

Capital works delivery continues to be a focus for the council and has been identified as one of the top risks. We are building confidence in the delivery of the capital works programmes through the following practices:

- Increasing internal capability and capacity
- Embedding the project management improvements as business-as-usual practices

- Strengthening project management, reporting and governance controls so there is transparency for Far North's community, elected members and our funding partners.

There is a higher level of renewals increasing over the five year period. This is to repair the District's flood damaged road network and to be more proactive in three water assets.

As part of the council's strategic community well-being priority, gaining external funding is important for the Far North District. Our funding partners need to be assured that we have sound project management practices for delivering the capital works programmes.

4.1.4 Evidence base improvements

Asset condition and performance enables an assessment of the current asset state. Having knowledge of asset condition enables more accurate prediction of maintenance requirements and timing for renewals. Condition and performance are better indicators of current asset state rather than using age (as this tends to be theoretical, based on design lives, and is not always available).

The council is committed to improving its knowledge and understanding of the assets as this information is used to inform its investment decisions (refer to Section 4.3 Reliability of Information). Improving data reliability will take time and recognised as strategy improvements to inform the 2027 Infrastructure Strategy.

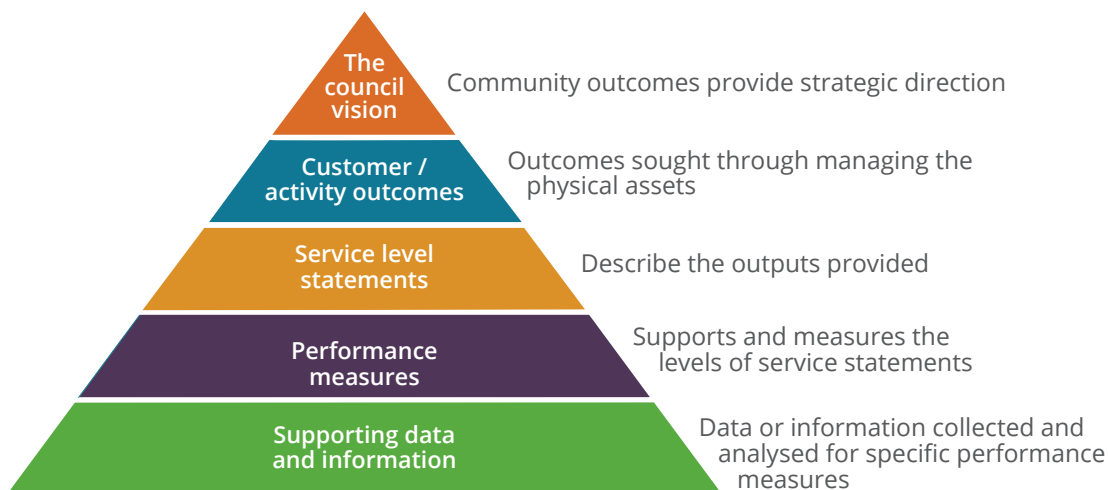
4.2 Levels of Service

4.2.1. Levels of Service Framework

Levels of Service describe the outputs the council is expected to deliver through the management of the physical assets from a customer, legislative or regulator point of view. The Levels of Service framework is the structure to align the council's vision and community outcomes to delivery of the services and contractual performance measures.

The Levels of Service Framework is shown in Figure 9.

Figure 9 The council's Levels of Service Framework



4.2.2. Transport customer Levels of Service

The customer Levels of Service for the Transport Network activity are summarised in Table 12 including performance for 2022/23 based on the Annual Report. It is noted that many of the performance measures were not achieved in 2022/23 due to the high frequency of weather-related events.

The Levels of Service are based on the mandatory performance measures as set by the Department of Internal Affairs, Waka Kotahi NZ Transport Agency's requirements and good industry practice. The Transport Activity section provides the supporting detail and technical Levels of Service, performance measures and past results against targets. Recent results on Smooth Travel Exposure and roughness performance measures are provided in Section 6.1 Transport Network.

Table 12 Customer Levels of Service – Transport Network

Community Outcomes	Customer Outcomes	Customer Levels of Service	Achieved 2022/23 results
Communities that are healthy, safe, connected, and sustainable	Safety	To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards – measured by fatalities and serious injury crashes.	✗
	Quality	Measured by Smooth Travel Exposure.	✓
		Maintained to roading contract requirements.	✗
	Condition	Measured by road resurfacing percentage.	✗
		Measured by road rehabilitation percentage.	✗
	To maintain the District's footpath network and infrastructure to high standards.	✓	
Resilient communities that are prepared for the unexpected	Responsiveness	Responding to customer service requests – urgent and non-urgent.	✗
		Hokianga Ferry Service will run in accordance with advertised timetable.	✓
A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Environmental Sustainability	Effects of the natural environment are minimised.	–

Key: ✗ Not achieved ✓ Achieved – No data / Not measured

4.2.3. Three waters customer levels of service

The customer Levels of Service for the water supply, wastewater and stormwater activities are summarised in the table below including performance for 2022/23 based on the Annual Report. The Levels of Service are based on the mandatory performance measures as set by the Department of Internal Affairs and good industry practice.

Notes on compliance with drinking water requirements:

- Drinking water compliance was reported against two different requirements for 2022/23

- Taumata Arowai introduced the Drinking Water Quality Assurance Rules that came into effect on 14 November 2022 and reporting was required from 1 January 2023
- From 1 July to 31 December 2022, compliance was measured against Part 4 and Part 5 of the Drinking Water Standards 2005 (revised 2018)
- From 1 January to 30 June 2023, compliance was measured against Drinking Water Quality Assurance Rules (2022) with a target of 100% bacteria and protozoa compliance.

It is noted that the stormwater performance measure on system performance was not achieved in 2022/23 due to the high frequency of weather-related events, and as a result higher volume of Request For Service (RFS).

Table 13a Customer Levels of Service – Water Supply

Community Outcomes	Customer Outcomes	Customer Levels of Service	Achieved 2022/23 results
Communities that are healthy, safe, connected, and sustainable	Safety	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (against both reporting requirements as noted above).	✗
		To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (customer complaints).	✓
	Quality / condition	To provide reliable water networks.	—
Resilient communities that are prepared for the unexpected	Responsiveness	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (median response times where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system).	✗
A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Environmental Sustainability	To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (percentage of real water loss from the local authority's networked reticulation system).	✗
		To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency (average water consumption is within accepted industry limits).	✓

Key: ✗ Not achieved ✓ Achieved — No data / Not measured

Table 13b Customer Levels of Service – Wastewater

Community Outcomes	Customer Outcomes	Customer Levels of Service	Achieved 2022/23 results
Communities that are healthy, safe, connected, and sustainable	Safety	Provide reliable wastewater infrastructure, protecting the environment and community (dry weather overflows).	✓
		Provide reliable wastewater infrastructure, protecting the environment and community (total number of complaints received by the territorial authority).	✓
	Quality / condition	To provide reliable wastewater networks.	–
Resilient communities that are prepared for the unexpected	Responsiveness	Provide reliable wastewater infrastructure, protecting the environment and community (median response times where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system).	✓
A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Environmental Sustainability	Provide reliable wastewater infrastructure, protecting the environment and community (compliance with the territorial authority's resource consents for discharge from its sewerage system).	✗

Table 13c Customer Levels of Service – Stormwater

Community Outcomes	Customer Outcomes	Customer Levels of Service	Achieved 2022/23 results
Communities that are healthy, safe, connected, and sustainable	Safety	To enable sustainable development through urban stormwater infrastructure (number of flooding events).	✓
	Quality / condition	To enable sustainable development through urban stormwater infrastructure (for stormwater performance and customer satisfaction).	✗
Resilient communities that are prepared for the unexpected	Responsiveness	To enable sustainable development through urban stormwater infrastructure (median response time to attend a flooding event).	✓
A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Environmental Sustainability	To enable sustainable development through urban stormwater infrastructure (compliance with the territorial authority's resource consents for discharge from its stormwater system).	✓

Key: ✗ Not achieved ✓ Achieved – No data / Not measured

4.2.4. Proposed changes to Levels of Service

The service areas where the council wishes to improve its actual performance and / or changes to the Levels of Service are described in Table 14.

These are discussed further in Section 6 of the Infrastructure Strategy at the activity level.

Table 14 Proposed changes to Levels of Service

Activity	Proposed changes to Levels of Service
Transport Network	<ul style="list-style-type: none"> The mandatory Levels of Service as set by the Department of Internal Affairs will remain unchanged. The transport network sector is introducing a new framework called differential Levels of Service. This will enable a better understanding between levels of service, risk and cost. The council is introducing the differential Levels of Service with the with 2024 AMP / funding round in collaboration with NTA.
Three Waters: Stormwater, Wastewater and Water Supply	<ul style="list-style-type: none"> There have been changes to the Levels of Service - mainly in the Water Supply and Wastewater areas. These are shown in the 'Our Groups and Activities' section of this document.

4.3 Reliability of information

The council is committed to improving its knowledge and understanding of the assets. It is important that the data and information used in renewal planning is sound. This provides assurance that the forward works plans represent good use of funds.

The data quality for the non-core assets need to improve and has been identified as a strategic challenge. The council wishes to improve its data collection and quality in relation to its non-assets.

The data confidence in the non-core and three water activities is summarised in the table below at major asset level with detail in each Asset Management Plan (based on asset management specialist knowledge). In particular, there is low confidence in the three waters asset data compared to the other activities. The data reliability of transport assets is covered in Section 6.1.

Table 15 Summary of data confidence

Activity	Major asset classes	Asset age	Asset condition	Inventory completeness	Overall
Built spaces	Community buildings	A	C	C	C
	Community halls	A	C	C	C
	Housing for the Elderly	A	C	C	C
	Libraries	A	C	C	C
Maritime assets	Boat ramps	C	B	B	B
	Wharves / jetties	C	B	B	B
Open spaces	Cemeteries	C	B	C	C
	Parks and reserves	C	B	C	C
	Playgrounds	C	B	B	B
	Structures	C	C	C	C
Solid waste	Resource Recovery Centre	B	B	B	B
	Consented Closed Landfills	D	C	C	C
Water supply	Reticulation	C	D	B	C
	Plant	D	D	C	D
Wastewater	Reticulation	C	D	B	C
	Plant	D	D	C	D

Activity	Major asset classes	Asset age	Asset condition	Inventory completeness	Overall
Stormwater	Reticulation	D	C	C	D
	Plant	D	D	D	D
Land drainage	Stopbanks	E	E	E	E
	Land drainage pump stations	D	D	D	D

Key:

A: the data is accurate (±5%) and based on reliable documentation

B: data is based on some supporting documentation but is less certain (±15%)

C: uncertain data, fair amount of assumptions and local knowledge used to reach the conclusions (±30%)

D: very uncertain data where there is no formal documentation to base an assessment on (±40%)

E: Unknown.

5. Risk management

5.1. Risk management approach

The council takes a comprehensive approach to risk management including:

- Policy - the council's Risk Management Policy (2019)
- Governance - Te Miromiro - Assurance, Risk and Finance Committee.

The council is committed to ensuring sustainable and effective management of risks at all levels. The approach for managing the infrastructure balances risk and performance while providing cost effective services. At an activity level, these infrastructure risks need to be considered holistically as part of the asset management planning approach including considering criticality in decision making.

The council's Strategic Leadership Team reviews the corporate risks on regular basis and closely monitor the top ten risks.

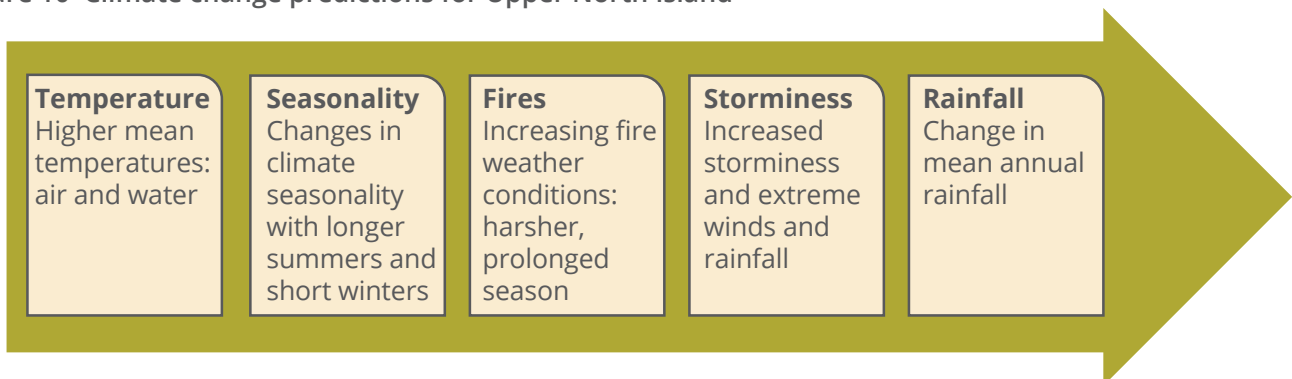
5.2. Climate change impacts and actions

5.2.1. Regional predictions and context

Climate change is a major issue facing all infrastructure providers and the built environment. Changes in climate such as rainfall, temperature and wind are already occurring and impacting regions differently.

Climate change predictions for the Upper North Island include:

Figure 10 Climate change predictions for Upper North Island



Source: NIWA's snapshot for Zone 1

The Far North District's geographical attributes make it susceptible to climate change impacts and extreme weather events. The long and indented coastline is prone to coastal erosion. The top of the North Island in particular Far North is impacted

by multiple and extreme weather systems. This results in communities being cut off when roads are damaged or submerged and houses are flooded. The entire district is effectively cut off when the critical state highways fail due to landslips.

These extreme weather events have direct impacts on the economy and the community. The movement of goods, services, residents, and visitors is restricted when the local road network and state highways are severed for long durations. Potential impacts on the state highways may also make the Far North unattractive to tourists. Cruise ships scheduled to dock at the Bay of Islands were cancelled in the 2022/23 season due to multiple road closures as international visitors were unable to go on planned day trips.

The impacts of extreme weather events on our District's infrastructure in the last three years has been significant. Our roading network has been particularly impacted with significant number of slip events over the last three years.

Climate change is impacting our District already, and we will need to change our approach to infrastructure management and planning to respond. The changes will require us to think about how to build resilience throughout our network, and to reconsider the ways that our infrastructure supports the well-being of our communities. It will require us to consider how we can ensure that our communities are able to continue to be connected through extreme weather events, and whether the current infrastructure solutions continue to be appropriate.

5.2.2. Management response to climate change

The council wishes to lift its management practices in responding to climate changes. The council's strategic response to climate change requires the creation of policies, plans and tools which will require community consultation and involvement. It will also require working alongside Māori to involve them on making resilient communities.

Our Māori community have strong cultural and ancestral connections with their whenua. Our infrastructure supports the connection of their kainga, marae, urupā and other culturally significant sites. As we consider our infrastructure and planning responses to climate risks and hazards, we will need to engage with local iwi and hapū to ensure our solutions are culturally appropriate.

Council will continue to collaborate with Northland Regional Council on climate action recognising the benefits to the district and the region with this approach.

The council's strategic response and the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in Table 16.

Table 16 Strategic response to climate change

Alignment with Te Pae o Uta - Te Ao Māori framework	Issues / risks	Council's strategic response / proposed actions
Management category: Plans		
Whaingā (Goal) 1 - Increased participation in the council structures and decision-making processes – relationships – decision making	<ul style="list-style-type: none"> The work programme covers many projects with competing priorities. 	<ul style="list-style-type: none"> Prioritisation - The proposed climate change projects have been prioritised using a quadrant to guide decision making on the climate risk levels against acceptable solutions.
Management category: Policies		
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – policy	<ul style="list-style-type: none"> There are no existing documented rules on how the council will respond to climate change in a consistent way across its infrastructure assets, and how it will be considered in decision making. 	<ul style="list-style-type: none"> Policy - A draft Climate Action Policy has been developed and it is expected to be endorsed / adopted in late 2023. Plan - A Climate Action Implementation Plan is being developed to put the Climate Action Policy into action and ultimately become part of business as usual. It will be applied across the council's staff and service providers. Governance - A Reference Group has been formed to provide oversight of implementing the Climate Action Policy. It includes representatives across the council's teams and NTA. The Reference Group will periodically report on progressing the Climate Action Implementation Plan.

Alignment with Te Pae o Uta – Te Ao Māori framework

Issues / risks

Council's strategic response / proposed actions

Management category: Tools

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being</p>	<ul style="list-style-type: none"> • Threat to the council infrastructure and the wider community due to natural disasters and climate change. • Māori well-being may not have been incorporated into the community adaptation planning approach. 	<ul style="list-style-type: none"> • Hazards - Strengthening resilience by identifying hazards better. A 3D map (online platform) has been prepared of the Far North District's hazards. It includes social and cultural factors. • Vulnerability – A risk model has been developed to run scenarios and to test options for impacted communities as well as infrastructural solutions such as submerged road sections. This is similar to the model developed for Christchurch City Council with the impact of earthquakes on homes, roads and utilities. • Community adaptation planning – We need to build community resilience by engaging with them to understand their area specific issues. The goal is for each community to develop a plan for how to adapt. We intend to start one macro level Community Adaptation Plan each calendar year that are area specific. These projects will be multi-year, and it is intended to work towards three projects running at any given time. • There will also be about three smaller / micro projects per year including marae based. We will work alongside the hapū and within the communities to understand the issues and design culturally useful solutions. • Community education – We intend to roll out tools and calculators suitable for community groups to learn about preparing for climate change and awareness on sustainability. The focus is on schools, libraries, marae, and businesses.
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5.2.3. Activity level actions

Our specific proposed actions at activity level are outlined in the Table 17 with further detail in each Asset Management Plan.

Table 17 Activity response to climate change

Alignment with Te Pae o Uta – Te Ao Māori framework

Issues / risks

The council's strategic response / proposed actions

Activity: Build spaces

<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes</p>	<ul style="list-style-type: none"> • Existing facilities designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events, warmer temperatures. • The energy efficiency of the existing buildings is not proactively monitored. 	<ul style="list-style-type: none"> • Working towards a risk-based renewals and investment strategy. • Explore applying for Energy Efficiency and Conservation Authority (EECA) funding to install monitors to improve building energy efficiency.
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Activity: Maritime assets

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> • Some boat ramps may be impacted by coastal inundation risk resulting in them being unusable. • Scheduled cruise ships to the Bay of Islands due to severe weather events resulting in loss of visitors to the District and economic impact. 	<ul style="list-style-type: none"> • Review and monitor at risk boat ramps and potential infrastructure retreat. • Discuss with hapū on the impact of some boat ramps not being available for use long term.
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Activity: Open spaces

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement</p>	<ul style="list-style-type: none"> • Existing parks designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events. • The parks and tracks are vulnerable to slips, fallen trees and wash outs. 	<ul style="list-style-type: none"> • Working towards a risk-based renewals and investment strategy. • Build resilience into the repairs to the track and improved damage. • Work with Māori to seek sustainable long term solution for at risk tracks.
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Activity: Solid Waste Management

<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes</p>	<ul style="list-style-type: none"> • Erosion risk of closed landfills increases. 	<ul style="list-style-type: none"> • The closed landfills are regularly monitored, and rock protection is used to mitigate the erosion risk where necessary.
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Activity: Stormwater

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being</p>	<ul style="list-style-type: none"> • Increased flooding due to pipe capacity issues. • Land stability issues causing increased sediment runoff into waterways. 	<ul style="list-style-type: none"> • Continue to monitor flooding risk to residential properties with the more intense and frequent storms. • Design new stormwater infrastructure in line with our engineering design manual. • Continue to invest in flood mitigation projects to improve the resilience of flood prone urban areas.
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Activity: Transport Network

<p>Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being</p>	<ul style="list-style-type: none"> • Road slips / under slips. • Erosion undermining road sections and bridges. • No / limited access to communities with single roads. • The Far North District is cut off due to damage to state highways and / or local roads isolating communities and stopping the movement of goods, services, and visitors. 	<ul style="list-style-type: none"> • Identification of critical bridges and culverts and development of renewal management strategies. • Increased frequent inspection / maintenance of road drainage systems. • Identification of vulnerable road corridors to water erosion, slips, undermining. • Roll out the development of Community Adaptation Plans for each community with a focus at those most at risk.
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Alignment with Te Pae o Uta – Te Ao Māori framework

Issues / risks

The council's strategic response / proposed actions

		<ul style="list-style-type: none"> Working with Waka Kotahi NZ Transport Agency, Whangārei and Kaipara District Councils to strengthen the critical routes into Far North District. Influencing Waka Kotahi NZ Transport Agency to invest in the resilience of state highway routes to Far North District. We will work alongside the hapū and within the communities particularly in remote areas to strengthen resilience and preparedness for natural disasters.
Activity: Wastewater		
<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes</p>	<ul style="list-style-type: none"> Inflow and infiltration increase and reduces pipeline capacity during storm events resulting in more frequent wet weather overflows. Pump station vulnerability due to flooding inundation. 	<ul style="list-style-type: none"> Develop a cost effective infiltration and inflow programme to prioritise the catchments for remedial works.
Activity: Water Supply		
<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – processes</p>	<ul style="list-style-type: none"> Prolonged droughts may result in restrictive consent conditions for water takes from streams and waterways. Vulnerability of critical pipelines to land slips. 	<ul style="list-style-type: none"> Upgrade treatment plants / reconfigure supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams. Continue to use seismically resistant materials for critical assets.

5.3. Critical assets

A key element of the council’s asset management planning approach is to define the critical and non-critical assets. This helps with the day-to-day operations of the infrastructure as well as the renewal strategies. An overarching principle is not to have any unforeseen critical asset failures.

The council’s risk-based approach to renewing the assets gives priority to public health and safety issues first then critical assets. This ensures the provision of resilient infrastructure. We are still evolving in using criticality in our investment decision-making. The most critical assets are shown in Table 18 at activity level (some are not owned by the council but shown for completeness).

Table 18 Summary of critical assets

Activity	Critical assets
Built spaces	<ul style="list-style-type: none"> Housing for the Elderly Animal shelters Civil Defence building (EOC) – Kaikohe Potable water supply to facilities (private systems)
Drainage	<ul style="list-style-type: none"> Stopbanks Floodgates Pump stations Land drains

Activity	Critical assets
Maritime assets	<ul style="list-style-type: none"> • For medical / community - Te Karaka, Ōpononi, Rāwene, The Narrows and Kohukohu • For fuel – Pukenui, Mangōnui, Clansman, Tōtara North, Doves Bay, Russell and Ōpua • For tourism – Waitangi, Russell, Ōpua and Paihia
Open spaces	<ul style="list-style-type: none"> • Cemeteries • EV charging stations • Sport centre buildings • Significant structures (particularly bridges, high structures or structures over roads) • Seawalls, stopbanks, and floodgates • Playground structures
Solid waste	<ul style="list-style-type: none"> • Refuse Transfer Station network • Resource Recovery Centre at Kaitāia • Closed landfills including the leachate management systems • The transportation network for the continued execution of solid waste services • Contracted assets (for services mandated by public health requirements)
Stormwater	<ul style="list-style-type: none"> • Pump stations • Culverts and ponds and detention dams • Pipe intersects state highway carriageway • Flume crossing aerial (simple support or no support)
Transport Network	<ul style="list-style-type: none"> • Roothing network and its bridge stock as lifelines for communities • Single access roads to communities • Assets along lifeline routes • State Highways 1, 10, 12 & 15 (owned by Waka Kotahi NZ Transport Agency) are connectors between communities and freight routes • Hokianga Harbour Ferry
Wastewater	<ul style="list-style-type: none"> • Pipe bridges • Pipe intersects state highway carriageway • Pipe crossing aerial (simple support or no support) • Trunk and rising mains • Pump stations • Treatment plants including inlet and outline lines • Telemetry links • Generators – plants and pumps stations
Water Supply	<ul style="list-style-type: none"> • Raw water mains • Pipes greater than 250mm in diameter • Pipe intersects state highway carriageway • Pipe crossing aerial (simple support or no support) • Mains between water sources / head works and reservoirs • Rising mains, pump stations, treatment plants, reservoirs, and pressure control valves • Telemetry links • Generators – plants and pump stations

6. Managing our assets over the next five years

6.1. Transport Network

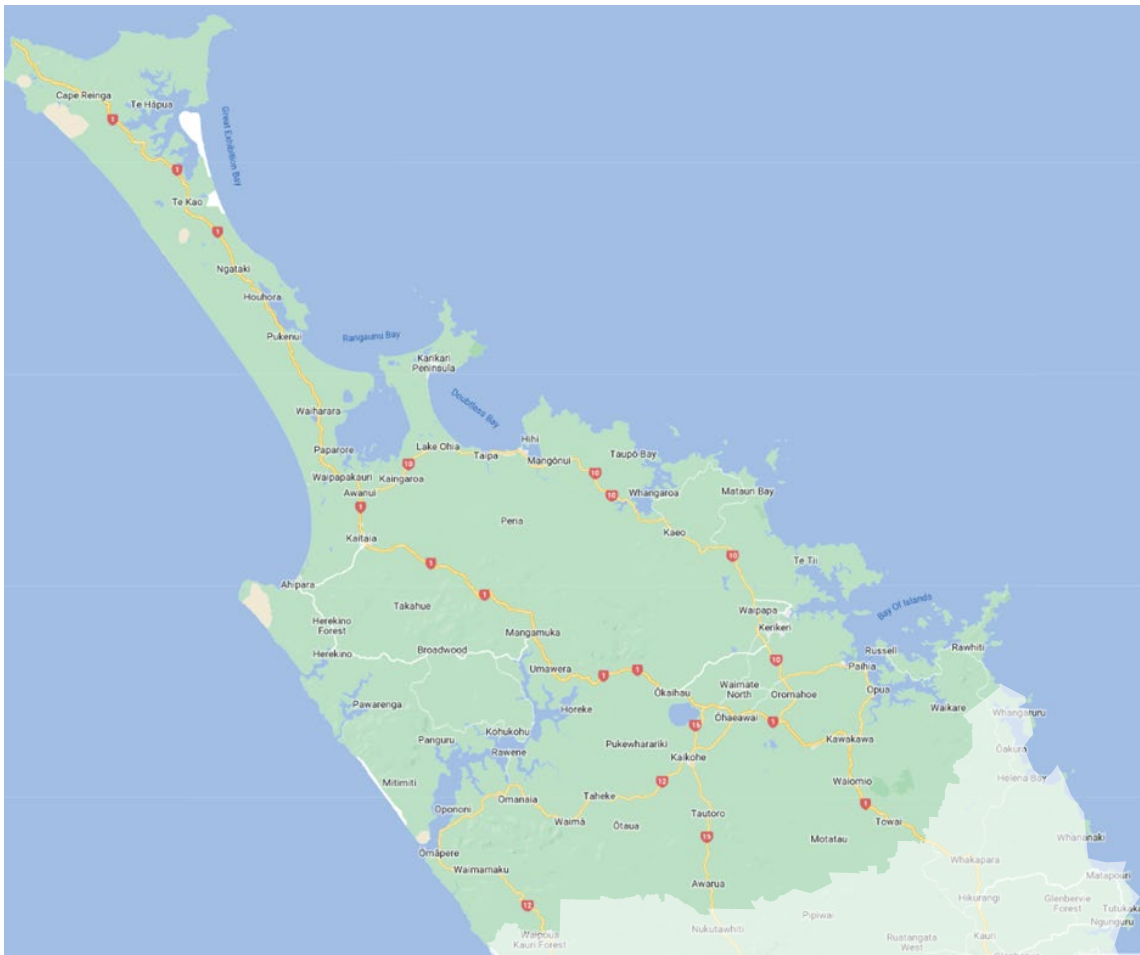
6.1.1. Activity overview

The transport network is vital infrastructure for connecting our communities and ensuring safe access to the places that make visiting and living in the Far North an enjoyable experience. The importance of the roading network in the Far North cannot be overstated. It connects our communities to the rest of the Northland Region and south to the Auckland Region, and allows the movement of goods, services, and visitors. The Hokianga Ferry Service provides a vital link between the Rāwene and Kohukohu communities on either side of the harbour.

The maintenance and management of the local roading network is a core function of the council. Transportation forms Council's largest asset group accounting for 81% of the council's core assets. The council's road network is mainly unsealed at 64%. It is one of the largest local roading network in New Zealand after Auckland Transport at 7,716km, Southland District Council at 4,961km and Clutha District Council at 2,903km.

The map in Figure 11, shows the importance the State Highway network plays in accessing the Far North District. The State Highways connect all the major centres (except Kerikeri) in the Far North District. However, about half of the population lives in smaller settlements which are serviced by local roads, often single access roads.

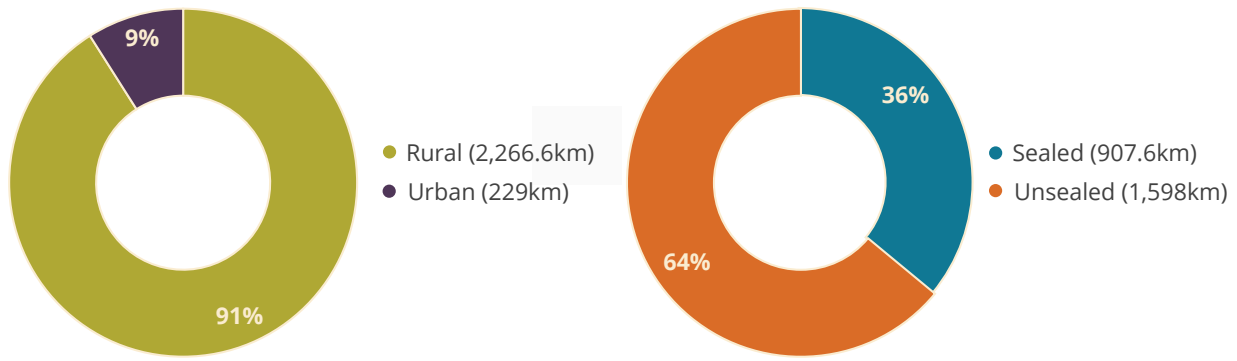
Figure 11 Map showing State Highways in Far North District



6.1.2. Asset summary

Key transport assets include 2,507 km of roads 36% sealed and 64% are unsealed as shown in Figure 12, and a vehicle ferry service across the Hokianga Harbour.

Figure 12 Network characteristics



The council owns and manages \$2.3 billion (replacement value as at June 2023) of transport assets including the Hokianga Ferry. The major transport asset classes are summarised in Table 19.

Table 19 Transport asset summary

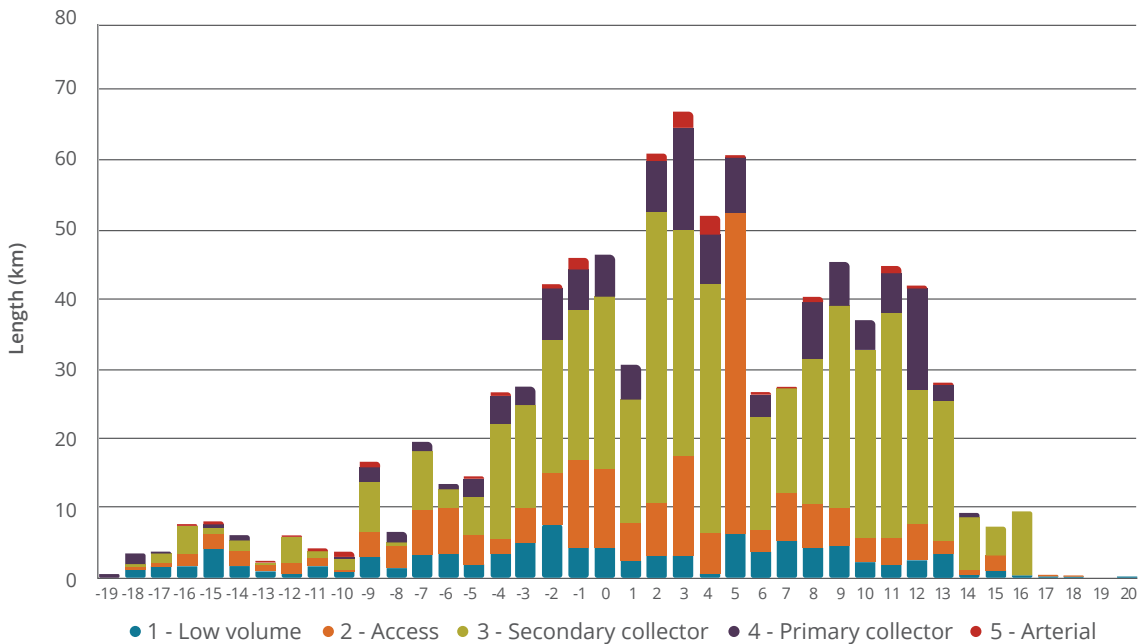
• 2,509km total road network	• 907.6km sealed network
• 1,598km of unsealed roads	• 723 bridges and culverts
• 26,978 drainage systems	• 234km of footpaths
• 87km of cycle trails	• 1,995 streetlights
• 17,715 signs	• 1 Hokianga Ferry service

6.1.3. Asset age profiles

The council have a significant quantity of primary and secondary class roads in terms of resurfacing either beyond or approaching end of life. Due to

impacts recognised with the problem statement these roads are being pushed. When surfacing does occur these roads are often beyond pre-seal and re-seal and need to be managed into the pavement rehabilitation programme.

Figure 13 Surface remaining life profile (years) by road category



Source: NTA AMP

6.1.4. Asset condition and performance

This section provides an overview of the current state of the transport assets as measured by condition and performance. Road quality is covered

in the following section, Transport Levels of Service. The table below illustrates the condition distribution of the main asset groups.

Table 20 Condition distribution

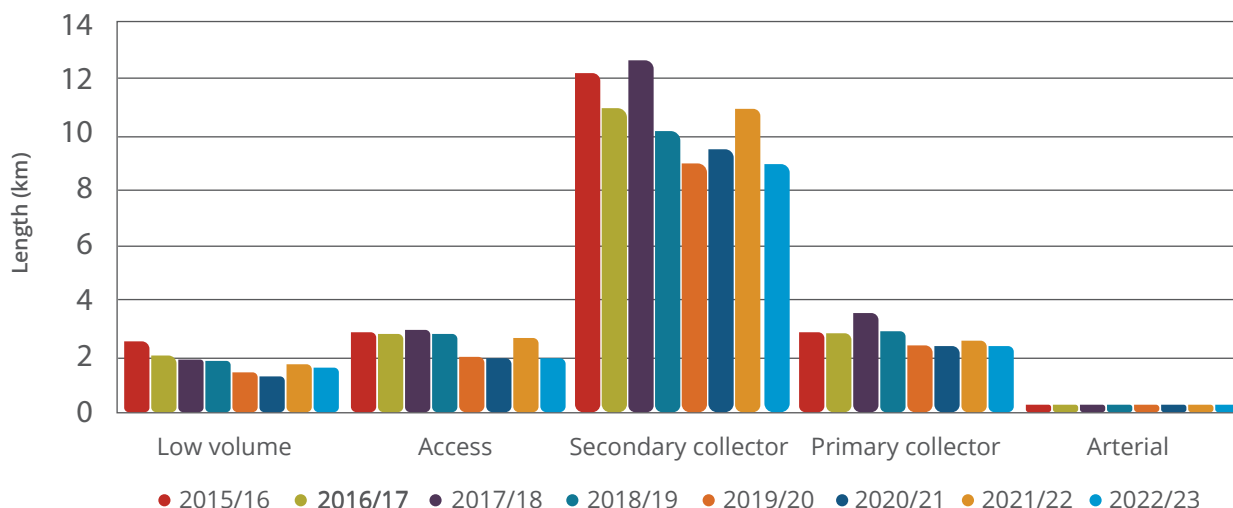
	Excellent	Good	Average	Poor	Very Poor	Unknown
Bridges	7%	45%	39%	8%	2%	0%
Culverts	15%	49%	25%	9%	1%	1%
Retaining Walls	45%	22%	18%	1%	2%	11%
Footpath	52%	37%	9%	2%	0.3%	0%

Source: NTA AMP

The council length of rutting greater than 20mm in depth, reaching terminal pavement failure, is generally static and declining. The last plan has managed to arrest the rutting issues. However,

the length of network greater than 20mm rutting is still concerning and represent a large quantity and requires continued delivery of this plan as proposed.

Figure 14 Length of rutting >20mm depth



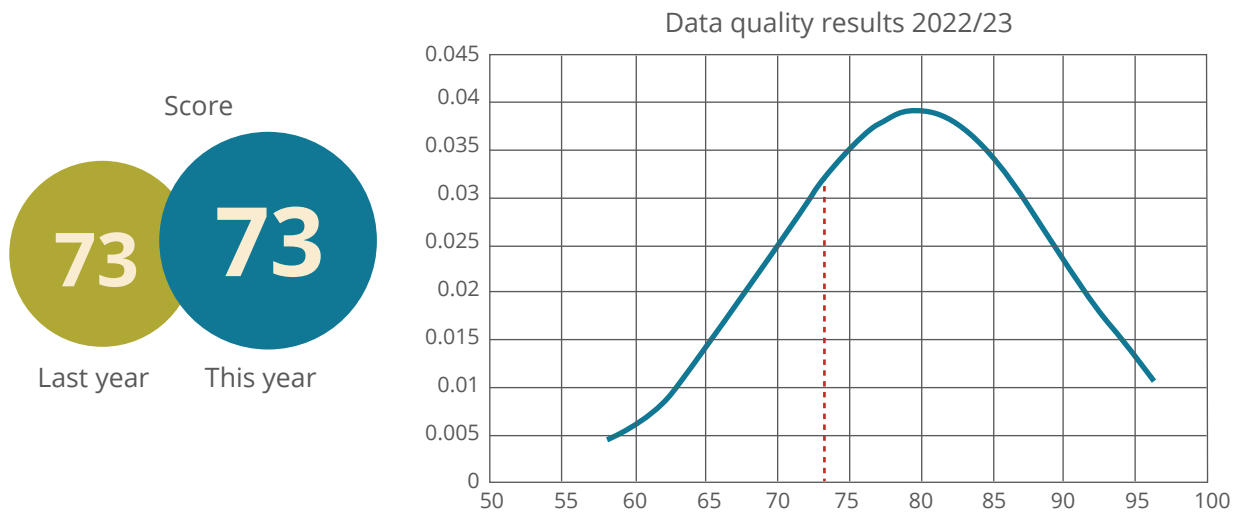
Source: NTA AMP

The Kohu Ra Tuarua – Hokianga Ferry was built in 1999 and has a design life of 30 years. The vessel is maintained under the Maritime Operator Safety Systems (MOSS) and has a Certificate of Survey in compliance with Maritime New Zealand Rules. The Ferry has various servicing schedules based on hours used and during these periods planned maintenance works are undertaken to ensure the Ferry is safe and seaworthy. The Ferry will need to be replaced within 5-7 years.

6.1.5. Te Ringa Maimoa – Data Quality

Confidence of the transport network asset data is measured via Te Ringa Maimoa Data Quality reports. The council scored low in asset inventory and condition categories and in the national average as shown in Figure 15.

Figure 15 Te Ringa Maimoa data quality results and national benchmarking



6.1.6. Road safety

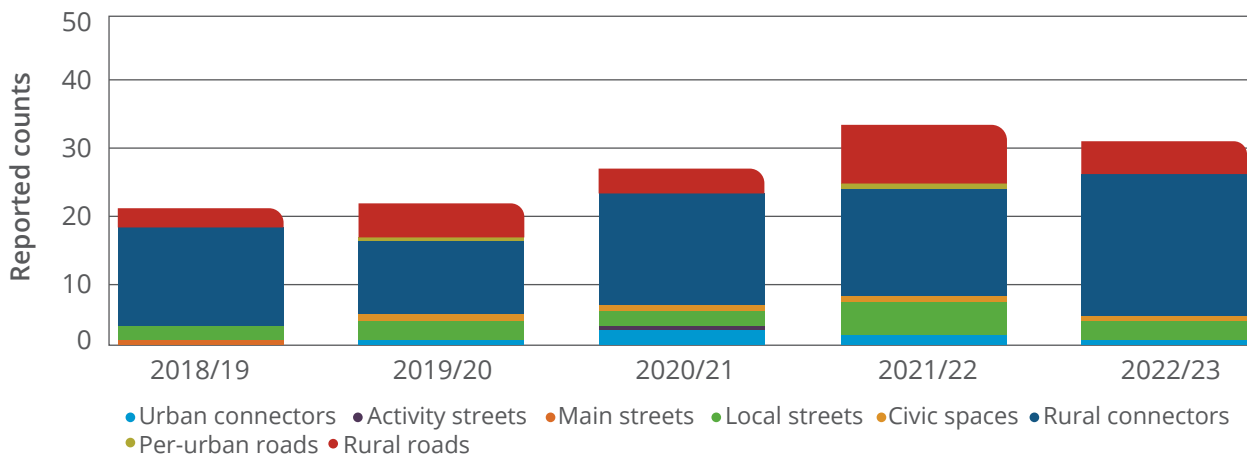
Road safety is the most important measure of the network performance. The road safety trends for the last 5 years are shown in Figure 16. This shows

that the overall number of crashes have been increasing, with the rural connectors category still showing the highest quantity of crashes.

Figure 16 Road safety trends by years

Counts by year

This chart shows the cumulative deaths and serious injuries counts for the last five years, for the categories that are selected.



6.1.7. Road quality

The average quality of roads is measured in terms of Smooth Travel Exposure (STE). The STE results for 2023 distributed over the road categories of the One Network Framework are shown in the

Figure 17. This shows that average quality of roads is improving (the arrows on top of each bar graph show the trend direction for that road category).

Figure 17 STE results and trends for 2023



6.1.8. Key challenges – Transport Network

The key challenges for the Transport Network activity are summarised in Table 21 with further detail in the ‘Our Groups and Activities’ section of this document.

Table 21 Key challenges for the Transport Network activity

District infrastructure issues	Key challenges	Discussion / management response
Sealed roads	Backlog of works, cost escalations and deterioration of the pavements.	<ul style="list-style-type: none"> Carry out an adequate programme of pavement renewals that will enable the sealed pavement to be maintained in a fit for purpose condition while optimising the long-term maintenance costs. Ensure our sealed roads are suitable for the traffic demands, particularly freight, while optimising the long-term maintenance costs.
Drainage	Backlog of works, cost escalations and associated deterioration of the pavements.	<ul style="list-style-type: none"> Adopt the NTA’s Drainage Plan and Maintenance Intervention Strategy to identify water-tables in areas that are high risk for water ingress, flooding, and scour. Continue to inspect culverts annually to address blocked culverts. Carry out an adequate programme of drainage repairs that enable proactive treatment of these high-risk areas which should prolong the life of the pavement and surfacing and will reduce the amount of water flooding across roads.
Network resilience	The council has few transport options and the network is also vulnerable to slips and flooding during storm events.	<ul style="list-style-type: none"> Adopt the NTA’s Resilience Plan and Maintenance Intervention Strategy to identify retaining walls and slip repairs and flood mitigation measures. Inspect existing retaining walls and flood protection structures. Carry out an adequate programme of retaining wall renewals and slip repairs that enable proactive treatment of high-risk areas which should minimise delay and disruption on key roads, tourist routes and will provide security of access for isolated communities.

District infrastructure issues

	Key challenges	Discussion / management response
Unsealed roads	The council has a large proportion of unsealed roads which results in high levels of community dissatisfaction due to dust, poor road condition and adverse health impacts to residents.	<ul style="list-style-type: none"> Adopt the Centre of Excellence (CoE) recommendation to strengthen structural pavement layer and place a Paige- Green compliant material over the pavement. Develop a proactive programme of works.
Structures	The condition of structures including retaining walls and bridges, is limited. The council has a large number of aging, poor condition and weight restricted bridges that are unable to carry 50MAX traffic impacting on freight movements.	<ul style="list-style-type: none"> Implement an annual inspection programme. Implement a strategy that creates a forward works programme. Fund the forward works programme.
Road safety	Trends in deaths and serious injury crashes are increasing	<ul style="list-style-type: none"> Minor safety improvements, intersection improvements, pedestrian and cycling facilities, geometry improvements, road safety programmes.

6.1.9. Significant issues and options

Significant issues and options for the Transport Network activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below. The highlighted option is preferred as the most likely scenario and when the council expects significant decisions will

be required. Note that risk is assessed with the option undertaken. Indicative cost estimates are provided for evaluating wide range of options only and not part of LTP budgets (this applies to water supply, wastewater and stormwater).

Table 22 Significant issues and options for the Transport Network activity

 Shows the preferred option

District infrastructure issue: Well-being of our community for healthy and sustainable outcomes

Significant transport network issue: Sealed roads - due to the combination of significant cost escalation due to the Covid-19 pandemic, the limited construction season due to the Climatic storm events through 2021-23 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	1. Do nothing.	<ul style="list-style-type: none"> Worsening of pavement condition over time (e.g. more potholes and failures) and an increase in long-term maintenance costs, slower travel times and potential safety issues. Greater cost and work required to bring network back into specification / maintain Levels of Service. 		H

**Alignment with
Te Pae o Uta
– Te Ao Māori
framework**

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
	2. Moderate programme to viable budget increases.	<ul style="list-style-type: none"> Continuation of a moderated programme of pavement renewals do not reduce the backlog of required works and will increase the maintenance needs and costs of the network. Address the poor condition thin asphaltic (TAC) surfacing as these surfaces allow water ingress and premature (and expensive) pavement failure. 	✓	H
	3. Continue with proposed programme of works to bring the desired Levels of Service to the network and reduce any backlogs to build resilience into our network.	<ul style="list-style-type: none"> Most long-term cost-effective programme for sealed roads. Maintaining freight routes to a higher standard will make these roads better able to cope with the increasing freight loads over time, reduce continual disruptive maintenance patching and more resilient to adverse weather events. 	✓	M

 Shows the preferred option

Significant transport network issue: Unsealed Roads – The council has a large proportion of unsealed roads which results in high levels of community dissatisfaction due to dust, poor road condition and adverse health impacts to residents.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	1. Do nothing.	<ul style="list-style-type: none"> Continual worsening of pavement condition with increased potholing, corrugations, gravel loss and dust which is leading to high levels of customer dissatisfaction, and health concerns. 		H
	2. Continue with current programme of re-metalling roads on an ad hoc basis.	<ul style="list-style-type: none"> Continual high maintenance costs. Continuing to maintain the unsealed network without knowing the pavement depth or condition will retain the current reactive approach to customer complaints which is likely to be suboptimal and result in more customer dissatisfaction. Dust has become a significant concern for resident’s health, particularly on freight routes, which is driving significant demand for dust suppression and sealing of roads. 	✓	H

	3. Adopt the Centre of Excellence (CoE) recommendation to use Paige-Green compliant materials as a wearing course on high and medium demand roads where additional pavement strengthening to provide the required strength and shape is undertaken.	<ul style="list-style-type: none"> • Maintenance costs are reduced. • With low demand routes dust is reduced, but with high demand routes the use of a dust coat seal may still be required to mitigate excessive dust. • Development of a proactive programme of works. 	✓	M
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 Shows the preferred option

Significant transport network issue: Drainage - due to the combination of significant cost escalation due to the Covid-19 pandemic, the limited construction season due to the climatic storm events through 2021/22 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	1. Do nothing, continue with ad hoc reactive maintenance.	<ul style="list-style-type: none"> • Inadequate control of water flows to keep pavements free of water ingress resulting in pavement failure, flooding and scour of roads, particularly on the unsealed network. • Increase in sediments due to poor culvert drainage and surface failure of the unsealed road network. 		H
	2. Adopt the NTA's Drainage Plan and Maintenance Intervention Strategy. Invest time to fully understand the extent of the problem with poor culvert drainage and surface failure of the unsealed road network and the resulting impact on the environment.	<ul style="list-style-type: none"> • Able to identify inadequate water-tables in areas that are high risk for water ingress, flooding and scour. • Proactive treatment of these high-risk areas which should prolong the life of the pavement and surfacing and will reduce the amount of water flooding across roads. 	✓	M

Significant transport network issue: Road Safety – Trends in deaths and serious injury crashes have increased in the Far North District over the last 5 to 10 years.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	1. Maintain the level of safety works.	<ul style="list-style-type: none"> • D&SI continue increase. • Reputational risk to council. 	✓	H

Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	2. Continue to look for safety benefits and ways to reduce risks to road users.	<ul style="list-style-type: none"> Active risk management of the network to keep D&SI as low as possible. Works will continue to protect road users. Education programmes. 	✓	M
	3. Analyse network for vulnerabilities, develop a plan and proactively undertake resilience works.	<ul style="list-style-type: none"> Proactively build resilience into network to reduce risk. Planned network disruption (timing, budgets, designs) rather than unplanned. Schedule work with other activities where possible. Long term view of network taken. Work focuses on higher road criticalities first. 	✓	M

 Shows the preferred option


Climate change impacts on the District and resilience of critical infrastructure

Significant transport network issue: Network Resilience – Far North roads are vulnerable to slips and flooding during heavy rain events, which is only expected to get worse over time due to the effects of climate change.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 1 - Increased participation in the council structures and decision-making processes – decision making	1. Do nothing.	<ul style="list-style-type: none"> Worsening of pavement condition over time (e.g. more potholes and slip failures) and an increase in long-term maintenance costs, slower travel times and potential safety issues including cutting access to communities 		H
	2. Implement NTA's Resilience Plan and maintenance intervention strategy (MIS) to develop a prioritised programme of retaining wall & slip repairs and flood mitigation required on key arterial routes, tourist routes and on roads that form the only vehicle access to isolated communities. The council to work collaboratively to enable a strategic road network, focussed on climate adaptation and route resilience to mitigate flood vulnerability.	<ul style="list-style-type: none"> Addressing slips and flood mitigation in a proactive manner will reduce the likelihood of catastrophic failure and will reduce ongoing maintenance costs. It will minimise delay and disruption on key arterials, tourist routes and will provide security of access for isolated coastal communities. Considering the impacts of climate change in low-lying coastal areas will help planning of new roads and coastal protection in these areas. This will help future proof the road network from potential sea level rise. 	✓	M

Alignment with Te Pae o Uta – Te Ao Māori framework


Options	Implications of the options	Years 1 to 5	Risk (L/M/H)	
Whaingā (Goal) 1 - Increased participation in the council structures and decision-making processes – decision making	3. Investigate alternative to expand the resilience strategy to a Corridor Network Resilience Analysis and FWP.	<ul style="list-style-type: none"> Maintenance costs are reduced. With low demand routes dust is reduced, but with high demand routes the use of a dust coat seal may still be required to mitigate excessive dust. Development of a proactive programme of works. 		M

 Shows the preferred option

District infrastructure issues: Sufficient evidence to make sound infrastructure decisions

Significant transport network issue: Structures – Asset information on condition of structures including retaining walls and bridges, is limited. The council has a large number of aging, poor condition and weight restricted bridges that are unable to carry 50MAX traffic impacting on freight movements.

Alignment with Te Pae o Uta – Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)	
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	1. Do nothing.	<ul style="list-style-type: none"> Bridges will continue to deteriorate and as their structural integrity is impacted more will be added to the 50MAX register. Impacts on freight movement and economic growth. It also has health and safety implications if bridges and retaining walls are not maintained. Retaining walls will also deteriorate and potentially fail during storm events if inspections are not undertaken. 		H
2. Annual inspection programme of critical bridge and coastal structures will enable maintenance work to be identified in a timely manner and potentially reduce more expensive repairs in the future. A retaining wall forward works plan is being developed for the first time and this is identifying demand for retaining wall renewals and replacement.	<ul style="list-style-type: none"> Programmes will enable maintenance work to be identified in a timely manner and potentially reduce more expensive repairs in the future and prevent further bridges being added to the 50MAX register. Reduce ongoing maintenance costs on bridges and retaining walls 		H	

Alignment with Te Pae o Uta – Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – well-being	3. Continue with the annual inspection programme and implement a forward works programme for the replacement and upgrade for bridges and retaining walls. <ul style="list-style-type: none"> The removal of bridges from the 50MAX restriction register will enable more use of these higher productivity vehicles and will reduce freight costs and improve opportunities for investment. Increased upgrades add resilience to the network enabling better freight routes and a safer network. 	✓	M

6.1.10. Significant decisions on land transport capital expenditure

Table 23 below shows the likely timing and estimated cost of significant land transport capital projects or work programmes. The table provides a project description and project linkages to the significant infrastructure issues (detailed above), key decisions, project budgets and timeframes.

Table 23 Summary of significant decisions – land transport

Significant: Sealed roads

Due to the combination of significant cost escalation due to the Covid-19 pandemic, the limited construction season due to the climatic storm events through 2021-23 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Continue with proposed programme of works to bring the desired levels of service to the network and reduce any backlogs to build resilience into our network.	Decision to continue to invest in reseal work programme to bring the desired levels of service to the network and reduce any backlogs to build resilience into our network.	Programme: Reseal and rehab programme; Primary driver - renewals.	2024/25 to 2028/29	\$93m

Significant issue: Drainage

Due to the combination of significant cost escalation due to the Covid-19 pandemic, the limited construction season due to the climatic storm events through 2021/22 and the moderation of the optimised programme for the last LTP, the backlog of renewals has increased, and the road pavements are evidencing accelerated deterioration increasing maintenance costs and renewal requirements.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Adopt the NTA’s Drainage Plan and Maintenance Intervention Strategy. Invest time to fully understand the extent of the problem with poor culvert drainage and surface failure of the unsealed road network and the resulting impact on the environment.	Decision to invest in NTA’s Drainage Plan and Maintenance Intervention Strategy. Decision to invest time to fully understand the extent of the problem with poor culvert drainage and surface failure of the unsealed road network and the resulting impact on the environment.	Operational programme: Drainage maintenance and renewals.	2024/25 to 2028/29	\$11m

Significant issue: Network Resilience

Far North roads are vulnerable to slips and flooding during heavy rain events, which is only expected to get worse over time due to the effects of climate change.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Implement NTA's Resilience Plan and maintenance intervention strategy (MIS) to develop a prioritised programme of retaining wall and slip repairs and flood mitigation required on key arterial routes, tourist routes and on roads that form the only vehicle access to isolated communities. FNDC to work collaboratively to enable a strategic road network, focussed on climate adaptation and route resilience to mitigate flood vulnerability.	Decision to invest in implementing NTA's Resilience Plan and maintenance intervention strategy (MIS).	Operational programme: maintenance and resilience renewals.	2024/25 to 2028/29	\$17m

Significant issue: Unsealed Roads

The council has a large proportion of unsealed roads which results in high levels of community dissatisfaction due to dust, poor road condition and adverse health impacts to residents.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Adopt the Centre of Excellence (CoE) recommendation to use Paige-Green compliant materials as a wearing course on high and medium demand roads where additional pavement strengthening to provide the required strength and shape is undertaken.	Decision to adopt the Centre of Excellence (CoE) recommendation to use Paige-Green compliant materials as a wearing course on high and medium demand roads as a cost effective approach.	Operational programme: Unsealed road maintenance programme.	2024/25 to 2028/29	\$48m

Significant issue: Structures

Asset information on condition of structures including retaining walls and bridges, is limited. The council has a large number of aging, poor condition and weight restricted bridges that are unable to carry 50MAX traffic impacting on freight movements.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Continue with the annual inspection programme and implement a forward works programme for the replacement and upgrade for bridges and retaining walls.	Decision to continue to invest in annual inspection programme for structures and implement a forward works programme for the replacement and upgrade for bridges and retaining walls.	Operational programme: bridge inspections and maintenance.	2024/25 to 2028/29	\$21m
		Programme: Structures renewals: Driver: renewals.	2024/25 to 2028/29	\$27m

Significant issue: Road safety

Trends in deaths and serious injury crashes have increased in the Far North District over the last 5 to 10 years.

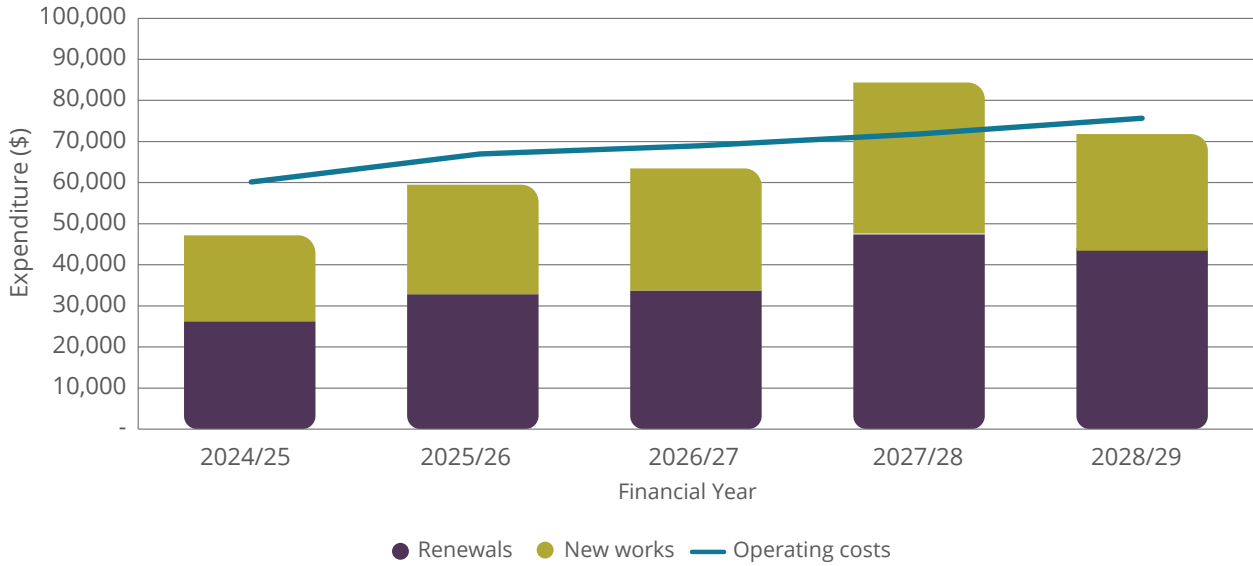
Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Continue to look for safety benefits and ways to reduce risks to road users.	Decision to continue to invest in road safety improvements and education programmes.	Operational programme: Road safety programmes	2024/25 to 2028/29	\$28m

6.1.11. Transport expenditure forecasts

The five year expenditure forecast for the transport activity is shown below. Over the next five years, it is expected that the council’s major capital expenditure items include:

- Unsealed road metalling at about \$9.6 million pa
- Sealed road rehabilitation at about \$8.5 million pa
- Thin asphaltic surfacing at about \$2.7 million pa
- Chip sealing at \$8.0 million pa – including unsubsidised works
- Footpath renewals and walking improvements at about \$5.6 million pa
- Ferry equipment renewals at \$4.2 million in total
- Bridges and structures at \$9.5 million pa
- Various safety projects approx \$5.0 million pa.

Figure 18 Transport financials (inflated)

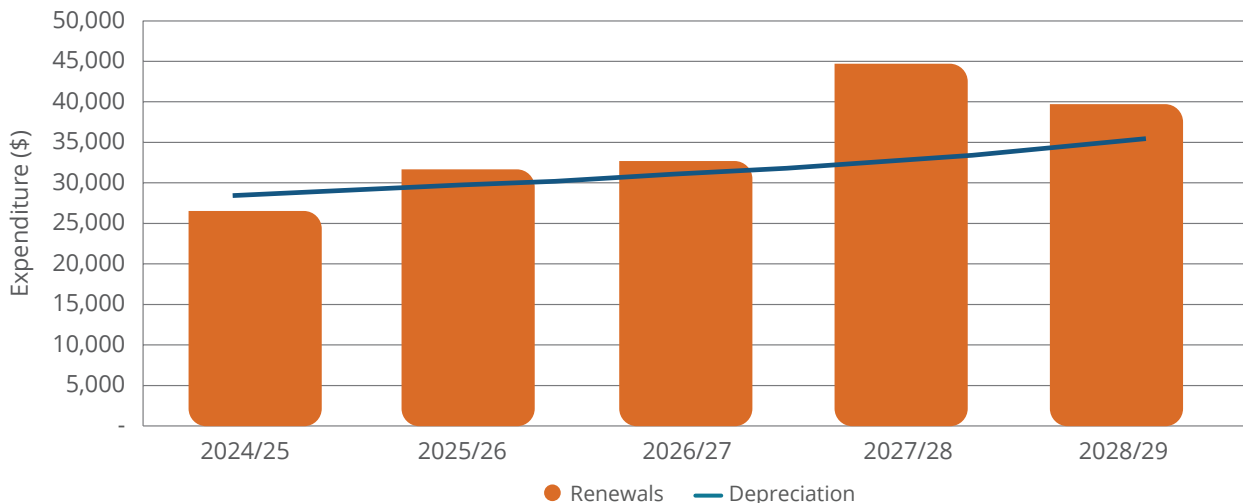


6.1.12. Funding depreciation – transport network

The annual renewals of \$37 million (\$186.8 million five year total inflated) versus annual depreciation of \$31.7 million for the land transport assets is shown in Figure 19.

This shows that the forecast renewal expenditure for the land transport assets is higher than the depreciation over the five year period. This is to make up for the backlog of works and resilience projects needed on the network.

Figure 19 Transport renewals versus depreciation (uninflated)



6.1.13. Funding this activity – transport network

We fund our Transport Network activities from a range of sources:

- Waka Kotahi NZ Transport Agency subsidies (FAR)
- Targeted rate based on land value
- Fees and charges for road corridor access applications
- Other funding sources.

The council also funds the Pou Herenga Tai Twin Coast Cycle Trail through the Trust.

6.2. Water Supply

6.2.1. Activity overview

Water supply is a core council service. The water supply networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

Safe drinking water is essential to the health and well-being of our communities. The council is responsible for the treatment and distribution of water through our reticulated water schemes. We also install and read water meters to make sure you are billed for the correct usage. A vital function is ensuring firefighting performance standards are met in urban water supply areas. We also provide new water connections within areas of benefit and supply commercial water operators who deliver to private water tanks.

6.2.2. Asset summary

- 376km of pipes
- 1,902 valves
- 1,249 hydrants
- 10,226 meters
- 23 treatment water storage
- 11 treatment plants
- 17 pump stations
- 11 water sources
- 3 dams

6.2.3. Asset condition and performance

There have been limited condition surveys completed of the water supply assets to assess the current asset state. Break analysis to identify water mains failing that likely need to be replaced is currently undertaken. The water structures are assessed on regular basis including dams and reservoirs to understand their seismic performance. Undertaking planned condition surveys of the above ground water supply assets particularly treatment plants is a high priority for the council as this will inform future renewals.

Asset performance of the council's water supply network is assessed in terms of water leakage and water quality as follows:

- Water leakage – the council assessed its water losses are measure against the mandatory performance measure and reported in the Annual Report. Water loss can happen for a range of reasons, including leaks and breaks in the network and this results in the council treating more water than is needed.
- Our water loss results for the last three financial years has exceeded our target (<26%). Universal metering has been established which helps with identifying leaks on the private systems. There is a water leak detection team and new technology which has resulted in an increase in effective identification of leaks. However, there is currently only reactive renewals due to lack of data being supplied by the operator in a manner that enables planned renewals.
- Water quality – the council has a suite of plans and processes to provide assurance that it is providing safe drinking water. These include the Water Safety Plans, Water Source Risk Management Plans, operating procedures, and operations and maintenance manuals for the treatment plants.
- The council's water quality is measured monthly against the mandatory performance measures and reported in the Annual Report. Only the Kerikeri Water Supply Treatment Plant was compliant in 2022/23 due to the changes in drinking water requirements (refer to Section 4.2 Levels of Service for description on rule changes).

6.2.4. Resource consents – three waters

There are 31 current / existing resource consents in total for the three water activities that will expire in the next 30 years. All resource consents are current, monitored for compliance and reported

on in accordance with the consent conditions. The decade bands that the resource consents are due to expire within the next 30 years are shown in Table

24. Five of the six 5 wastewater consents and 15 of 22 drinking water consents expire in the next ten years.

Table 24 Summary of resource consents expiring by decades

Activity - number of consents expiring	Decade 1 (2024 to 2033)	Decade 2 (2034-2043)	Decade 3 (2044-2054)	Total
Stormwater	3	-	-	3
Water supply	15	3	4	22
Wastewater	5	0	1	6
TOTAL	23	3	5	31

6.2.5. Key challenges – water supply

The key challenges for the water supply activity are summarised in the table below.

Table 25 Water supply key challenges

Key challenges	Discussion / management response
District infrastructure issue: Lack of integrated planning particularly for growth planning.	
Major water treatment plant upgrades required – Four major plant upgrades required to meet new standards for providing safe drinking water, security of supply (with changes in water sources), meet current demand and to cater for increasing population. Existing plant equipment does not always meet new standards.	Major investment is required for plant upgrades serving the Kerikeri, Kaitāia, Paihia and Kawakawa townships. This is costly for the Far North communities. Investment needs to be staged so impact on ratepayers is minimised. Public communication needs to be managed and transparent.
Hydraulic models – Models have been developed for the urban three water systems. However, they are based on dated asset data (2007) and therefore not functional for decision making purposes.	The hydraulic models need to be updated with the latest asset data and calibrated so fit for purpose. Operational budget has been allocated for the model updates.
District infrastructure issue: Well-being of our community for healthy and sustainable outcomes.	
Increasing new compliance requirements – Taumata Arowai is well established as the new water regulator and implementing new regulations nationally. There are multiple regulatory and compliance requirements to meet including the new Drinking Water Assurance Rules and duty to supply sufficient quantity of drinking water as defined in the Water Services Act.	The council continues to update its Water Safety Plans and Source Water Risk Management Plans and prepare Annual Compliance Reports in accordance with Taumata Arowai’s requirements. The Ministry of Health are requiring the council to fluoride the public water supplies at Kerikeri and Kaitāia.
Funding and resourcing constraints – There has been historic under investment in three waters assets and resourcing. Like many councils, attracting and retaining capable three water staff at all levels is a challenge. (This issue is common for 3 waters so not repeated).	This 2024 Strategy will identify the key infrastructure issues and investment required to close the gap. Consequences of budget constraints will be disclosed so it is transparent for decision makers.
District infrastructure issues: Climate change impacts on the District and resilience of critical infrastructure.	
Demand management – It is important that the water supply network is managed sustainably so that wastage is minimised. This is exacerbated with extreme dry weather. Leakage has been managed reactively and we know we need to be more proactive.	Our water loss result for 2022/23 exceeded our target (28.6% actual versus <26% target). We also have universal metering established which helps with identifying leaks on the private systems. We now have a water leak detection team and new technology. This has resulted in an increase in effective identification of leaks.

District infrastructure issues Climate change impacts on the District and resilience of critical infrastructure.

Lack of security of supply – We have struggled to supply enough water in some locations due to extremely dry weather, particularly for surface water sources. We also have constraints across the treatment system including plant processing, raw and treated water storage constraints. The resilience of our water sources is important.

The council developed a bore site at Sweetwater near Kaitāia to permanently supplement supplies from the Awanui River. Securing a permanent supplementary water source for Kaitāia and improving its drought resilience has been a council priority. The project opened in June 2022 but it is still in commissioning phase.

We have other communities that do not have security of supply that need to be addressed (refer to the following significant issues table). Many only have single supply source. This includes Paihia Water Treatment Plant which is exacerbated being an old plant coupled with high seasonal demand.

It is industry good practice to have 3 days storage for resilience. Currently no council treated water reservoirs achieve this standard.

District infrastructure issue: Sufficient evidence to make sound infrastructure decisions.

Watermain renewals – Watermain renewals is generally undertaken reactively due to lack of evidence. Asset performance data is held in spreadsheets so there no single source of the truth.

There is good data on pipe materials, but asset performance data is not currently consolidated (refer to system challenge below). This makes renewal planning difficult.

Aging water assets – Like many councils our water supply assets are aging.

There has been limited condition surveys completed recently to assess our current asset state. We assess our water structures on regular basis including dams and reservoirs to understand their seismic performance.

We do undertake break analysis to identify watermains failing that likely need to be replaced. This will ensure service continuity to our communities and customers. However, funding is only provided for reactive renewals due to limitations of asset condition to support planned renewals.

Limited data management – There is limited asset data to inform asset management planning and it is not always proactively managed. (This issue is common for 3 waters so not repeated. This also applies to the system issue below).

It was expected that the new Water Services Entity would take over the data management function. The council now needs to set up sound data management practices and embed these so they are enduring.

No formal system – There is currently no asset management system for managing three water assets. Asset data changes are currently entered into a spreadsheet.

A single national asset management system was to be rolled out with the setup of the Water Services Entities, similar to above. A preferred system will need to be agreed corporately, potentially with other activities such as built and open spaces.

6.2.6. Significant issues and options

Significant issues and options for the water supply activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in Table 26.

Table 26 Water supply option

 Shows the preferred option

District infrastructure issue: Well-being of our community for healthy and sustainable outcomes.

Significant water supply issue: Increasing new compliance requirements - There are multiple regulatory and compliance requirements to meet including the new Drinking Water Assurance Rules.

Alignment with Te Pae o Uta - Te Ao Māori framework	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	1. Continue with current compliance approach by responding to new requirements reactively.	<ul style="list-style-type: none"> Additional cost of establishment and the increased ongoing operational costs for meeting new rules. The council’s internal resources may be inadequate and reactive responses may take priority over planned activities. Gaps in operational resourcing coverage if key staff leave. 	✓	H
	2. Review current operational resourcing numbers to meet increasing new compliance requirements.	<ul style="list-style-type: none"> Able to respond proactively to new requirements and set up suitable systems and processes to support this. Unable to fill operational staff positions despite structure set up to cater for meeting compliance requirements. Explore regional arrangements to share operational resources to fill staffing gaps. 	✓	M

 Shows the preferred option

District infrastructure issue: Lack of integrated planning particularly for growth planning.

Significant water supply issue: Major water treatment plant upgrades - Required to meet new standards for providing safe drinking water, security of supply, current demand and to cater for increasing population.

Alignment with Te Pae o Uta - Te Ao Māori framework	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	<ul style="list-style-type: none"> 1. Utilise an ad hoc planning approach for water provision in growth areas and to meet new standards. 	<ul style="list-style-type: none"> Funds for any significant capital expenditure may not be available due to the council’s borrowing limits. Treatment plant capacity is not planned to meet current or future demand or sequenced. Some townships may not fully meet Taumata Arowai’s requirements for providing safe drinking water. 	✓	H

Alignment with Te Pae o Uta - Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	2. Use the Spatial Plan and Proposed District Plan to guide long term planning and to address current and future demand for enabling sustainable development and to meet new standards.	<ul style="list-style-type: none"> • Treatment plant upgrades are planned adequately and financial provision made in the ten year budgets. • Funds for any significant capital expenditure may not be available due to the council’s borrowing limits. • Based on realistic forecast of development, where it will likely occur and when. • Provides assurance to Taumata Arowai that the council is committed to providing safe drinking water. 	<p>✓</p> <p>M</p>

 Shows the preferred option

District infrastructure issue: Climate change impacts on the District and resilience of critical infrastructure.

Significant water supply issue: Lack of security of supply - Strengthening our infrastructural resilience is important.

Alignment with Te Pae o Uta - Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 1 - Increased participation in the council structures and decision-making processes – relationships – decision making	1. Continue with strengthening the resilience of our water supply schemes progressively as infrastructure issues are identified.		M
	2. Investigate increasing water sources that are not dependent on surface water including the ability to draw from dams. Strengthen the resilience of treatment plant system including storage.	<ul style="list-style-type: none"> • Capital investment takes time to gain the council’s budget approval and to implement physical works. • Significant water restrictions may occur from time to time. • Some townships may run out of water in extreme dry events. • Need for water restrictions may be reduced. • Security of supply is improved and meets industry good practice. • The water companies that will manage the schemes (including the dams) are shareholder owned so complex governance arrangements. 	Budget impacts expected to be significant

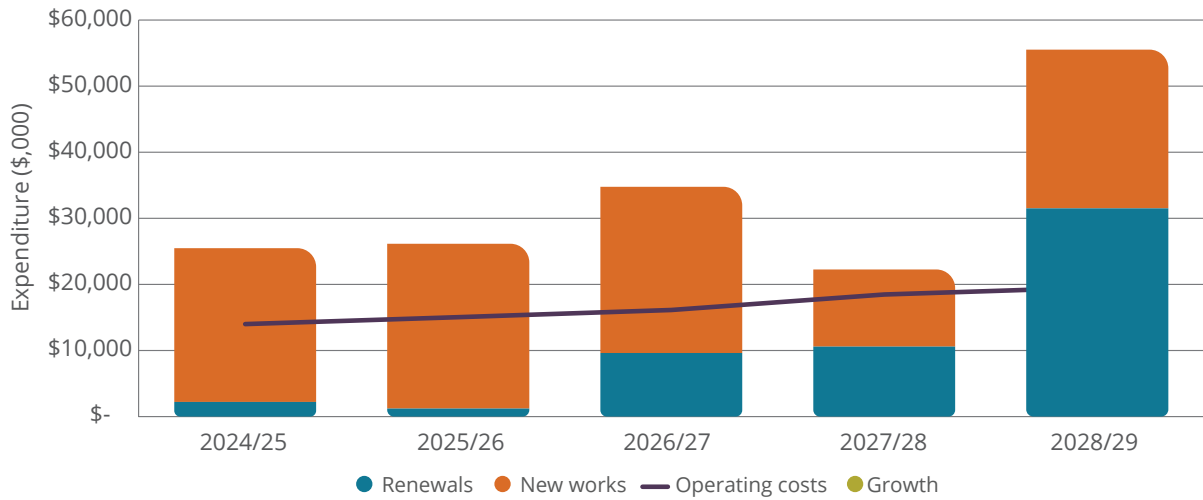
6.2.7. Water supply expenditure forecasts

The five year expenditure forecast for the water supply activity is shown in Figure 20. Over the next five years it is expected that our major capital expenditure items include:

- Renewals increases from an average of \$1.7 million pa in the first two years to an average of \$17 million in the last three years. This is to support moving from a reactive to proactive renewal approach and ensure service continuity for our customers.

- New works projects also increases to meet the new drinking water requirements is about \$22 million pa
- Kerikeri Water Network Upgrade, to Heritage Bypass at \$12.1 million in total over two years
- Kerikeri Water Treatment Plant Upgrades at \$15.4 million in total over five years
- Kaikohe Water Treatment Plant Upgrades at \$8.6 million in total over five years
- Kaikohe water network reticulation renewals as \$10.7 million in total over three years
- Kawakawa water network planned renewals at \$15.0 million in total over three years
- Paihia water network renewals and improvements at \$11.6 million in total over five years.

Figure 20 Water supply financials (inflated)

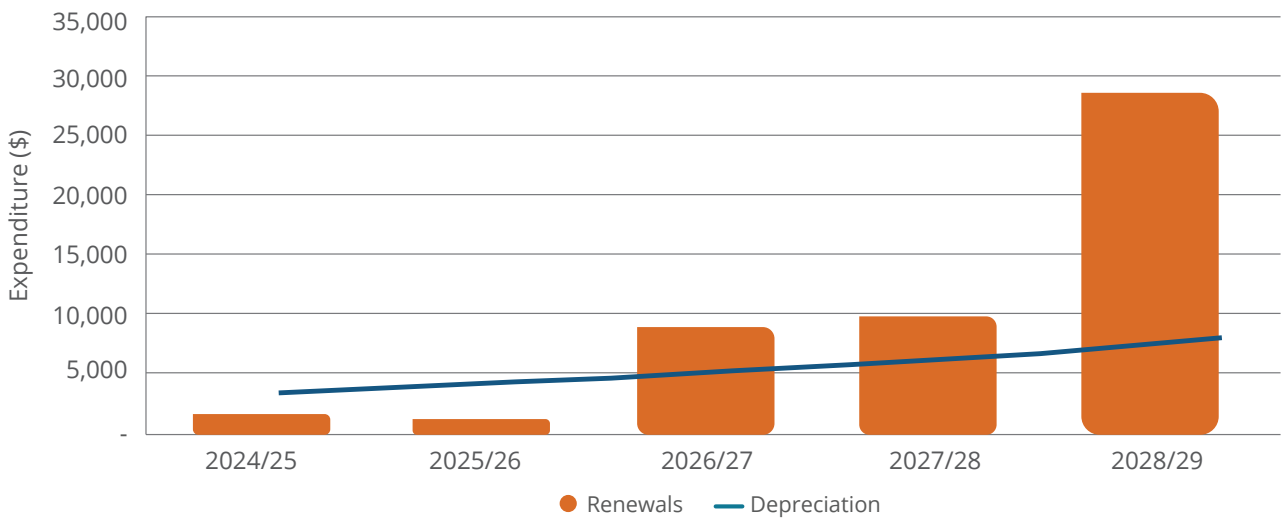


Note that growth projects have not been identified as they are currently not classified where they are growth driven due to legacy financial system and processes. Typically, growth projects are reported as improved new works. It is recognised that this is important and needs to be amended council-wide and across all infrastructure activities. This should be addressed prior to the 2027 LTP so capital projects can be correctly categorised.

6.2.8. Funding depreciation - water supply

The annual renewals of \$10.2 million (\$51 million five year total uninflated) versus annual depreciation of \$5 million for the water supply assets is shown in Figure 21. This shows that the forecast renewal expenditure picks up from year 3 onwards to address the backlog in planned renewals.

Figure 21 Water supply renewals versus depreciation (uninflated)



6.2.9. Funding this activity – water supply

The council funds its water supply activity through:

- Targeted rates and fees and charges for the operational programme. This includes volume charge for metered properties based on the actual volume of water consumed
- Loans for the capital programme.

6.3. Wastewater

6.3.1. Activity overview

Wastewater is a core council service. Our wastewater networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

The appropriate collection, treatment and disposal of wastewater is vital for the health and well-being of our communities and environment. The council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste from septic tanks in our District. We also provide new schemes and sewer connections where and when required.

6.3.2. Asset summary

- 290 km gravity mains
- 155 km pressure pipes
- 13,406 service connections
- 788 domestic pump stations
- 16 treatment plants
- 153 pump stations
- 16 treatment plants
- 12 wetlands
- 1 borefield
- 73 septic tanks

6.3.4. Key challenges- wastewater

Table 27 Wastewater challenges

Key challenges	Discussion / management response
District infrastructure issue: Well-being of our community for healthy and sustainable outcomes	
Leachate impact on plants – Leachate from the council’s closed landfills discharge to the wastewater treatment plants.	The leachate is classified as trade waste and the composition may adversely impact the plant’s treatment processes. There are four closed landfills that the council are actively managing.

6.3.3. Asset condition and performance

There have been limited condition surveys completed of the wastewater assets to assess the current asset state. The wastewater network was previously surveyed but the data was never analysed. Undertaking planned condition surveys of the above and below ground wastewater assets is a high priority for the council as this will inform future renewals.

Asset performance of the council’s wastewater network is assessed in terms of overflows and inflow and infiltration as follows:

- Dry weather overflows. A dry weather overflow is an uncontrolled wastewater discharge that is not associated with a rain event. Dry weather overflows are reported on as a mandatory performance measure and to the Northland Regional Council. Blockage incidents occur from time to time but our asset performance for dry weather overflow events meet the industry accepted benchmarks.
- Inflow and infiltration. We know operationally that some of our catchments are leaky. This is the term used to describe groundwater and stormwater entering into dedicated wastewater system resulting in the system becoming overloaded and overflows occurring.

As part of improving the network resilience, we intend to assess inflow and infiltration across the catchments to prioritise our efforts and develop a cost effective and targeted programme. An inflow and infiltration programme has not been developed as it was expected that the council’s 3 water assets were being transferred to the new Water Services Entity.

Key challenges

Discussion / management response

<p>Poor capital delivery – The delivery of the wastewater capital programme has been poor due to major wet weather events, resourcing and supply chain issues, and cost escalation. Community engagement about the wastewater upgrade projects has also been poor.</p>	<p>There is a focus on increasing internal resourcing to deliver the planned works. We are also improving community engagement for wastewater capital projects</p> <p>We know that wastewater overflows into waterways is not acceptable to iwi and our communities. We will work alongside hapū and communities to understand the existing wastewater issues and design culturally useful solutions.</p>
<p>Poor environmental compliance – the council has been issued with various abatement and infringement notices for wastewater treatment plant performance and discharges.</p>	<p>The Ahipara Wastewater Treatment Plant is the subject of two current abatement notices and an infringement notice due to faecal coliforms. Most of the wastewater schemes have ongoing compliance issues.</p>
<p>Respecting cultural values – Discharging treated wastewater to waterways is unacceptable to iwi. It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community.</p>	<p>In some cases, we need to explore alternative wastewater options and stage culturally appropriate solutions overtime. The objective is to investigate the practicality / viability to discharge the treated wastewater to land.</p> <p>Some soil types are not suitable for receiving treated wastewater. We have limited data on land suitability for receiving treated wastewater at district-wide level. We need this data to make decisions on future treatment plant locations (new and upgrades).</p> <p>Te Mana o te Wai draws on a te ao Māori perspective to recognise the whole-of-system approach to wai, from maunga to moana, or ki uta ki tai. The council is to give effect to Te Mana o te Wai while performing functions or duties. There is not always adequate resourcing for running the community liaison groups.</p>
<p>Resource consents expiring – Many of the resource consents for the wastewater assets are expiring in the short to medium term.</p>	<p>It is expected that future consent requirements will require higher level of investment and will be more restrictive. Expectations from stakeholders and iwi will be higher. The plants will require upgrades in the 30 years as consents expire. There is budget allocated to support consenting work two years prior to the expiry date.</p>
<p>District infrastructure issue: Sufficient evidence to make sound infrastructure decisions.</p>	
<p>Aging wastewater assets – Like many councils our wastewater assets are aging.</p>	<p>There has been limited condition surveys completed recently to assess our current asset state. We have previously surveyed our underground wastewater network but the data is yet to be analysed.</p>
<p>Limited improvement in wastewater practices – There has been limited improvement since 2021 particularly for the wastewater activity. It was expected that the council's 3 water assets were being transferred to the new Water Services Entity</p>	<ul style="list-style-type: none"> • We need to understand the current state of the wastewater assets. • We will also need to rebuild sound practices including capable people, data, processes, and systems so the wastewater activity is managed wisely going forward. • We also need to identify the expenditure requirements to bring the wastewater assets up to a sustainable condition. • We also need to seek external funding where possible to reduce the debt impact on our customers.

6.3.5. Significant issues and options

Significant issues and options for the wastewater activity and alignment with the alignment with Te Pae o Uta - te Ao Māori Framework are summarised in the table below.

Table 28 Wastewater option

 Shows the preferred option

District infrastructure issue: Well-being of our community for healthy and sustainable outcomes.

Significant wastewater issue: Poor environmental compliance – the council has been issued with various abatement and infringement notices for long-standing issues at wastewater treatment plant performance and discharges.

Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	1. Continue with operating existing plants and be at risk of receiving more abatement and infringement notices.	<ul style="list-style-type: none"> Will not always meet current minimum resource consent requirements. The regulator will get frustrated at the council's lack of commitment and action to address the long-standing wastewater issues. The council will receive abatement and infringement notices and potentially be prosecuted. May result in substantial degraded environment over time. 	✓	H
	2. Develop and implement a long term investment plan to guide decisions on addressing the long-standing wastewater issues. Interrelated issues to consider include growth, freshwater management and a higher degree of treatment required for resource consents to meet iwi's concerns.	<ul style="list-style-type: none"> Will take time to develop robust long term investment plan for wastewater. In the short to medium term until sufficient investment improves the network performance, there will be: <ul style="list-style-type: none"> Wastewater overflows will continue. Further enforcement action by Northland Regional Council due to unauthorised wastewater overflows. Improves the freshwater quality of the receiving environment. Seek external funding to help with the major upgrade capital costs to lessen the burden on ratepayers. Better alignment with Māori values and community aspirations. Some communities may not be able to afford the required upgrades. 	✓	H

 Shows the preferred option

Significant wastewater issue: Respecting cultural values – Discharging treated wastewater to waterways is unacceptable to iwi. It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community.

Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 3 - Kōkiri Tahī – Empowered communities, working collaboratively – engagement	1. Continue operating plants that discharge treated wastewater to waterways.	<ul style="list-style-type: none"> The current approach to water quality of the waterways will not contribute to te Mana o te Wai. The environment may degrade overtime. The capital and operational costs for managing the wastewater treatment plants are known. 	✓	
	2. Continue to work with iwi on finding acceptable solutions with a focus on the poor performing treatment plants.	<p>It will take time to work in partnership with iwi to find acceptable and culturally acceptable solutions.</p> <p>The soil type is not always suitable for receiving treated wastewater so not a practical solution in some cases.</p> <p>Costs are mostly unknown and may be greater than operating the existing plants i.e. pumping costs to land rather than gravity discharge pipe.</p> <p>Delivers on long term and positive outcome for the environment.</p>	✓	H

 Shows the preferred option

District infrastructure issue: Sufficient evidence to make sound infrastructure decisions.

Significant water supply issue: Aging wastewater assets - Like many councils our wastewater assets are aging. This is exacerbated with a reactive maintenance approach resulting in service failures such as blockages.

Alignment with Te Pae o Uta – Te Ao Māori framework	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	1. Continue with managing the wastewater assets reactively with minor renewals.	<ul style="list-style-type: none"> Service failures will increase and result in more overflows (uncontrolled wet weather and dry weather). Maintenance costs increase and exceed approved budgets. Reactive renewals are unbudgeted so impacts the targeted rate calculation. Hard to set the targeted rates as have limited asset data to base it on. 	✓	H

Alignment with Te Pae o Uta – Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process 2. Develop and implement operational programme to proactively manage the wastewater networks.	<ul style="list-style-type: none"> The asset performance of the wastewater network is understood with operational evidence stored in an asset management system and actively managed. The balance between reactive and proactive maintenance is optimised, and costs are controlled. 	✓	M

6.3.6. Significant decisions on wastewater capital expenditure

The table below shows the likely timing and estimated cost of significant wastewater capital

projects or work programmes. The table provides a project description and project linkages to the significant infrastructure issues (detailed above), key decisions, project budgets and timeframes.

Table 29 Summary of significant decisions – wastewater

Significant issue: Poor environmental compliance

The council has been issued with various abatement and infringement notices for long-standing issues at wastewater treatment plant performance and discharges.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Develop and implement a long term investment plan to guide decisions on addressing the long-standing wastewater issues.	Decision to invest in developing and implementing a long term investment plan to guide decisions on addressing the long-standing wastewater issues.	Programme: Asset planning; Primary drivers – growth and levels of service.	2024/25 to 2028/29	\$300k indicative cost estimate

Significant issue: Respecting cultural values

Discharging treated wastewater to waterways is unacceptable to iwi. It can take considerable time and cost to ensure our capital projects are culturally appropriate and supported by our community.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Continue to work with iwi on finding acceptable solutions with a focus on the poor performing treatment plants.	Decision to continue to work with iwi on finding acceptable solutions with a focus on the poor performing treatment plants.	Operational programme:	2024/25 to 2028/29	Covered by existing operational budgets; (\$137m inflated 5 year total)

Significant issue: Aging wastewater assets

Like many councils our wastewater assets are aging. This is exacerbated with a reactive maintenance approach resulting in service failures such as blockages.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Develop and implement an operational programme to proactively manage the wastewater networks.	Decision to invest in developing and implementing an operational programme to proactively manage the wastewater networks.	Operational programme:	2024/25 to 2028/29	Covered by existing operational budgets; (\$137m inflated 5 year total)

6.3.7. Wastewater expenditure forecasts

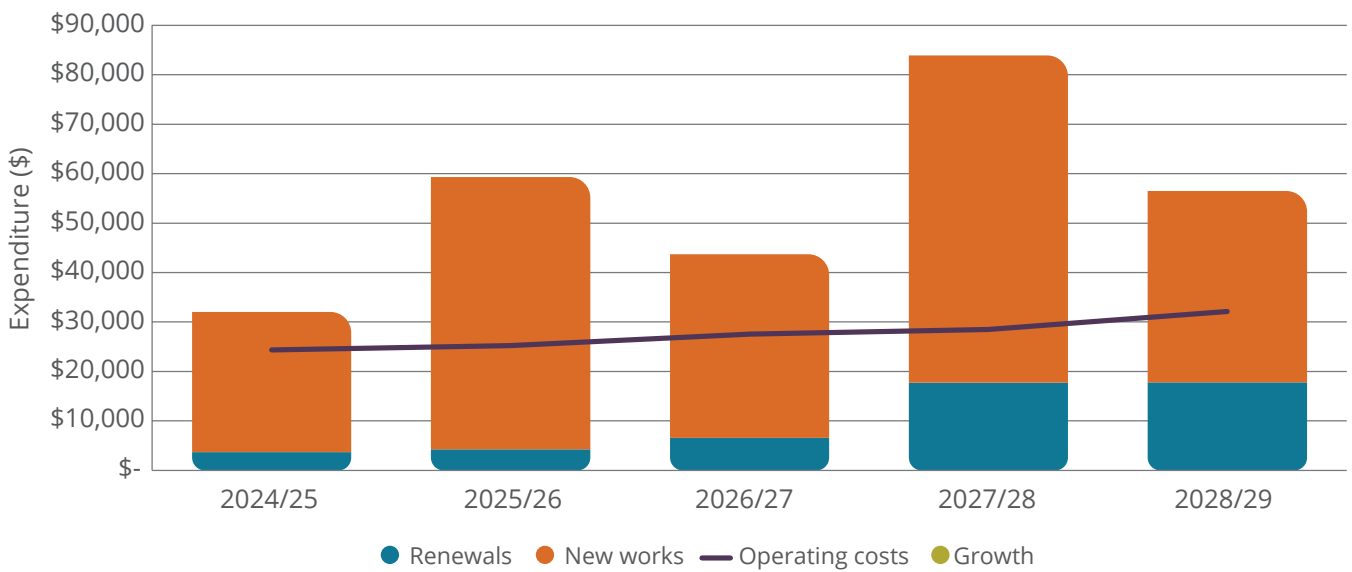
The five year expenditure forecast for the wastewater activity is shown below. Over the next 5 years it is expected that our major capital expenditure items include:

- Renewals increases from about \$3.7 million in 2024/25 to \$17.8 million in 2028/29. This is to support moving from a reactive to proactive renewal approach and ensure service continuity for our customers and environmental protection
- New works projects also increases to meet the environmental standards from \$28 million in

2024/25 to a peak of \$66 million in 2027/28.

- Kaikohe Wastewater Treatment Plant upgrades at \$34m in total over 4 years
- Kaitāia Wastewater Treatment Plant development at \$19.8 million in total over 5 years
- Kerikeri Wastewater Treatment and network scheme expansion Stages 2 and 3 at \$6.8 million in total over 4 years
- Kaikohe wastewater network scheduled renewals at \$9.2 million in total over 3 years
- Kaitāia wastewater network renewals at \$9.5 million in total over 3 years).

Figure 22 Wastewater financials (inflated)

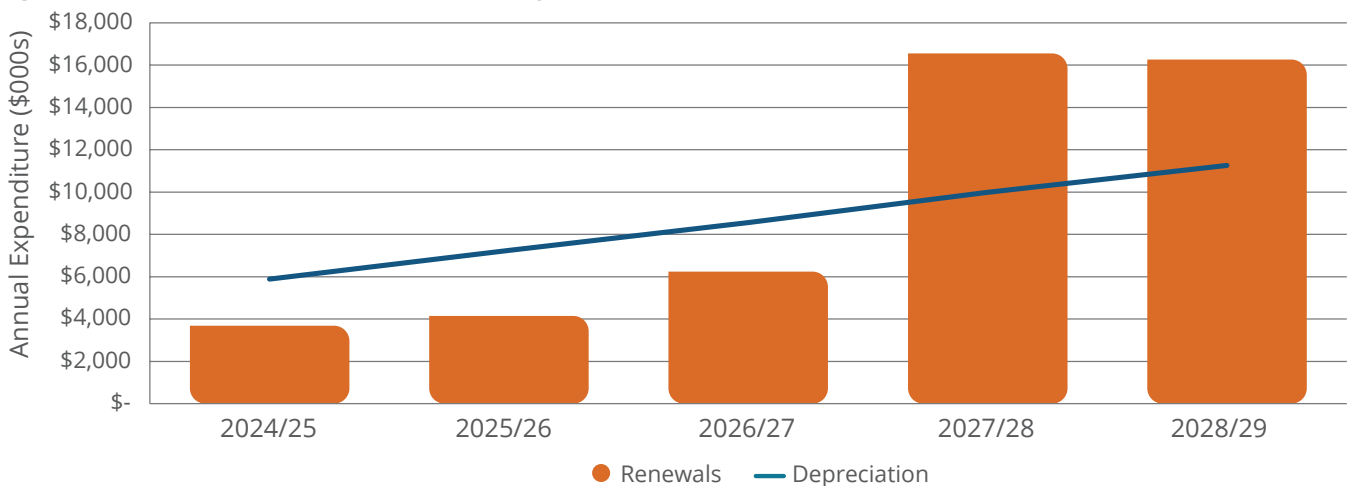


6.3.8. Funding depreciation – wastewater

The annual renewals of \$9.4 million (\$47 million five year total uninflated) versus annual depreciation

of \$8.6 million for the wastewater assets is shown in Figure 23. This shows that the forecast renewal expenditure significantly increases in years 4 and 5 to address the backlog in planned renewals.

Figure 23 Wastewater renewals versus depreciation (uninflated)



6.3.9. Funding this activity – wastewater

The council funds its wastewater activity through:

- Targeted Rate for sewerage disposal based on a per pan charge in urban serviced areas
- Fees and charges
- Loans for the capital programme.

- 181 km of line assets (culverts, channels, pipes)
- 5,077 point assets (catchpits, manholes, soak holes)
- 30 other assets (spillways, grills, inlets/outlet structures)
- 69 floodgates
- 1 pump station
- 31 ponds

6.4. Stormwater

6.4.1. Activity overview

Stormwater is a core council service. Our stormwater networks provide an essential service to the communities we serve, and they need to be reliable and sustainable. The networks we manage are capital-intensive and have long lives. Ours is a stewardship role that relies on effective and efficient long-term asset planning and investment.

Our stormwater system drains water away from public and private property to reduce potential harm to property, the environment and our communities. This is especially important in urban areas, particularly following heavy rain.

6.4.2. Asset summary

6.4.4. Key challenges- stormwater

6.4.3. Asset condition and performance

Asset condition has not been formally assessed for the stormwater network to date. The stormwater network has generally been surveyed in response to an operational incident. We intend to move to a programme of planned condition surveys to help us better understand the state of our stormwater assets.

Asset performance of our stormwater network is assessed in terms of capacity constraints (flood protection) and stormwater quality. There were no habitable floors flooded reported in 2022/23 as a mandatory performance measure.

Table 30 Stormwater challenges

Key challenges	Discussion / management response
District infrastructure issue: Lack of integrated planning particularly for growth planning.	
Lack of integrated planning for stormwater management – Lack of integrated planning framework for stormwater management results in disjointed decision making. This may impact land developments with some unable to proceed due to stormwater management constraints.	Stormwater management is land use based compared with water supply and wastewater activities. Integrated planning is essential as it intersects with open spaces and Transport Network activities. The council is currently developing an Open Space Strategy which will consider stormwater management.
Lack of Trade Waste Bylaw – There is currently no Trade Waste Bylaw to enforce preventing containments being discharged into the public stormwater system.	Contaminants entering the public stormwater system may breach the council's resource consent conditions. The council has limited planning tools including the Proposed District Plan to manage the quality and quantity of the discharges into the public stormwater system.

Key challenges

Discussion / management response

District infrastructure issues: Climate change impacts on the District and resilience of critical infrastructure.

<p>Stormwater treatment – There is increased pressure to treat stormwater from the council’s stormwater public networks.</p>	<p>Northland Regional Council is reviewing their Regional Freshwater Management Plans and the Northland Regional Policy Statement to give effect to the National Policy Statement for Freshwater Management (NPS-FM) 2020. This will direct the territorial authorities including the council through Plan Changes. This will require the council to be more proactive in stormwater quality management than our current practices, particularly for existing stormwater networks.</p>
<p>District infrastructure issue: Sufficient evidence to make sound infrastructure decisions.</p>	
<p>Private stormwater issues – Many of the stormwater complaints reported to the council (about 60%) are private rather than public issues.</p>	<p>It takes time to investigate the stormwater issues reported to the council to identify the asset owner. Many are related to private stormwater assets including overland flow paths. These can cause erosion issues impacting other properties.</p>
<p>Severe weather events impacts – Severe weather events impact on the public stormwater infrastructure ability to cope with capacity.</p>	<p>Habitable floors may flood in the future with projected climatic variations. The council has major capital projects underway to increase stormwater network capacity, particularly in the Kaitāia area.</p>

6.4.5. Significant issues and options

Significant issues and options for the stormwater activity and alignment with the alignment with Te Pae o Uta – te Ao Māori Framework are summarised in the table below.


Table 31 Stormwater options

 Shows the preferred option

District infrastructure issue: Lack of integrated planning particularly for growth planning.

Significant stormwater issue: Lack of integrated planning for stormwater management – Lack of integrated planning framework for stormwater management results in disjointed decision making.

Alignment with Te Pae o Uta – Te Ao Māori framework

	Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
<p>Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process</p>	<p>1. Status quo – Continue with utilising current planning approach for stormwater provision.</p>	<ul style="list-style-type: none"> • Opportunities are identified progressively as assets fail or upgraded. • Funds for any significant capital expenditure may not be available due to the council’s borrowing limits. • Development occurs progressively and some may not be able to proceed due to stormwater constraints not identified earlier. 	<p></p>	<p>H</p>

Alignment with Te Pae o Uta – Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 2 – Create enablers across staff to respond more effectively to Māori – process	2. Develop and implement formal strategic documents to guide long term planning and the capital works programme to address current and future demand for enabling sustainable development, and to allow for climate change adaptation.	<ul style="list-style-type: none"> An Open Space Strategy will consider stormwater management. Stormwater infrastructure is planned holistically. Funds for any significant capital expenditure may not be available due to the council’s borrowing limits. Based on realistic forecast of development, where it will likely occur and when. Allowance made for climate change adaptation. 	<p>✓</p> <p>M</p>

 Shows the preferred option

District infrastructure issue: Climate change impacts on the District and resilience of critical infrastructure

Significant stormwater issue: Severe weather events impacts – Severe weather events impact on the public stormwater infrastructure ability to cope with capacity.

Alignment with Te Pae o Uta – Te Ao Māori framework

Options	Implications of the options	Years 1 to 5	Risk (L/M/H)
Whaingā (Goal) 1 – Increased participation in the council structures and decision-making processes – relationships – decision making	1.Continue to allow for increase in rainfall intensity when we design new or upgrade stormwater infrastructure.	<ul style="list-style-type: none"> Pipes will be increased in capacity to cope with projected climatic variations as they are replaced or new infrastructure is installed. Existing stormwater networks may not cope in severe weather events resulting in habitable floor flooding until upgrades undertaken. Upgrades are undertaken progressively. 	<p>✓</p> <p>M</p>
2.Develop and implement Catchment Management Plans to help better understand predicted habitable floor flooding.	<ul style="list-style-type: none"> Identify likely habitable floors that may flood in future and how the council will mitigate this (may not necessarily be large pipe solution). Budget will need to be allocated for Catchment Management Plan development. Requires internal capability and capacity to manage the Catchment Management Plan programme which the council does not currently have. This should be considered as a medium term goal. 	<p>✓</p> <p>H</p>	

6.4.6. Significant decisions on stormwater capital expenditure

The table below shows the likely timing and estimated cost of significant stormwater capital

projects or work programmes. The table provides a project description and project linkages to the significant infrastructure issues (detailed above), key decisions, project budgets and timeframes.

Table 32 Summary of significant decisions – stormwater

Significant issue: Lack of integrated planning for stormwater management

Lack of integrated planning framework for stormwater management results in disjointed decision-making.

Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Develop and implement formal strategic documents to guide long term planning and the capital works programme to address current and future demand for enabling sustainable development, and to allow for climate change adaptation.	Decision to invest in developing and implementing a long term investment plan to guide long term planning and the capital works programme to address current and future demand for enabling sustainable development, and to allow for climate change adaptation.	Programme: Asset planning; Primary drivers – growth and levels of service.	2024/25 to 2028/29	\$300k indicative cost estimate

Significant issue: Severe weather events impacts

Severe weather events impact on the public stormwater infrastructure ability to cope with capacity.

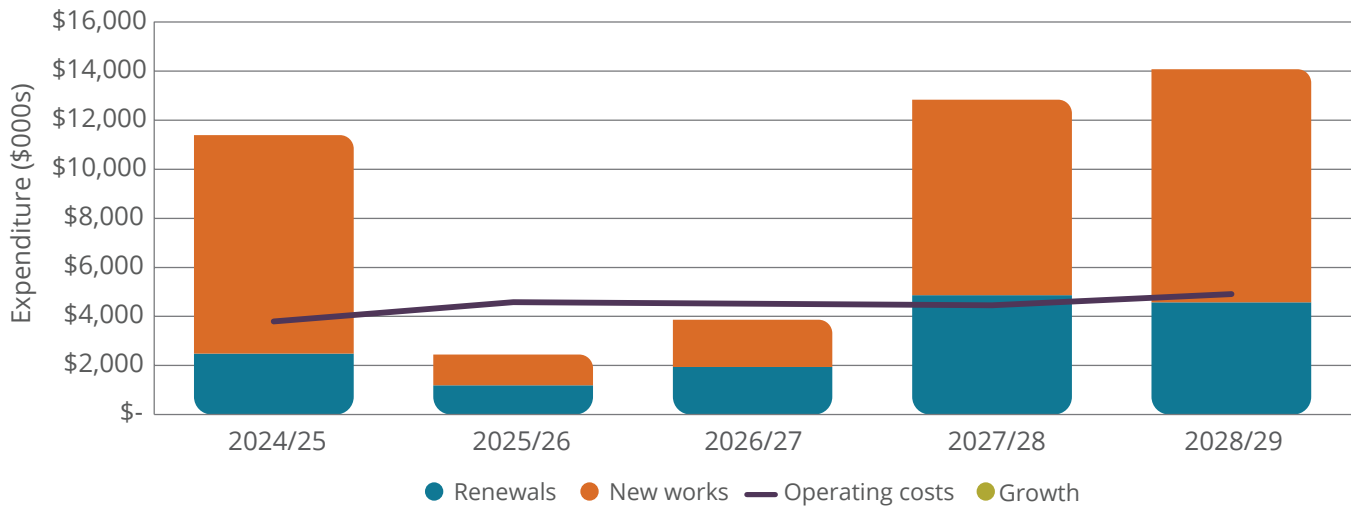
Most likely scenario	Key decisions	Specific projects for likely scenario	Timing	Estimated cost
Continue to allow for increase in rainfall intensity when we design new or upgrade stormwater infrastructure.	Decision to continue to invest in allow for increase in rainfall intensity when we design new or upgrade stormwater infrastructure.	Programme: New works; Primary driver levels of service.	2024/25 to 2028/29	\$29.5m (inflated 5 year total for levels of service projects)

6.4.7. Stormwater expenditure forecasts

The five year expenditure forecast for the stormwater activity is shown in Figure 24. Over the next 5 years it is expected that our major capital expenditure items include:

- Renewals increases from \$2.4 million in 2024/25 to a peak of \$4.8 million in 2027/28. This is to support moving from a reactive to proactive renewal approach and ensure the stormwater network is in good condition and resilient.
- New works projects are about \$5.9 million pa (average) to address capacity issues and improve stormwater quality
- In total capex (renewals and new works) is around \$8.9 million pa (\$44.6 million in total)
- District wide stormwater network renewals at \$14 million in total
- Kaikohe upgrades \$5.5 million in total
- Kaitāia upgrades \$11 million in total
- Moerewa Improvements \$3.4 million in total.

Figure 24 Stormwater financials (inflated)

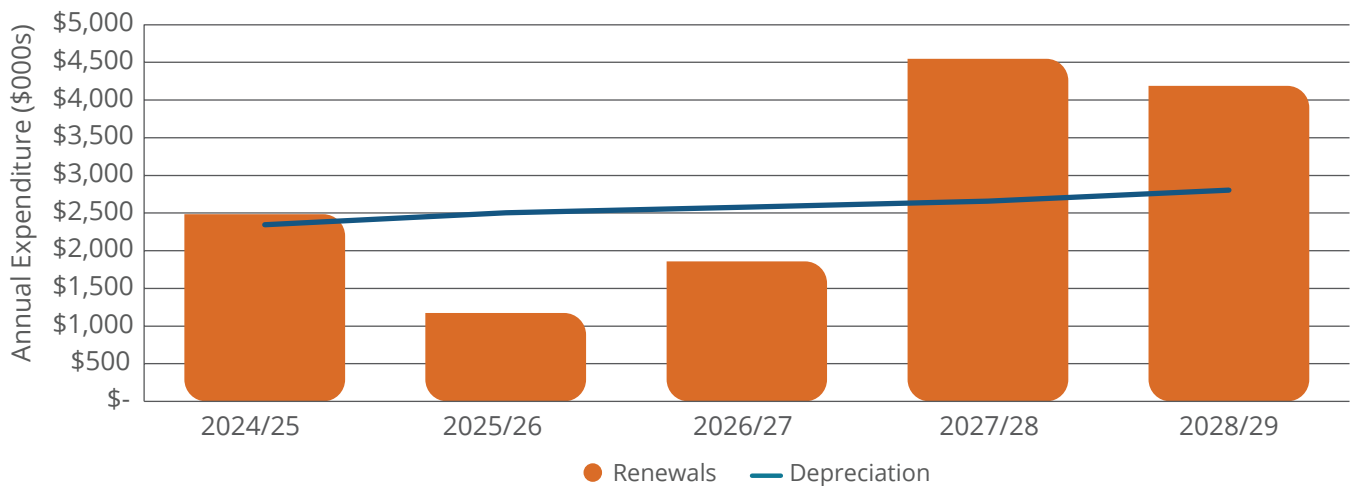


6.4.8. Funding depreciation – stormwater

The annual renewals of \$2.8 million (\$14.3 million five-year total uninflated) versus annual

depreciation of \$2.6 million for the stormwater supply assets is shown in the figure below. This shows that the forecast renewal expenditure is overall on par with asset depreciation

Figure 25 Stormwater renewals versus depreciation (uninflated)



6.4.9 Funding this activity - stormwater

We fund our stormwater services through:

- Loans for the capital programme
- General Rates (as a Uniform Annual General Charge) and Targeted Rates for operational programme.

7. Financial summary

7.1. Key decisions we expect to make

We will need to make key decisions over the duration of our strategy. Some of these decisions will be significant to the District and some will not.

Key decisions and actions that will need to be made by elected members over the next 5 years include:

Table 33 Summary of key decisions

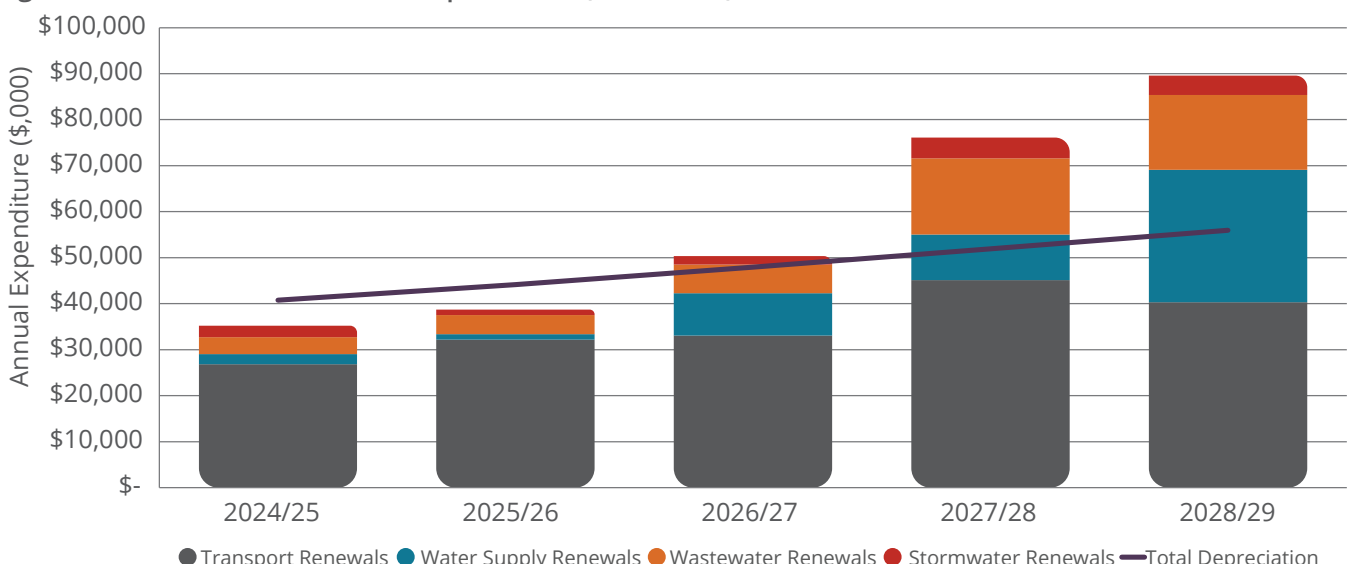
Activity	Key decisions
All	Continuing to gather evidence, particularly the condition of the critical three water assets, in the next three to ten years to help develop robust and risk-based renewal programmes. The council must make a decision on the most appropriate mechanism to fund growth related infrastructure, and gather the evidence required to support any future development or financial contributions policy. This may include implementing development contributions, financial contributions through the District Plan, or some combination of both.
Transport Network	Prioritisation of resilience, funding for resurfacing and rehabilitation works. Strengthening / replacement of aging structures. Replacement of the Hokianga Ferry within five years.
Three waters	Moving from reactive to proactive renewals for three water assets to ensure these assets are managed sustainably long term. Rebuilding sound practices for managing the three water assets including capable people, data, processes, and systems so these assets are managed wisely going forward.

7.2. Funding depreciation

Over the five years, the combined renewals equate to a five year total \$290 million versus a total of \$241 million in depreciation (uninflated). With an average of \$58 million of renewals forecast

each year, this keeps above the average annual depreciation of \$48 million. However, most of the renewals occur in year 3 onwards for the three water activities.

Figure 26 Total renewals versus depreciation (uninflated)



7.3. Financial forecasts

The total expected capital and operational expenditure for each infrastructure activity over the five year period is shown in Table 34 and Figure 27.

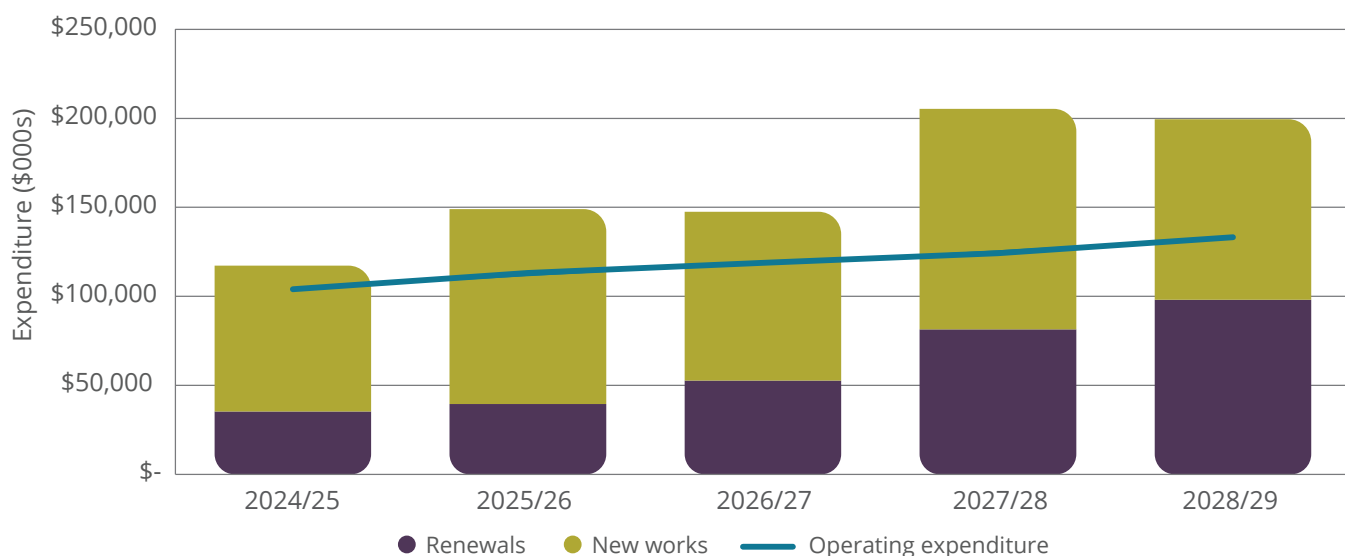
A combined capital expenditure of \$819 million over the five year period is made up of 38% renewals and 62% new works projects.

Table 34 Combined expenditure summary (inflated)

Activity	Capital expenditure (\$000)		Operational expenditure (\$000)	Total (\$000)
	New works	Renewals		
Stormwater	\$29,532	\$15,079	\$22,255	\$66,867
Transport Network	\$147,439	\$186,780	\$350,276	\$684,495
Water Supply	\$109,004	\$55,136	\$83,075	\$247,216
Wastewater	\$225,500	\$49,977	\$137,671	\$413,148
Sub Total 1	\$511,476	\$306,973	\$593,278	
Sub Total 2	\$818,449		\$593,278	\$1,411,726
Total	\$1,411,726			

Note that growth projects have not been identified as they are currently not classified where they are growth driven due to legacy financial system and processes.

Figure 27 Total capital versus operating expenditure (inflated)



7.4. Funding implications

There are funding implications from significant capital expenditure to:

- Ensure our transport network is preserved
- Upgrade water supply treatment plants to meet new drinking water requirements
- Upgrade wastewater treatment plants to meet higher environmental standards

- Investment in stormwater capacity to address flooding issues
- Ensure our networks are resilient
- Move from reactive to planned renewals for three water assets to ensure service continuity.

This is discussed in more detail in our Financial Strategy.

8. Financial assumptions and uncertainty

8.1. Significant planning assumptions

This strategy is based on the following planning assumptions.

Table 35 Summary of key planning assumptions

Significant planning assumptions	Level of uncertainty	Impacts	Mitigation
Asset data: There are various levels of reliability of information across the infrastructure activities. Gaps have been identified as part of this strategy and Asset Management Plan development.	Medium	Difficult to make renewals decisions with gaps in information. Some assets may need to be closed for use if assessed as unsafe due to deterioration.	Strengthening the process related gaps to improve asset data reliability for the non-core assets has been identified as strategy improvement.
Asset lives: The council will maximise the useful and economic lives of its assets.	Medium	This will impact on the timing of replacements and the amount of rates collected for funding depreciation.	Continue to analyse the useful lives of the major asset classes as new information becomes available, with focus on the critical assets.
Climate change: Climate change will affect our District over the medium to long term in line with projections provided by the Ministry for the Environment.	High	The effects of climate change arise more quickly than expected, resulting in additional costs to mitigate impacts and increasing damage to the council infrastructure, particularly the roading network.	The council's response to climate change is focused on lifting its management practices in including the creation of policies, plans and tools. This will require community consultation and involvement. The council will also require working alongside Māori to involve them on making resilient communities.
District population: The District's population is projected to continue to grow. It will also become more diverse and aging.	Medium	Population growth is significantly higher than forecast in a localised area, putting pressure on infrastructure.	The council will continue to monitor population change in the District. We will undertake spatial planning to provide for growth and changes in the District. We will communicate and plan for non-growth communities / declining areas, particularly Māori.
Regional collaboration: The council will continue to collaborate with neighbouring councils on specific programmes.	Medium	Programmes will not be successful without all Northland councils participating. The council will not meet its legislative requirements working by itself.	This relies on effective relationships at senior management level and by elected members.

Significant planning assumptions	Level of uncertainty	Impacts	Mitigation
Service levels: Levels of Service are defined in the 'Our groups and Activities' area for each activity, to meet legislative requirements and agreed to or accepted by the community. Service levels remain mostly unchanged although these may be tested with budget constraints.	Medium	Some asset classes or in different locations or in smaller townships may deteriorate / service failure due to reduced budgets.	The council regularly monitors existing service provision within its operation on a day-to-day basis. These have been formally established for through groups and activities. Monitor Levels of Service for some asset classes where higher risk level been adopted due to trade off with budget reductions.
Tourism: Levels of expenditure will continue to increase post Covid-19.	Medium	That projected tourism rates are significantly higher than expected including cruise ship arrivals to the Bay of Islands. This may result in greater number of tourists in popular areas. This may increase demand on the council's infrastructure including public toilets, waste collection and road congestion.	The council will continue to monitor tourism growth and economic indicators provided by external agencies such as Infometrics. The council will work with other agencies to determine proactive engagement with key stakeholders to mitigate negative economic impacts and to diversify tourist offerings. This may include alternative tourist attractions in other areas using immersive visitor experience centres with leading edge technology.

8.2. Significant financial assumptions

In developing this Strategy, financial areas of uncertainty have been identified specific to infrastructure assets. The full areas of uncertainty that are financial related are detailed in the Financial Strategy including inflation factors. The identified areas of uncertainty are in Table 33.

Table 36 Financials areas of uncertainty

Significant financial assumptions	Level of uncertainty	Impacts	Mitigation
Construction costs: Capital expenditure estimated costs are based on the council's best estimates and known planned expenditure. Materials and labour costs have increased significantly higher than consumers price index.	High	Capital expenditure varies from approved project budget resulting less projects delivered and increased borrowing costs.	The council will review its budget annually through the Long-Term Plan and Annual Planning process and adjust work programmes and budgets where necessary. Bundle the capital works programmes into work packages to provide certainty for contractors. The council has identified that delivery of the capital programmes needs to improve

Significant financial assumptions	Level of uncertainty	Impacts	Mitigation
Funding sources: Funding sources (including external funding sources) do not materially change over the life of this Infrastructure Strategy. The council will continue to seek external Government funding and other sources as it becomes available.	Medium	Funding from third parties (including grants and Waka Kotahi NZ Transport Agency contributions) is not available resulting in the need to defer or cancel significant projects or seek additional funding from ratepayers.	Funding for projects and assets is considered before the commencement of each project or asset. A significant impact from changes in funding or funding sources may result in revised capital works programme with less projects undertaken. The council will need to closely monitor the asset state to ensure that.
Operational costs: Costs with operational contracts have increased significantly higher than consumers price index due to higher fuel, material and labour costs.	Medium	Annual costs with operational and maintenance contracts increased greater than original contract award amount. Planned maintenance programmes may need to be reduced and focus on reactive maintenance.	The council will assess the variation and impact of service provision to customers and meeting legislative requirements. Budgets may need to be adjusted through the LTP / Annual Planning process.
Three water assets: Three water assets have been included with the strategy to align with the Government's new direction for water services. Supporting legislative amendments are being implemented in staged approach as the Government implements its Local Water Done Well policies.	High	The future management structure of the three waters is uncertain with the new Government. Retention of the three waters activity will impact the council's ability to borrow, and future rates affordability.	The five year financial requirements to manage the three water assets sustainably will now need to be included as part of the council's LTP.
Waka Kotahi NZ Transport Agency funding: Waka Kotahi NZ Transport Agency will continue to provide subsidised funding to the council for the road network over the next 30 years at the current level.	Medium	There is risk that sufficient funds will not be available to pay for planned capital projects. The community cannot afford to fund the unsubsidised work programmes not approved by Waka Kotahi NZ Transport Agency as facing significant general rate rise.	Continue to negotiate with Waka Kotahi NZ Transport Agency to increase the approved work programmes.
Weather related costs: Significant operational costs to remediate weather damaged assets, particularly roads.	High	Planned budgets will not cover major asset failures due to weather events, particularly for the transport network.	Apply to Waka Kotahi NZ Transport Agency for emergency funding with flood damaged roads. For other activities, budgets may need to be adjusted through the Long-Term Plan and Annual Planning process to prioritise damaged asset replacement ahead of programmed works.

9. Strategy improvement

The key improvement tasks identified through the development of the council's 2024 Infrastructure Strategy are summarised in the table below. This is part of continuous improvement process and will ensure that the council is best prepared for the 2027 Infrastructure Strategy. These actions should be read in conjunction with the technical improvement tasks provided in the Asset Management Plans.

Table 35 Strategy improvement actions

Strategy element	Improvement actions	Activity	Timeframe	Priority
Adaptation planning for climate change	Roll out the Climate Action Implementation Plan to put the Climate Action Policy into action.	All	2024/25 to 2026/27	H
	Develop the scheduled Community Adaptation Plans each year. Work alongside the hapū and within the communities to understand the issues and design culturally appropriate solutions.	All	2024/25 to 2033/34	H
Asset condition	Undertake planned condition surveys of the above ground water supply assets to understand current asset state and inform future renewals.	Water supply	2024/25 to 2026/27	H
	Undertake planned condition surveys of the above and below ground wastewater assets to understand current asset state and inform future renewals.	Wastewater	2024/25 to 2026/27	H
	Undertake planned condition surveys of the below ground stormwater assets to understand current asset state and inform future renewals.	Stormwater	2026/27 to 2030/31	M
Asset data	Improve the data quality for the non-core assets to enable better renewal planning and decision making.	Built spaces, open spaces, maritime assets, and solid waste	2024/25 to 2033/34	M
	Improve land drainage data and information to develop an Asset Management Plan to inform the 2027 strategy.	Land drainage	2024/25 to 2033/34	H
	Improve the completeness of three water data including age and material type so basic asset management analysis can be undertaken.	Three waters	2024/25 to 2033/34	H
Asset Management Plans	Develop technical Asset Management Plans for the three water activities as a high priority.	Three waters	2024/25 to 2025/26	H
	Develop a technical Asset Management Plan for the land drainage activity based on sound asset data.	Land drainage	2025/26	M
Asset performance	FNDC is to apply for resource consents for the four drainage schemes it administers as a high priority.	Land drainage	2024/25 to 2025/26	H
Growth planning	Develop and implement the prioritised work programme for lifting growth planning practices.	All	2024/25 to 2025/26	H
	Start to use the Te Ao Māori framework in growth planning decision making internally.	All	2024/25 to 2025/26	H
	Identify and implement an appropriate mechanism for funding investment in the infrastructure that is required to support growth in our District. Ensure that the appropriate data is held to support the implementation of this.	All	2024/25 to 2030/31	M

Strategy element	Improvement actions	Activity	Timeframe	Priority
Growth planning / cultural values	Collect and consolidate data on land suitability for receiving treated wastewater at district-wide level. This data will help make decisions on future treatment plant locations (new and upgrades).	Wastewater	2025/26 to 2026/27	M
Financial Planning	Categorise the capital projects by the correct driver including growth. Set up the processes and systems to implement council-wide and across all infrastructure activities.	All	2025/26 to 2026/27	H
Integrated planning	Formally review the effectiveness of the integrated planning framework with NTA and Far North Waters Alliance every three years.	Three Waters Transport Network	2027/28	M
Policy	Develop an Asset Management Policy to ensure consistency across the diverse range of infrastructure assets managed by various custodial arrangements.	All	2024/25 to 2025/26	H
Regional collaboration	Work towards greater regional collaboration with solid waste assets and services to achieve operational efficiencies and long term waste minimisation goals.	Solid Waste Management	2024/25 to 2033/34	M

Ngā whitinga ki ngā aromatawai parukore me te whakahaere para

Variations to sanitary assessments and waste minimisation

In accordance with schedule 10 (6) of the Local Government Act, an LTP must identify any significant variations between the content of the plan and its assessment of water and other sanitary services and adopted Waste Management and Minimisation Plan. The council's assessment was last completed in 2021.

Following are the variations to that assessment:

- Water and other sanitary services**

Far North Waters worked with Tai Tokerau Water Trust and to successfully use water from the Matawii Dam to supplement raw water sources for Kaikohe. Drinking Water Safety Plans were completed in November 2022 and lodged with Taumata Arowai. Better Off funding is being used to install UV treatment and monitoring systems to achieve compliance with new drinking water standards. The council is currently working with the Northland District Health Board to develop water safety plans for all potable water sources in the Far North.

The installation of a new UV at Russell Wastewater Treatment Plant enabled the removal of a long-standing abatement notice. Work is progressing on the installation of a UV system at Ahipara to resolve an abatement notice for faecal coliforms. Planning is underway for upgrades to the Ōpononi, Kaitāia, Kaikohe and Kohukohu Wastewater Treatment Plants to enable compliance with Resource Management Act requirements.

- Solid waste management**

The council resolved to review or Waste Management and Minimisation plan which will begin in 2024. There are no significant variations between the (current) WMMP and this LTP.

FNDC stopped accepting plastics numbered 3 to 7 in January 2019 for recycling due to the collapse of international markets for these products. We will continue to review the range of materials accepted as recycling in response to further changes to markets.

TE RAUTAKI AHUMONI

OUR FINANCIAL STRATEGY

This Financial Strategy outlines our approach to funding our activities in a way that is both sustainable and affordable for our communities. It determines the budgets we need for delivering projects and services in the LTP and Infrastructure Strategy. We use tools like debt and rates limits to secure the necessary financial resources for projects and services while also ensuring that costs are managed responsibly. To achieve our strategy, prioritisation is essential to make sure our communities receive the services it needs in a way that is both affordable and balanced.

This strategy aims to:

- Achieve a balanced budget each year, ensuring that projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
- Continue to moderate the impact of funding depreciation on strategic assets.
- Ensure that no more than 90% of revenue will come from rates, with the balance coming from other sources such as subsidies from Government agencies including Waka Kotahi NZ Transport Agency, and user fees and charges.
- Limit annual overall rates increases to inflation (Local Government Cost Index) plus an addition. This addition reflects higher upfront investment in repairing our transport network post the severe weather events, which after year 2 progressively reduces to more historical norms. Budgeted rates increases are 4.5% in year 1, 11.3% in year 2, and 6.7% in year 3.
- Ensure that net debt does not exceed 280% of revenue.
- Maintain interest costs at less than 10% of rates revenue.

The Financial Strategy aims to support and enable the Infrastructure Strategy, which focuses on four strategic district infrastructure issues which were identified and are at the forefront of infrastructure planning and decision making. These are:

- Sufficient evidence to make sound infrastructure decisions
- Lack of integrated planning particularly for growth planning
- Climate change impacts on the District and resilience of critical infrastructure

- Well-being of our community for healthy and sustainable outcomes.

The approach for the 2024 Financial Strategy is:

- Support the focus on recovery post severe weather events in repairing and building resilience into our transport infrastructure.
- Recognise the financial implications of climate change and sea level rise in planning decisions, and provide sufficient funding to local and regional adaptation initiatives.
- Continue to engage with the government on local government reforms.
- Adequately fund the infrastructure strategy to enable the achievement of its key focus areas.
- Maintain the core services we currently provide as cost-effectively and efficiently as possible, ensuring that finding operational efficiencies remains of paramount importance.
- Continue to use the method of funding the net depreciation value to provide for renewals. Once condition and capacity data is reliably available, the council will consider the future funding of renewals using rates, borrowing, and other contributions in place of funding depreciation.
- Use borrowing to spread the cost of new capital expenditure over time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

Towards sustainability, affordability and economic recovery

The overall focus of our Financial Strategy is financial sustainability, affordability and economic recovery within the context of community well-being.

The change of purpose for Local Government in May 2019, re-introduced the obligation on councils to promote the social, economic, environmental and cultural well-being of their communities.

To the Far North, taking a sustainable development approach means that our commitments to deliver infrastructure and services are funded in a way that is affordable for the community and that meet the council's obligation to be effective stewards of the District's assets now and into the future. The council has a good understanding of how its daily business

contributes to and promotes community well-being, and as part of the work programme for the next 3 years will seek to more strongly embed the checks and balances that help the council to enhance and protect community well-being in decision-making and daily business.

In developing this Financial Strategy, the council reflected on several challenges the District faces:

- Overarching focus on recovery and repairing our transport network
- The security and resilience of water supply and storage
- Sustainable economic development
- Better asset management leading to enhanced delivery of core infrastructure
- Adaptation to the effects of climate change and sea level rise on communities and infrastructure
- Deepening sense of place and connection in the many communities, towns and settlements across the District
- Providing infrastructure and services in a way that is affordable to our communities.

These challenges form the strategic priorities for the next three years. Although we recognise that it may not be possible to resolve all of these issues, and that progress is likely to be lengthy, the council commits to appropriately prioritised work programmes, careful decision-making and collaboration across all district and regional partners and stakeholders, and residents and ratepayers.

Where possible, this strategy ensures that:

- Revenues are sufficient to cover expenses (we have balanced our budget every year)
- Current service level targets are achievable within the funding envelope
- Subsidies and grants are used effectively to complete projects that benefit the community

- Funding allows for major capital projects the community wants, within reason
- The needs of current and future ratepayers have been considered.

The council acknowledges that:

- The severe weather events have taken its toll on our transport network, and that investment is desperately needed.
- Balancing the need for repair and recovery of our transport network with affordability, whilst recognising the need to invest more upfront given the damage following the severe weather events.
- The cost of providing services will not reduce without significant intervention.
- The council will need to continue to make difficult trade-off decisions, compromise on delivering 'nice to haves' to ensure essential services are provided and costs are kept down.
- The council will have to balance the affordability and prudence of increasing debt levels. Too much debt now could compromise future development projects.

Although we acknowledge that there is a lot of work to be done, we consider this Strategy to be a solid starting position, and prudent given our current situation.

Funding sources

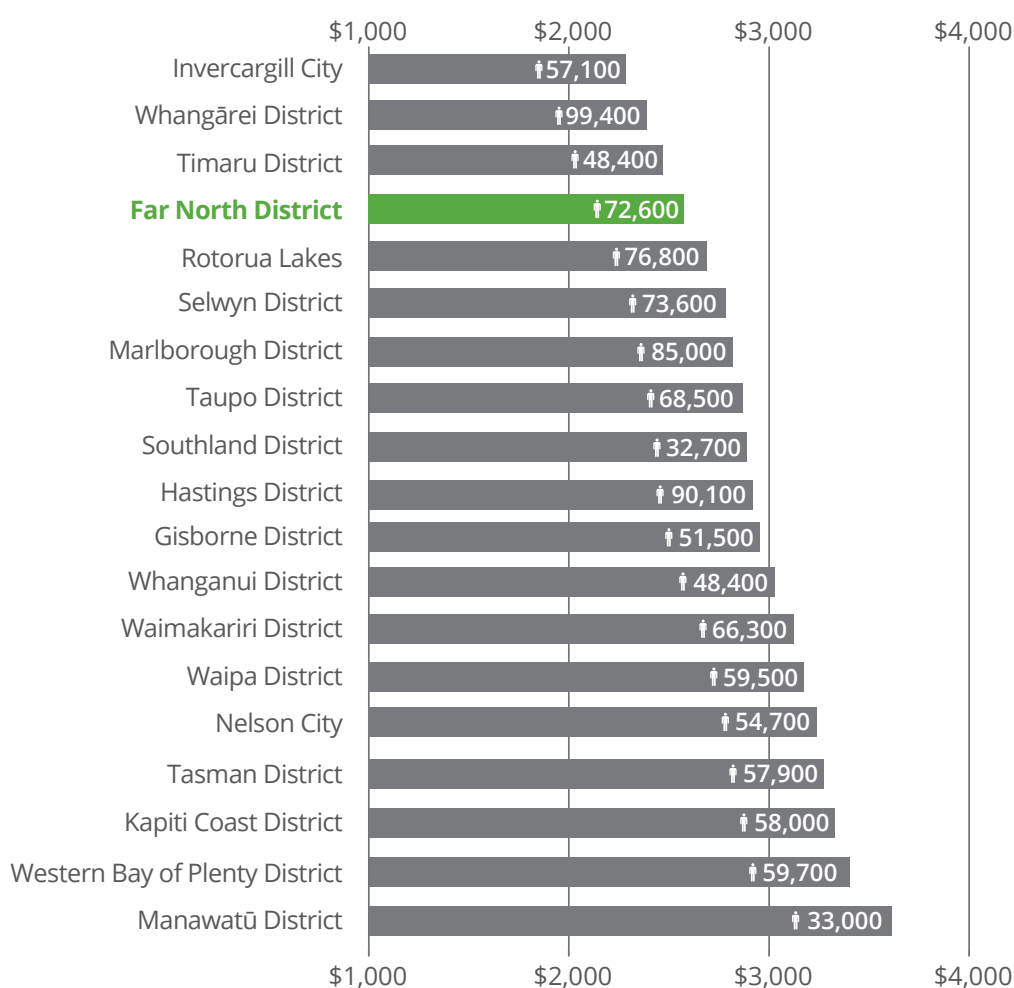
The council's main source of funding is from rates. While we try to maximise Government subsidies and grants and have adopted a 'user pays' policy (exercised through targeted rates and consumption and user charges), for many services and assets the bulk is funded by rates.

It has long been acknowledged that rates in general in New Zealand are high; the following table shows how we compared in 2021/22.

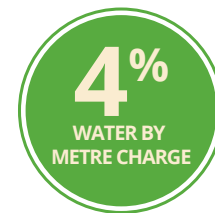
Average residential rates*

Far North District	Average for district councils	National average
\$2,665.15	\$2,773.01	\$2,512.52

*Average residential rates include compulsory user charges (such as water) Source: 2023 Ratepayers' Report (www.taxpayers.org.nz)



Funding sources*



General Rates

General Rates are currently made up of two elements: a Uniform Annual General Charge (UAGC), which is a fixed amount that is charged for all Separately Used or Inhabited Parts of a rating unit (SUIPs), and a 'rate in the dollar' amount which is based on the land value of each rateable unit.

Targeted Rates

Targeted Rates include operating and a combination of capital and operating rates. The council has several targeted rates, including:

Ward Rates

The council levies a targeted rate to all SUIPs in each ward to fund urban, recreational and other local services and activities within the ward. The Ward Rate is set on a differential basis according to the ward in which the rating unit is located:

Ward	Percentage
Bay of Islands-Whangaroa	45.1%
Kaikohe-Hokianga	24.2%
Te Hiku	30.7%

* The funding source percentages shows arrangements for 2024/25 to 2026/27.

Roading Rates

Consisting of two elements: a UAGC, which is a fixed amount charged for all SUIPs, and a 'rate in the dollar' amount, which is based on the land value of each rateable unit, with differentials as follows:

Residential	29%	Dairy	7%
Lifestyle	20%	Horticulture	1%
Commercial	7%	Forestry	13%
Industrial	2%	Mining/quarry	4%
Farming General	16%	Other	1%

Stormwater Rates

The council levies a Stormwater Rate to fund specific stormwater capital developments within urban areas across the District.

Urban areas subject to the stormwater rate are:

Ahipara	Awanui	Kaikohe
Haruru Falls	Hihi	Houhora / Pukenui
Ōkaihau	Ōpononi / Ōmāpere	Ōpua / Ōkiato
Kawakawa	Karikari communities	Kerikeri / Waipapa
Kaimaumau	Kaitāia	Kohukohu
Ngāwhā	Moerewa	Paihia / Te Haumi
Rāwene	Russell	Taipā
Taupō Bay	Tauranga Bay	Whangaroa / Kāeo

Council is targeting a fixed amount per rating unit assessed differentially within the above communities.

Wastewater Rates

The council's policy on funding wastewater infrastructure is that each scheme must pay its own capital costs.

To ensure this, we levy two targeted rates that fund the provision and availability of wastewater services from each of the District's 16 wastewater schemes:

- Capital Rate: Each scheme has a targeted rate to fund capital costs (interest and depreciation) levied against all properties (SUIPs) connected to the scheme or properties where connection to the scheme is available.
- Operational Rate: Operating costs for all schemes are charged district-wide to all properties (SUIPs) connected to any council wastewater scheme.

The council also imposes a pan change on any property (SUIP) with more than three toilets (pans). This is a flat fee per additional pan.

Water Rates and charges

As for wastewater, the council's policy on funding water infrastructure is that each scheme must pay its own costs.

Capital costs are funded through a targeted rate levied on all properties connected to (or capable of being connected to) a council water scheme. Capital costs consist of interest and depreciation.

Operational costs for each scheme, however, are funded through a per cubic metre volumetric charge which is determined by meter or an assumed amount for those who do not have a meter.

Targeted Improvement Rates

We levy several targeted rates to fund improvement projects that have been requested across the District:

- Paihia Central Business District Development: used to fund Paihia central business area improvements. The rate is charged per SUIP in the area defined (see the council's Funding Impact Statement for more details).
- Kaitāia Business Improvement Development (BID): Allows for the Kaitāia Business Association to undertake improvement works in the Kaitāia business area. The rate is set on land value and is charged to commercial rating units in Kaitāia.

- Bay of Islands Recreation Centre: This is a targeted rate to provide funding for an operational grant to support the Bay of Islands Recreation Centre in Kawakawa. The Centre (formerly the ASB Recreation Centre) was built by the community on Ministry of Education land at Bay of Islands College in the 1970s and was initially run by a community trust that was wound up in 2004. The council ran the facility to 2017 when Sports Northland took over the management and maintenance of the centre which has a heated pool, squash court, fitness centre and gym and is used by about 33,000 people a year.

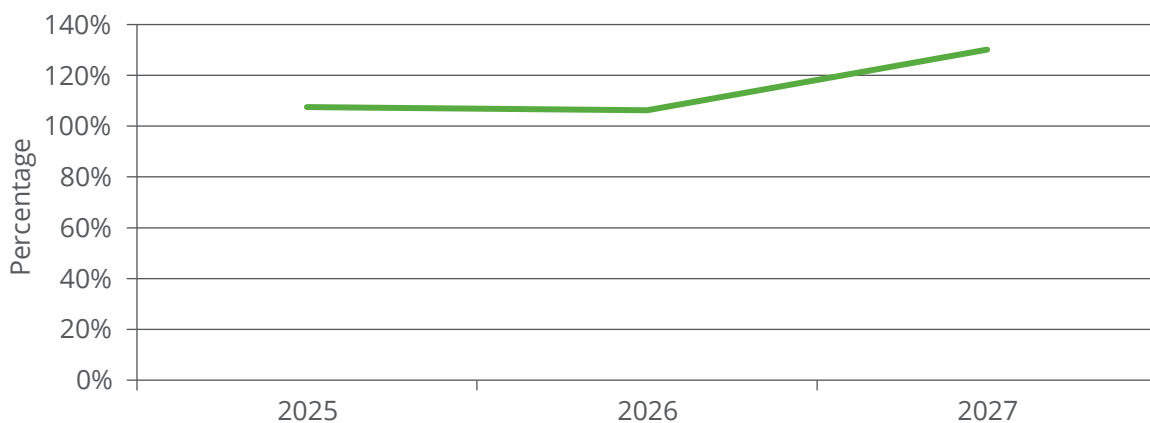
Private roading contributions

The council’s Community-Initiated Infrastructure Roothing Contribution Policy provides a mechanism for residents to co-fund the sealing of their unsealed road (or part thereof). Provided that 75% of affected ratepayers agree, the resident’s share is funded through lump sum contributions or targeted rates for a specific area of benefit. The remainder is funded through the general rate.

Public Good Rate

Council introduced in 2021 a public good rate of \$15 per rating unit for water and for wastewater, and \$10 per rating unit for stormwater in 2025. Even though properties within the district may not be connected to services, they do place some burden on the systems. For water, Council must consider the volume of water required to fill private water tanks when considering capacity for each scheme. The same applies to properties that have septic tanks that need to be emptied as the waste from those systems is deposited into one of the existing wastewater schemes.

Net debt as a % of revenue



Increases to rates

Due to the cost of infrastructure and service provision, which continues to rise faster than general inflation, the council assumes that its costs will increase in accordance with the Local Government Cost Index (LGCI) plus an addition to reflect these higher costs, as shown in the table below.

Financial year ended 30 June	2025	2026	2027
LGCI + addition	8.9%	15.2%	10.3%
Proposed rates increase	4.5%	11.3%	6.7%

Forecast rates \$million

Financial Year ended 30 June	2025	2026	2027
Proposed rates \$million	\$112	\$124	\$132

The projected number of rateable properties within the District at the end of each proceeding financial year is shown in the following table.

Projected rating base information

2025	2026	2027
38,361	38,553	38,746

Debt, interest and internal funding

External debt is planned to be \$224 million at the end of the first year of this plan and is anticipated trend upwards to \$292 million at the end of the 2027. The chart that follows compares net debt to revenue.

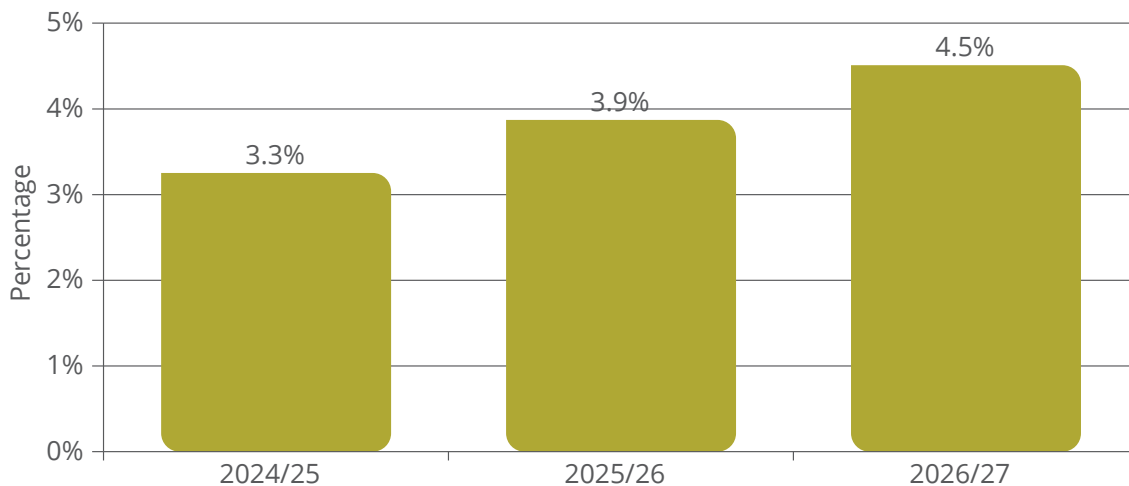
The council's intention is to ensure that net debt does not exceed 280% of revenue. The council has also considered the impacts of its borrowing against the debt servicing benchmark.

The council plans to continue to secure its borrowing and interest rate risk management instruments against rates and rates revenue as this lowers the cost of borrowing.

The council minimises its financing costs as a member of the Local Government Funding Agency (LGFA). This means that we can borrow at better rates than those available through direct lending from trading banks.

The LTP 2024-27 assumes an interest rate averaging 4.8%.

Debt servicing



As part of treasury management, the council seeks to reduce overall interest costs by using funds held in reserve. Where the council has a cash surplus, rather than hold funds on deposit and borrowing all funds needed for capital works, reserve funds are used as short-term funding. Internal interest is not charged for this funding.

No confirmation of the allocation for new capital works had been received. The total transport network capital programme is planned for \$174.5 million for new works and renewals over the three year period.

Fees and charges

Most fees and charges will be adjusted annually to align with the Local Government Cost Index inflation factor (LGCI) which is expected to be relatively stable between 2.3% and 2.9% over the 2024-27 period. In some areas, actual costs will be recovered in accordance with the Revenue and Financing Policy. This may exceed the rate of LGCI. All fees and charges are reviewed annually.

Development contributions and financial contributions

In 2003, a Development Contributions policy was introduced to assist with funding new infrastructure that is needed as a result of growth in the District. Over the years, we have invested in providing infrastructure for anticipated developments which would use and pay for this infrastructure. However, due to many factors, including the global financial crisis, growth slowed dramatically, and the council decided in 2014 that it was not justifiable to continue to charge development contributions.

Subsidies

Government subsidies via Waka Kotahi NZ Transport Agency provide a significant source of funding for our transportation activities. In 2024/25 we expect to receive operating and capital subsidies of \$48.0 million, representing 71% of the gross cost of both operating and capital expenditure on a wide range of approved items. At the time of completing this Strategy, Waka Kotahi NZ Transport Agency had provided an indicative allocation for maintenance and renewals for the first three years of the plan.

Sustainable growth has again become evident in some locations in the Far North, and to ensure that the implications of growth are funded in a fair and balanced way, the council is currently investigating both development contributions and financial contributions and intends to introduce a new policy in future.

Expenditure

Note that total operating expenditure is net of remissions which ranges from \$2 million to \$2.2 million annually over the three years of this LTP. This expenditure is netted against rate income.

Operating expenditure

Total annual operational expenditure (net of remissions) is forecast to increase from:



Total annual revenue is forecast to increase from:



The forecast levels of operating expenditure and revenue across the 3 years of the Plan. This provides for an operating surplus in every year of the Plan sufficient to balance the budget in accordance with Section 100 of the Local Government Act 2002.

The following tables show the split of total forecast operating costs for each activity and expenditure type for the planning period.

Breakdown by activity

Expenditure breakdown by activity	Total over 3 years (\$000s)	% of Total
Network		
Solid Waste Management	21,135	3.5%
Stormwater and Drainage	12,906	2.1%
Transport Network	200,818	32.8%
Wastewater	77,105	12.6%
Water Supply	45,120	7.4%
Total	360,601	58.9%
Other		
Community and Engagement	36,103	5.9%
Compliance	61,312	10.0%
Corporate Services	14,327	2.3%
District Facilities	84,522	13.8%
Planning and Policy	27,924	4.6%
Strategic Relationships	26,983	4.4%
Total	251,170	41.1%
Total activity expenditure	611,771	100%

Capital expenditure

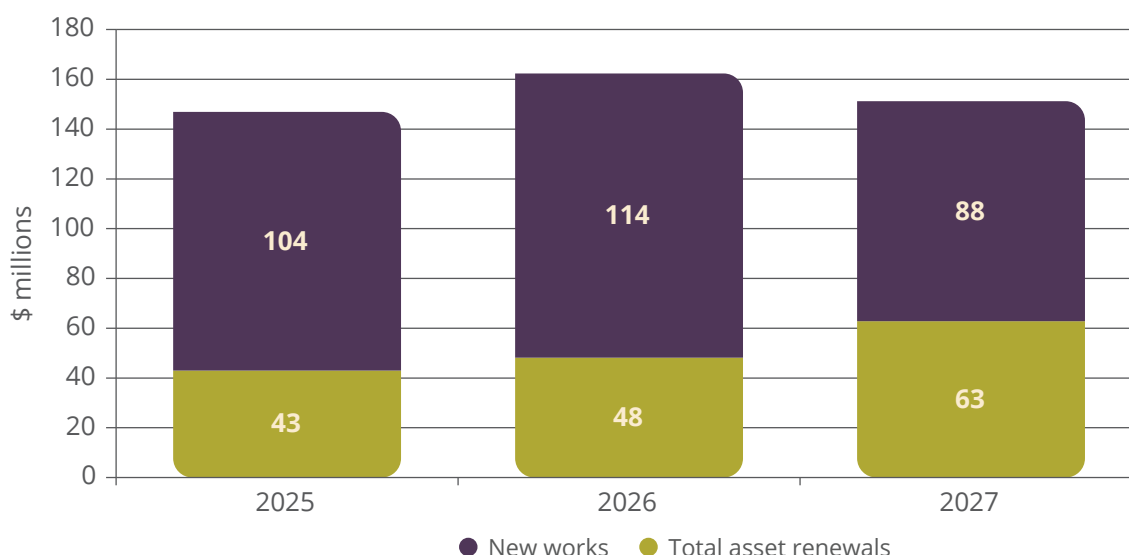
Total annual spend on capital projects ranges from \$147 million to \$162 million.

Expenditure is funded by:

- A combination of operating surpluses
- Rates collected for depreciation
- Government subsidies and debt.

The graph below illustrates planned capital expenditure over the three years of the Plan of \$460 million. 33% of total expenditure is for the renewal of existing assets, with 67% for new works.

Capital expenditure per year



Limiting our capital works programme

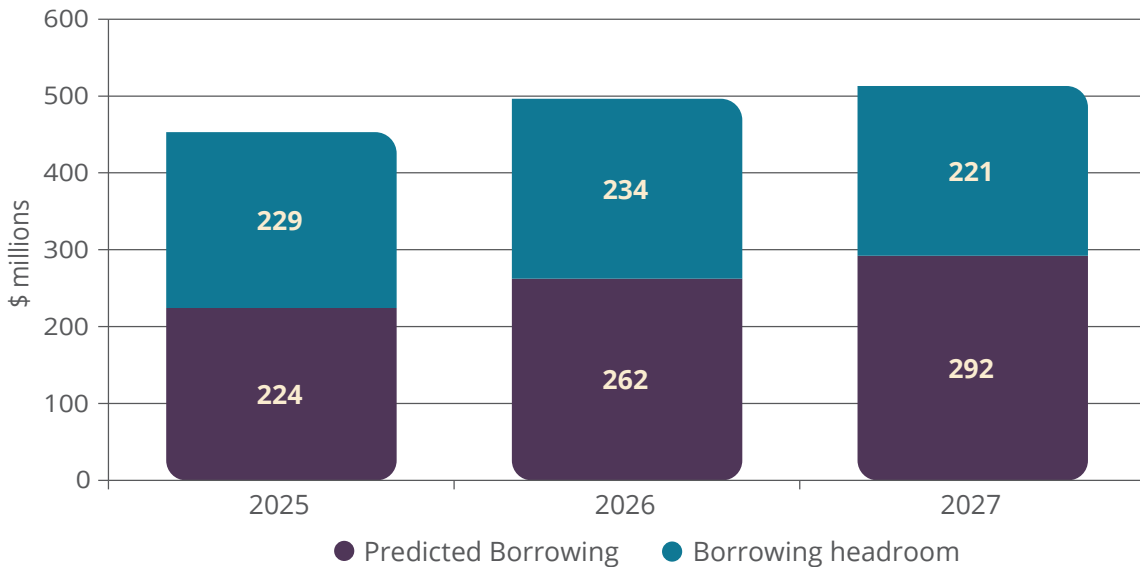
The council remains committed to strengthening its capacity and capability to maintain and renew assets, to ensure that the continued provision of effective service now and into the future. This is imperative in proposing a capital works programme that is affordable, realistic, and achievable.

The council's commitment to capital works delivery is an average annual programme of \$153 million in the three years of this plan across network infrastructure groups. This includes work that is subject to government support.

Breakdown by activity	Total over 3 years (\$000s)	Average per annum (\$000s)
Network		
Solid Waste Management	1,294	
Stormwater and Drainage	17,704	
Transport Network	174,520	
Wastewater	135,084	
Water Supply	86,382	
Total	414,983	138,328

Breakdown by activity	Total over 3 years (\$000s)	Average per annum (\$000s)
Other		
Compliance	224	
Community and Engagement	15,757	
Corporate Services	14,188	
District Facilities	15,272	
Total	45,442	15,147
Total activity expenditure	460,425	153,475

Borrowing levels



Renewals and depreciation

The council recovers the expense of depreciation through rates. The depreciation expense is determined by spreading the value of the asset being depreciated across its useful remaining life.

For complex assets such as a wastewater system, depreciation is calculated for each category of the component parts that make up the complete system, as each category of component asset may have a different useful life.

The council conducts annual reviews and / or maintenance on its assets and periodically renews them by replacing or overhauling the components of larger assets. This ensures that, overall, the assets remain in a condition to provide the required level of service over the long term.

Over the lifetime of our assets, the amount of depreciation charged, and the amount spent on renewals should be equal.

Capital expenditure by activity type is allocated as shown in the following table. This shows that over the three year period 90.1% of capital expenditure is focused on network infrastructure.

Although the focus of this LTP 2024-27 is primarily focused on network infrastructure, it also recognised that our community facilities such as

playgrounds and reserves are important to our District promoting the vision of ‘Creating Great Places, Supporting Our People’.

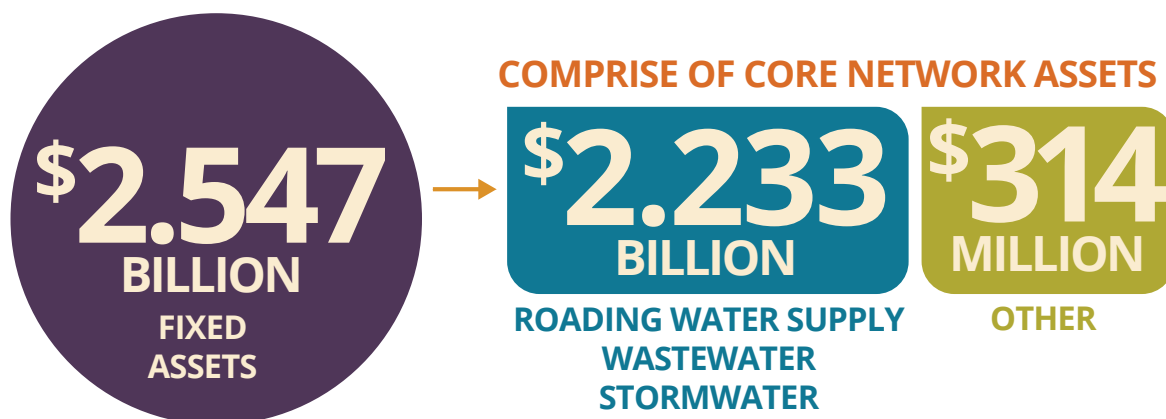
To that end, our proposed capital expenditure includes District Facilities spend of 3.3% of the remaining total capital budget in the ‘other’ category.

Breakdown by activity	Total over 3 years (\$000s)	% of Total
Network		
Solid Waste Management	1,294	0.3%
Stormwater and Drainage	17,704	3.8%
Transport Network	174,520	37.9%
Water Supply	86,382	18.8%
Wastewater	135,084	29.3%
Total	414,983	90.1%

Breakdown by activity	Total over 3 years (\$000s)	% of Total
Other		
Compliance	224	0.0%
Community and Engagement	15,757	3.4%
Corporate Services	14,188	3.1%
District Facilities	15,272	3.3%
Total	45,442	9.9%
Total activity expenditure	460,425	100%

Assets

Fixed assets valued as at 30 June 2023



The council also holds a number of operational and investment assets including property (land, buildings and ground leases) and small forestry blocks held for sewage soakage/ponds.

Assets are revalued according to the accounting policies set by the council.

Minimising risk

The council carries comprehensive insurance for reasonably foreseeable risks for infrastructure (other than underground assets, which are generally undamaged by weather events). The premiums remain high and we have a high excess for weather related events to help keep the premiums more affordable.

For significant storm-related roading damage, we are generally able to access emergency funding through central government which helps to offset the costs of restoration and rehabilitation, but there can be substantial delays in receiving funds and they are not always enough to return services to the state they were in before the event.

In previous years, the council prudently decided to rate up to 1% for emergency flood related works, and that rate has been continued in this plan. The funds raised contribute to the emergency roading works subsidy received, and where possible, provide funds for replacement of other damaged assets.

Where costs arising from a major event exceed available funding, we re-prioritise our work programmes as necessary to address the short-fall.

Limits and policies

Limit on rates (excluding water) as a percentage of revenue

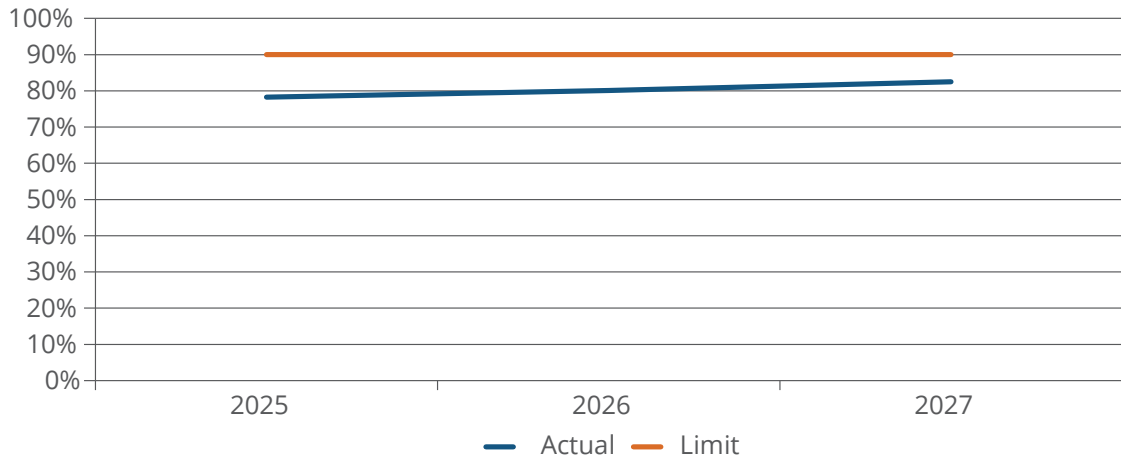
The council does not have a diverse income stream, with the main source being rates and contributions

from fees and charges and government subsidies (e.g. transportation).

The council will limit rates (excluding water) collected each year to a maximum of 90% of total council revenue.

As part of every Annual Plan and LTP this limit will be reviewed to ensure it remains appropriate considering the council’s financial position and the global economic conditions at that time.

Rates as a percentage of revenue

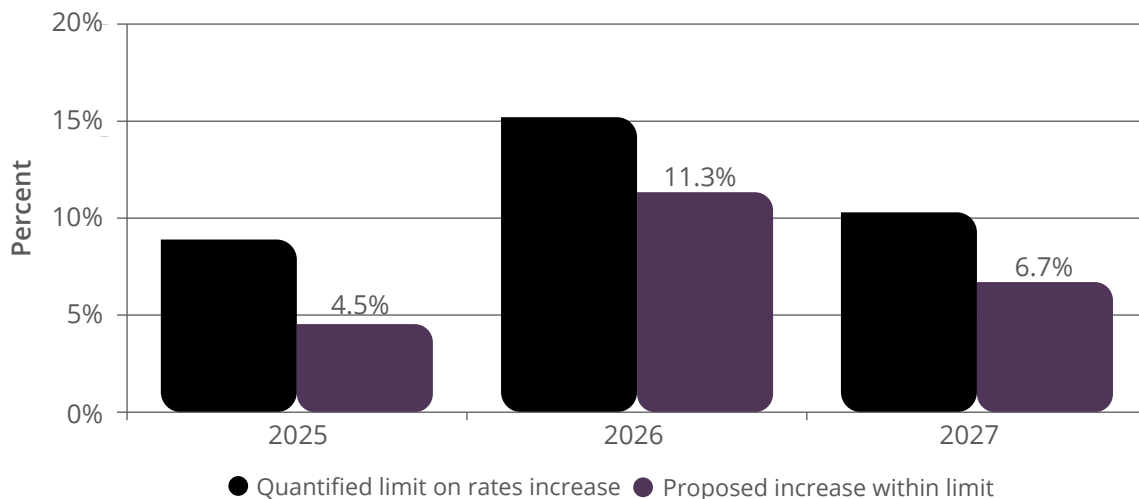


Limit on rates increases

The limit on rates increases is set to inflation (Local Government Cost Index) plus an addition. This addition reflects higher upfront investment in repairing our transport network post the severe weather events, after year 2 the addition progressively reduces to more historical norms. Budgeted rates increases are 4.5% in year 1, 11.3% in year 2, and 6.7% in year 3.

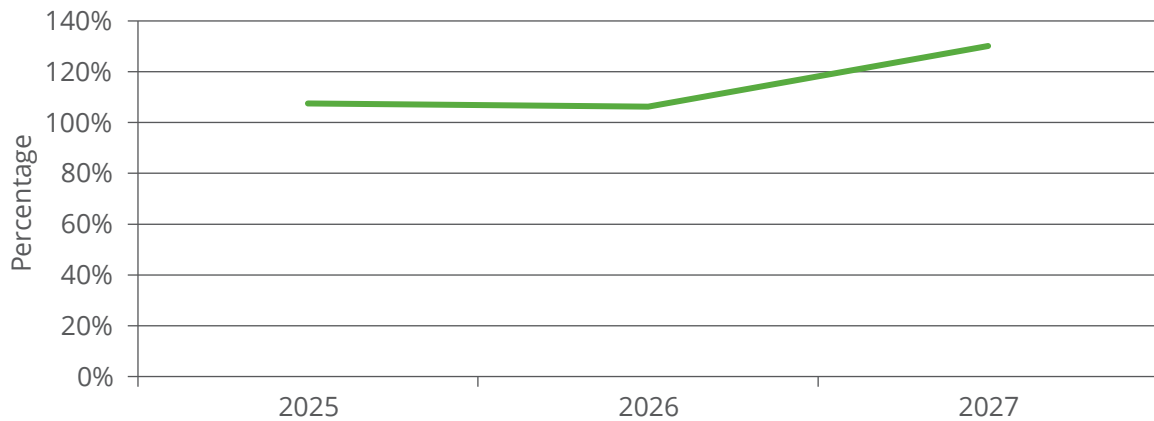
There may be extraordinary circumstances in which the council may choose to go outside this limit, for example, funding a clean-up from a catastrophic event. These occasions cannot be planned and therefore have not been provided for in this Plan.

Rates (increase) affordability



Limits on borrowing

Net debt as a % of revenue



External debt is planned to be \$224 million in year 1 of this plan and then peak at \$291 million by 2026/27. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

Securities for borrowing

The council currently secures its external borrowing against the total of rates revenue via a registered Debenture Trust Deed.

The council's organisation

The Council-Controlled Trading Organisation (CCTO) Far North Holdings Limited (FNHL) is a wholly owned subsidiary of the council. FNHL serves as the council's commercial function, therefore facilitating and developing commercial and infrastructural assets with the aim of maximising profit for its shareholder, the council.

FNHL's income from investments is paid to Council in the form of a dividend. In past years, Council has allowed FNHL to reinvest the net profit (after tax), minus the dividend, in new commercial projects. Future opportunities for re-investment versus dividend payments will be considered by Council with FNHL.

While we acknowledge that the amount of return on financial investment is the responsibility of the lender and therefore outside of the council's control, it is a legal requirement to identify targets for the returns received on its investments and equity securities. In keeping with the council's objective: 'To invest in a secure, low risk vehicle

which will result in lower return in investment but does not compromise on the principle', the quantified financial investment target is to achieve a return equivalent to the five-year government stock rate. Targeting returns for equity securities is not applicable.

Monitoring and reviewing the strategy

As part of business as usual we constantly scan both the financial environment and our own performance to monitor:

- The sustainability of our financial performance and position
- Any emerging risks
- Whether the Strategy is being implemented as intended
- Any trends in the community's ability to pay.

The Strategy will be reviewed tri-annually as part of the LTP process. Consideration will also be given to the impacts of any significant changes in local, national or global economic conditions during each year's Annual Plan process.

Supporting information

The strategies and policies listed have been developed in conjunction with this LTP are:

- Revenue and Financing Policy
- Treasury Liability and Investment Policies
- Infrastructure Strategy.

Disclosure statement for the period commencing 1 July 2024

The purpose of this statement

The purpose of this statement is to disclose the council's planned financial performance to enable the assessment of whether we are prudently managing revenues, expenses, assets, liabilities and general financial dealings.

We are required to make this disclosure under the Financial Reporting and Prudence Regulations 2014. Refer to these regulations for more detail, including definitions of some of the terms used in this statement (www.legislation.govt.nz).

For the period spanning 2024 to 2027, we expect to meet all of these benchmarks, and by doing so, debt

ratios will remain low, limits on rates revenue, rates increases and borrowing will stay within our self-imposed limits, demonstrating a strong and prudent financial position.

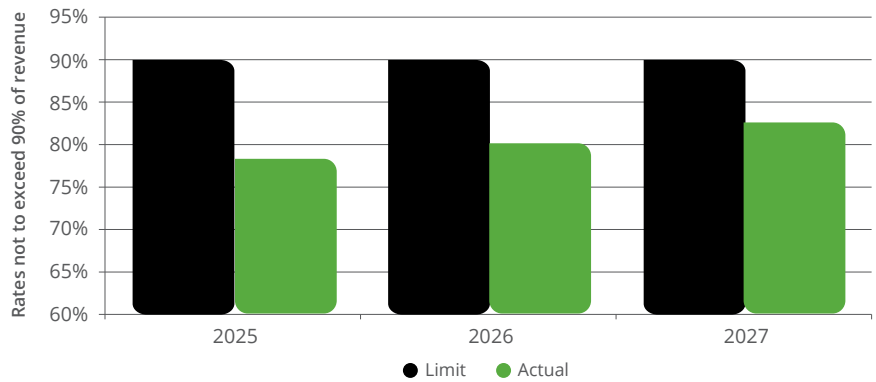
Rates affordability benchmarks

We meet the rates affordability benchmark if:

- Planned rates income equals or is less than each quantified limit on rates
- Planned rates increases equal or are less than each quantified limit on rates increases.

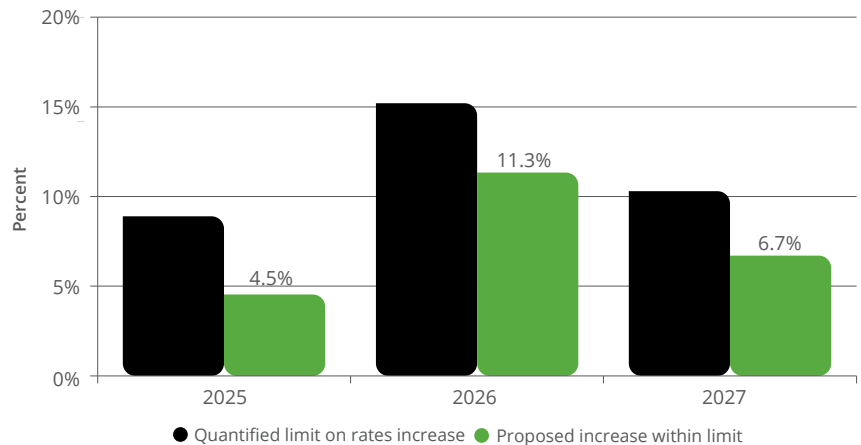
Rates (income) affordability

This graph compares planned rates with a quantified limit on rates contained in the Financial Strategy included in this LTP. The quantified limit is that rates income (excluding water) will not exceed 90% of total revenue. The council forecasts rates income within this limit for the period of the LTP.



Rates (increases) affordability

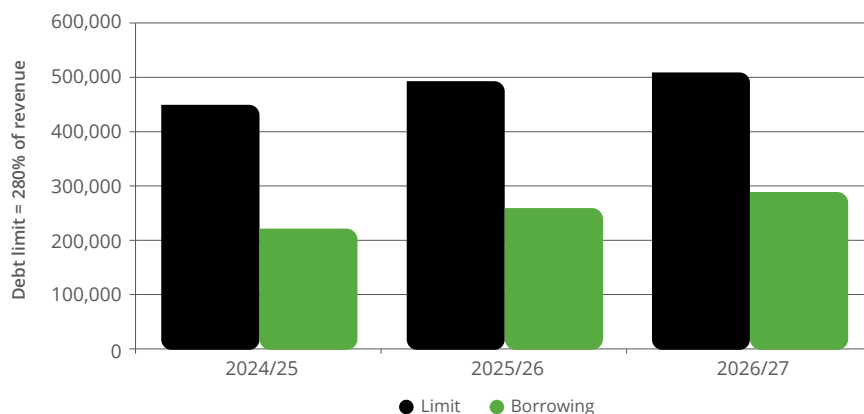
This graph compares planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that the rates increase should not exceed LGCI plus an addition. This addition reflects higher upfront investment in repairing our transport network post the severe weather events, after year 2 the addition progressively reduces to more historical norms. Council forecasts rates increases within this limit in all years of the LTP.



Debt affordability benchmarks

External debt

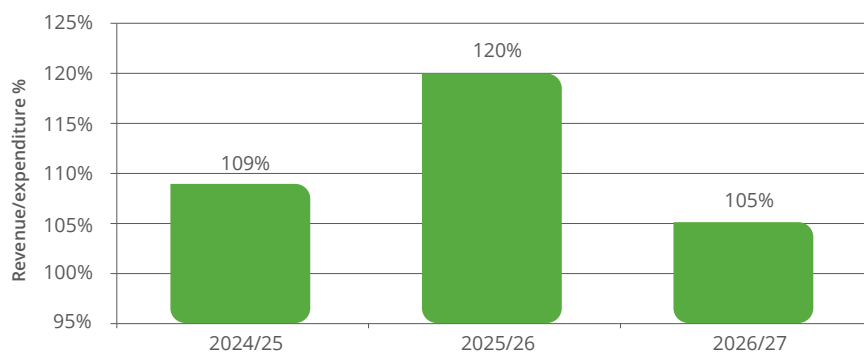
This graph compares planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this LTP. The quantified limit is that net debt be no higher than 280% of revenue excluding capital subsidies. The council forecasts external debt levels within this limit for the period of the LTP.



Balanced budget benchmark

This graph displays our planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment).

We meet the balanced budget benchmark if planned revenue equals or is greater than planned operating expenses. The council will achieve this benchmark in all years of the LTP.

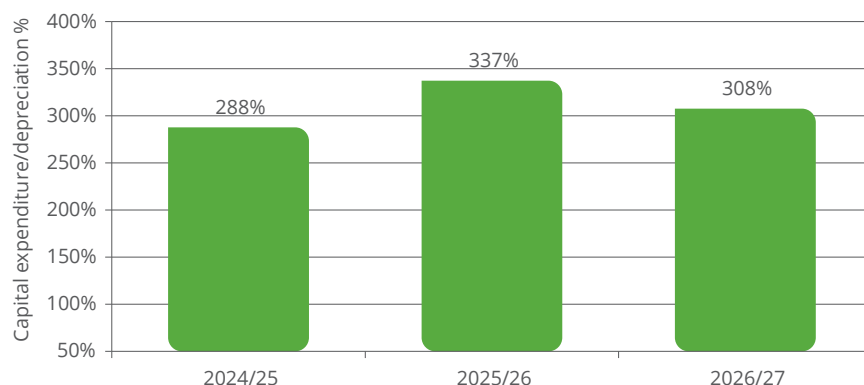


Essential services benchmark

This graph displays our planned capital expenditure on network services as a proportion of expected depreciation on those same network services.

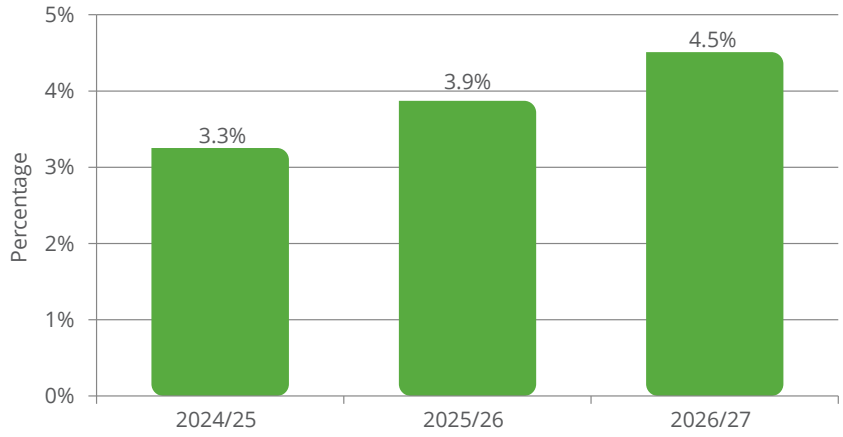
We meet the essential services benchmark if planned capital expenditure on network services equals or is greater than expected depreciation on network services.

The council will achieve this benchmark in all years of the LTP.



Debt servicing benchmark

The following graph displays planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). The council meets the debt servicing benchmark if planned borrowing costs equal or are less 10% of planned revenue. The council expects to achieve this benchmark in all years of the LTP.





**NGĀ RŌPŪ ME NGĀ MAHI
OUR GROUPS AND ACTIVITIES**

TE TĪMATATANGA

INTRODUCTION

In 2022/23, the council restructured its groups to improve alignment of the activities to the LTP. Some of our activities do not have external performance measures attached but are measured internally through various streams of reporting.

Within each activity are the following sections:

- What the activity is
- What they provide (key facts)
- What activities they perform
- How they align to the aspects of well-being

- The effects of providing the activity and how they align to the community outcomes
- The Levels of Service and how they will be measured and any changes to the Levels of Service - some levels or services are set by the Department of Internal Affairs, these are highlighted where applicable.
- Capital works programme for that activity
- Funding Impact Statement.

Within each group there may be a number of smaller activities, for example Libraries, Animal Control, Building Consents etc.

Tā mātou aronga: Te whakatika haere i ngā huarahi

Our focus: Repairing our Transport Network

The Northland local road network suffered approximately \$89 million worth of damage from at least 10 different significant weather events since July 2022. An estimated \$41 million of this damage occurred in Far North District, with approximately \$15 million of these repairs completed to date.

Most roads are restored, but we are still working on 85 sites in the Far North. While it may seem little is happening, these sites are complex and involve significant engineering, planning, and funding issues. It will take another year or more to start some repairs.

Additionally flood damage works will be funded on top of our roading programme. Subsidies for this work will not be sourced from the National Land Transport Fund, according to the draft Government Policy Statement (GPS) on land transport.

The council has approved the local share (our portion) for the three most technically challenging Phase 3 slips that still need to be repaired across

the District. The local share will be funded out of the emergency works reserve fund.

Thirty-three sites are still going through procurement for design. Funding has been secured for all slips. There are currently no more outstanding Emergency Works to be approved by Waka Kotahi NZ Transport Agency.

An increase to the council's emergency works reserve fund has been applied in year 2 and year 3 of this LTP in order to fund the local share portion.

An online mapping tool developed by Northland's three district councils shows the latest repair plans. The map uses a 'pin' to show the exact location of each remaining slips and details including the type of slip, its size, what repairs are required, and whether repairs are in the planning, investigation, design or construction stage. You can find the map here: www.fndc.govt.nz/services/transport/Roads/severe-weather-road-repairs/slip-map

Roading costs for 2024-27 (\$million)	2024/25	2025/26	2026/27
Roading capital programme ¹	48.3	61.0	65.1
Subsidy*	28.7	41.4	38.8
Local share	19.6	19.6	26.3
Emergency works²			
Local share - funded by emergency event reserve	5.5	2.8	

* Subject to Waka Kotahi NZ Transport Agency approval

¹ These figures include Infrastructure Acceleration Funding roading capital works. For an outline of BAU capital works please see the capital works programme for our Transport Network. Information can be found on page 140

² For more details on the emergency works please see the online mapping tool.

Capital works programme summary

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
Community and Engagement	7,252,108	7,831,361	673,089
Compliance	160,000	31,793	32,556
Corporate Services	9,389,205	3,197,858	1,601,254
District Facilities	11,612,011	2,280,692	1,379,654
Infrastructure Acceleration Funding	21,079,438	46,726,552	7,427,640
Solid Waste Management	1,156,231	85,213	52,325
Stormwater and Drainage	11,394,193	2,448,385	3,861,587
Transport Network	47,875,031	57,062,865	63,911,462
Wastewater	26,497,024	25,317,802	40,379,207
Water Supply	10,457,858	17,401,185	31,849,183
Total	146,873,099	162,383,706	151,167,957

Infrastructure Acceleration Funding

Launched in June 2021, the \$1 billion Infrastructure Acceleration Fund (IAF), is administered by Kāinga Ora and supports critical infrastructure like roading, three waters, and flood management to accelerate housing construction in high-need areas.

Capital works programme - New works	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
Transport Network - Roothing			
Greenacres Drive - widening Kawakawa, Kāinga Ora developer funding	205,000	3,760,960	31,395
Greenacres Drive - widening Kawakawa, Developer funding agreement	-	210,657	1,183,970
Greenacres Drive - widening Kawakawa, Council funded	278,299	-	-
Wastewater			
Reticulation upgrades Kaikohe, Kāinga Ora developer contributions	450,000	6,080,900	-
Reticulation upgrades Kaikohe, Developer funding agreement	100,000	6,403,012	-
Reticulation upgrades Kaikohe, Council funded	1,633,992	1,677,823	-
Treatment upgrades Kaikohe, Kāinga Ora developer contributions	290,000	2,350,600	-
Treatment upgrades Kaikohe, Developer funding agreement	100,000	2,078,270	-
Treatment upgrades Kaikohe, Council funded	577,930	1,275,016	-
Reticulation upgrades Kawakawa, Kāinga Ora developer contributions	550,000	7,154,000	169,533
Reticulation upgrades Kawakawa, Developer funding agreement	-	2,883,879	334,713
Reticulation upgrades Kawakawa, Council funded	463,046	240,480	-
Treatment upgrades Kawakawa, Kāinga Ora developer contributions	510,000	3,577,000	1,674,400
Treatment upgrades Kawakawa, Developer funding agreement	-	102,200	1,137,552
Treatment upgrades Kawakawa, Council funded	885,484	190,132	-
Water Supply			
Treatment upgrades Kaikohe, Kāinga Ora developer contributions	5,588,000	3,834,544	-
Treatment upgrades Kaikohe, Developer funding agreement	100,000	944,088	-
Treatment upgrades Kaikohe, Council funded	317,261	15,588	-
Reticulation upgrades Kaikohe, Kāinga Ora developer contributions	2,150,000	1,359,260	-
Reticulation upgrades Kaikohe, Developer funding agreement	50,000	345,573	-
Reticulation upgrades Kaikohe, Council funded	190,520	26,962	-
Treatment upgrades Kawakawa, Kāinga Ora developer contributions	5,235,000	1,686,300	-
Treatment upgrades Kawakawa, Developer funding agreement	-	102,200	2,292,234
Treatment upgrades Kawakawa, Council funded	553,310	-	-
Reticulation upgrades Kawakawa, Kāinga Ora developer contributions	743,000	408,800	-
Reticulation upgrades Kawakawa, Developer funding agreement	-	18,308	603,843
Reticulation upgrades Kawakawa, Council funded	108,596	-	-
New works for Infrastructure Acceleration Funding total	21,079,438	46,726,552	7,427,640

Funding Impact Statement

Whole of council

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	66,995	64,897	74,193	79,295
Targeted rates	39,675	46,610	49,961	53,183
Subsidies and grants for operating purposes	15,007	19,893	22,414	22,788
Fees and charges	20,743	22,298	23,097	23,289
Internal charges and overheads recovered	238	207	210	213
Local authority fuel tax, fines, infringement fees, and other receipts	1,765	2,406	2,475	2,414
Dividends	1,300	5,500	5,000	2,000
Total operating funding	145,723	161,812	177,350	183,181

Applications of operating funding				
Payments to staff and suppliers	116,090	131,669	138,751	141,036
Finance costs	5,409	6,780	9,553	10,112
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funds	121,499	138,449	148,304	151,149
Surplus (deficit) of operating funding	24,224	23,363	29,046	32,032

Sources of capital funding				
Subsidies and grants for capital expenditure	27,795	46,634	69,366	41,091
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	44,286	69,204	57,633	61,821
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	72,081	115,838	126,999	102,912

Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	68,249	103,929	114,240	88,376
- to replace existing assets	35,149	42,944	48,144	62,792
Increase (decrease) in reserves	(7,092)	(7,673)	(6,339)	(16,224)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	96,306	139,201	156,045	134,944
Surplus (deficit) of capital funding	(24,224)	(23,363)	(29,046)	(32,032)
Funding balance	-	-	-	-

1 Hapori Me Te Tūhono Community and Engagement

What we do

This group plays a multifaceted role in fostering knowledge, connectivity, informing and cultural preservation.

Our libraries serve as vibrant hubs of learning and exploration, offering an extensive array of resources to satisfy diverse interests and support academic pursuits.

Customer services are at the heart of our commitment to excellence, ensuring customers receive the assistance they need with efficiency and courtesy. Meanwhile, our museum and archive initiatives safeguard the rich tapestry of our history, preserving artefacts and documents for future generations.

Information centres act as dynamic focal points, providing up-to-date information and assistance to both locals and visitors, while our communication and engagement teams work tirelessly to connect with the community, fostering a sense of belonging and participation in the shared narrative of knowledge and culture.

Together, we work towards goals that empowers individuals, inform, assist and strengthens our communities.

What we provide

- 6 libraries
- Customer Services (6 service centres and 1 contact centre)
- Te Ahu Museum and Archives
- 3 isites / information centres
- Communications and Engagement teams.

Why we do it

We are driven by a commitment to the enrichment of our communities through our diverse array of services. Libraries embody our belief in the transformative power of knowledge, serving as accessible havens for intellectual exploration, education, and providing community spaces.

Our dedication to customer services stems from a desire to create seamless and positive experiences for individuals seeking information, ensuring that every interaction is marked by responsiveness and helpfulness.

Our museum and archives are integral to our mission of preserving the cultural heritage and collective memory of culture, fostering a deeper understanding of our past and present. Information centres serve as beacons of reliable and current knowledge, empowering individuals with the tools they need for informed decision-making.



Aligns to these aspects of well-being



A iwi | Social



Ōhanga | Economic





Ahurea | Cultural

Lastly, our communication and engagement teams tirelessly work to bridge the gap between the council and communities, helping to foster a sense of belonging, shared understanding, and active

participation. In essence, these activities are fuelled by a passion for knowledge, community, and the impact they have on shaping a brighter future.

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p>Provides</p> <p>Public places to meet, discuss, connect and celebrate as a community.</p> <p>Information to our communities and visitors about the District, council and the region as a whole.</p> <p>Sources of knowledge.</p> <p>Sharing safe spaces and information providers.</p>	<p>Potential</p> <p>Lack of use if under-utilised or poor location planning for services.</p> <p>Misinformation or non-communication can lead to people feeling isolated and uninformed.</p>	<p>Continue</p> <p>Look at ways to improve and increase utilisation.</p> <p>To engage and interact with our communities and listen to what they are telling us, through their feedback.</p> <p>To continue to provide a high level of customer service to all our communities and visitors.</p>
 <p>We celebrate our unique culture and history</p>	<p>Provides</p> <p>Social and cultural well-being of our communities.</p> <p>Showcases our cultural heritage.</p>	<p>Potential</p> <p>Diminishing value and understanding if insufficient resourced and funded.</p>	<p>Continue</p> <p>To provide adequate funding and support to ensure all generations across our communities in the future understand the value of their culture and heritage.</p>

Levels of Service

Libraries

1.1 To provide quality library services for the benefit of all in the community.

Performance measure		Results 2022/23	Target 2024-27
1.1.1	Customer/visitor satisfaction.	3.81%	Maintain / increase
1.1.2	Maintain / increase in-person library use as a percentage of the population of the District.	47.50%	Maintain / increase

Customer services

1.2 The council provides the right services, in the right places, to the agreed standard.

Performance measure		Results 2022/23	Target 2024-27
1.2.1	Service Centre users' satisfaction.	3.81%	Maintain / increase
1.2.2	Percentage of customer enquires resolved at first point of contact.	48%	68% increasing by 1% each year thereafter

Te Ahu Museum and archives

1.3 To provide quality museum services for the benefit of all in the community.

Performance measure		Results 2022/23	Target 2024-27
1.3.1	Customer / visitor satisfaction.	No result	1% increase on previous year

Visitor information services (isites)

1.4 To provide booking and information services through the District's isites / information centres, influencing visitors to stay longer and spend more.

Performance measure		Results 2022/23	Target 2024-27
1.4.3	Customer / visitor satisfaction.	4.17%	Maintain / increase

Changes to Levels of Service

The Levels of Service for these activities were reviewed as part of this LTP process and the table below indicates which measures will now be internally assessed and reported on a quarterly basis.

Libraries

Increase the percentage of online library service use

Increase in number of attendees at library events and programmes

Customer services

Percentage of abandoned calls (contact centre)

Te Ahu Museum

Increase in number of visitors to the Te Ahu Museum (door count)

Increase in the number of research requests completed

Information centres / isites

The number of visitor bookings through the isites / information centres will show an increase each year

Increase the net profit on retail sales by 1.0% per year (profit increase on previous year)

Capital works programme - Community and Engagement

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Library eBooks	44,123	48,183	54,520
Library eResources	37,845	40,240	44,374
Library replacement, Kaikohe	6,404,825	6,562,798	-
New works total	6,486,793	6,651,221	98,894
Renewals			
Information centre renewals, District-wide	-	2,044	35,262
Information centre renewals, Kaitiāia	55,274	41,465	53,819
Information centre renewals, Ōpononi	5,310	3,066	3,140
Information centre renewals, Paihia	10,350	37,303	34,535
Library eBooks	41,400	40,880	41,860
Library technology	3,142	2,925	11,163
Scheduled library renewals, District-wide	322,993	343,441	378,718
Scheduled renewals, Kāeo Library	4,681	-	-
Scheduled renewals, Kaikohe Library	9,058	682,352	10,465

Scheduled renewals, Kaitiāia Library	13,350	-	-
Scheduled renewals, Paihia Library	5,914	1,114	-
Scheduled renewals, Proctor Library, Kerikeri	184,474	25,550	5,233
Service centre renewals, Rāwene	109,369	-	-
Renewals total	765,315	1,180,140	574,195
Community and Engagement total	7,252,108	7,831,361	673,089

Community and Engagement

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	9,687	10,805	11,327	11,916
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	566	360	364	381
Internal charges and overheads recovered	3	1	1	1
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	10,256	11,165	11,691	12,298

Applications of operating funding				
Payments to staff and suppliers	5,311	6,487	6,705	6,859
Finance costs	261	132	129	105
Internal charges and overheads applied	3,278	3,869	4,130	4,545
Other operating funding applications	-	-	-	-
Total applications of operating funds	8,849	10,487	10,964	11,509
Surplus (deficit) of operating funding	1,407	678	727	789

Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	416	6,308	6,153	(732)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	416	6,308	6,153	(732)

Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	1,075	6,487	6,651	99
- to replace existing assets	416	765	1,180	574
Increase (decrease) in reserves	333	(266)	(951)	(616)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	1,823	6,986	6,880	57
Surplus (deficit) of capital funding	(1,407)	(678)	(727)	(789)
Funding balance	-	-	-	-

2 Tautukunga Compliance

What we do

The focus for the Delivery and Operations Group, is on the seamless functioning of the councils' infrastructure and operations.

Building Services form a cornerstone, ensuring that our communities physical spaces are safe, compliant and working towards future-proofing for climate change.

Our compliance team ensuring that all aspects of operations and regulations are adhere to regulatory standards, mitigating risks and assist in fostering a culture of responsibility through education and information. Property and Facilities Management oversee the efficient utilisation and maintenance of our facilities, optimising for functionality, efficiency and sustainability.

The Resource Consents team play a critical role in navigating regulatory requirements for both non-commercial and commercial projects, to ensure facilitation of a streamlined cost-effective process. Collectively, our teams efforts contribute to the smooth, compliant, and efficient operation, ultimately supporting the council's vision and objectives.

What we provide

- Building Services
- Compliance - Animal Control, Environmental Health, Monitoring and Enforcement and District Licensing Committee
- Property and Facilities Management
- Resource Consents

Why we do it

The core of our mission in the Delivery and Operations Group lies in the facilitation of a seamlessly operating, efficient infrastructure that is safe and compliant for our communities. Building services are driven by a commitment to creating and maintaining physical spaces that are both functionality and support the well-being of our communities. Compliance underpins the regulatory component that keeps our community safe, mitigating risks and upholding ethical practices.

Property and facilities management are driven by the goal of providing healthy and safe spaces and facilities that are maintained, functional but also sustainable. Resource consents ensure regulatory standards are met and projects adhere to legal requirements. Together, these efforts are rooted in a commitment to operational excellence, regulatory adherence, and the creation of an environment that fosters both productivity, compliance, and future-proofs facilities for future generations.



Aligns to these aspects of well-being



A iwi | Social






Ōhanga | Economic



Taiao | Environmental

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 Proud, vibrant communities	Provides Planning and maintenance to ensure that facilities and infrastructure are fit for purpose and healthy and safe for present and future demands.	Potential Increase costs to meet regulations and health and safety requirements.	Continue To maintain what we have and consider the effects of new projects and the ongoing costs associated with regulations to meet future requirements.
 Communities that are healthy, safe, connected and sustainable	Provides Resources to deal with complaints which can negatively impact our community safety and well-being.	Potential Can be seen by some as being over-regulated in terms of their own social choices. Increase in costs to regulate and meet compliance regulation.	Continue To balancing the needs of our communities while adhering to regulations. To provide education programmes and work with our communities and individuals. Work with our communities, our contractors and people to ensure the health and safety of everyone within our District.
 A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Provides Protection to that environment by limiting our impacts based on regulations and compliance factors.	Potential Increase costs to ensure our environment is sustainable for future generations.	Continue Work with our communities, our contractors and people to protect our environment and everything within it.

Levels of Service

Building Services

2.1 To comply with current legislative requirements with regard to processing consent applications.

Performance measure		Results 2022/23	Target 2024-27
2.1.1	Process building consents within statutory timeframes.	100%	≥95%

Compliance - Animal control

2.2 To ensure animal related activities are managed in accordance with legislative requirements.

Performance measure		Results 2022/23	Target 2024-27
2.2.1	Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes:		
	a. Urgent within 1.5 hours.	94.50%	≥93% within set
	b. Non-urgent within 3 days.	92.80%	

Compliance - Environmental Health

2.3 To monitor food premises in accordance with the requirements of the Food Act, 2014.

Performance measure		Results 2022/23	Target 2024-27
2.3.1	Food Control Plan and National Programme audits completed as scheduled.	86.80%	≥95% of all food control plans and national programs assessed

Compliance - Monitoring and Enforcement

2.4 To ensure compliance with the Resource Management Act with regard to noise pollution.

Performance measure		Results 2022/23	Target 2024-27
2.4.1	Respond to noise complaints within the following timeframes:		
	a. In urban areas: 1 hour.	75.70%	≥95% within set timeframe
	b. In rural areas: 2 hours.	80.20%	

Compliance - District Licensing Committee

2.5 To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

Performance measure		Results 2022/23	Target 2024-27
2.5.1	All licensed premises are visited for Host Responsibility inspections at least once every four years.	99.00%	<75% of premises visited annually

Resource consents

2.6 To administer and enforce the Resource Management Act 1991, Building Act 2004 and the council's District Plan and Bylaws.

Performance measure		Results 2022/23	Target 2024-27
2.6.1	Respond to compliance incidents within three working days.	80.8%	≥95%
2.6.2	Process applications made under the Resource Management Act 1991 within statutory timeframes.	22%	≥95%

Changes to Levels of Service

There are no changes to the Levels of Service for these activities.

Capital works programme - Compliance

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Kaitiāia Animal Shelter fencing	160,000	-	-
New works total	160,000	-	-
Renewals			
Animal control renewals, Kaiakohe	-	-	32,556
Animal control renewals, Kaitiāia	-	31,793	-
Renewals total	-	31,793	32,556
Compliance total	160,000	31,793	32,556

Compliance

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	9,635	11,709	12,046	12,854
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	7,572	7,888	8,029	8,180
Internal charges and overheads recovered	25	13	13	13
Local authority fuel tax, fines, infringement fees, and other receipts	100	186	189	193
Total operating funding	17,332	19,795	20,277	21,240
Applications of operating funding				
Payments to staff and suppliers	12,685	12,979	13,033	13,382
Finance costs	168	177	178	161
Internal charges and overheads applied	4,035	6,144	6,553	7,173
Other operating funding applications	-	-	-	-
Total applications of operating funds	16,888	19,300	19,764	20,716
Surplus (deficit) of operating funding	444	495	513	524
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	(215)	(54)	(221)	(221)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	(215)	(54)	(221)	(221)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	-	160	-	-
- to replace existing assets	-	-	32	33
Increase (decrease) in reserves	230	281	260	270
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	230	441	292	303
Surplus (deficit) of capital funding	(444)	(495)	(513)	(524)
Funding balance	-	-	-	-

3 Ngā Ratonga Rangatōpū Corporate Services

Corporate Services is a diverse group managing key council operations.

Business compliance - the Project Management Office (PMO), supports project management, procurement, and contract management.

Digital information services handles IT systems and data analytics, enhancing decision-making and service delivery.

Digital information management ensures information is organised, accessible, secure, and compliant.

Financial services manages the council's finances and planning.

Legal services provide legal support and ensure compliance with laws.

Property information maintains property data, manages street numbering, and provides reports.

Risk and assurance identifies and mitigates risks, promoting resilience and compliance.

These functions collaborate to uphold the council's integrity, efficiency, and strategic vision, continuously improving customer service.

What we provide

- Business compliance (PMO)
- Digital information services
- Digital information management
- Data analytics
- Financial services
- Legal services
- Property information
- Risk and assurance.

Why we do it

Our teams collaboratively play a critical role in supporting the council's operational efficiency, compliance, and overall performance by managing administrative operations and providing specific expertise to assure compliance, resilience and minimise risks to both the council and our communities.

Our collective efforts not only mitigate potential challenges but also contribute to the council's overall success and sustainability.



Aligns to these
aspects of well-being



A iwi | Social



Ōhanga | Economic

Effects of providing this activity

Community outcomes	Positive	Negative
 <p>Proud, vibrant communities</p>	<p>Provides</p> <p>Guides our staff to excel in their work and to strive to provide exceptional customer service.</p> <p>Leveraging technology to enhance information accessibility to the community.</p> <p>Identifying, assessing, and mitigating risks, ensuring the council is resilient and compliant.</p>	<p>Potential</p> <p>There are no significant negative effects for providing this group of activities.</p>
	<p>Provides</p> <p>Manages the financial health of the council and provides financial planning, ensuring fiscal responsibility.</p>	<p>Potential</p> <p>There are no significant negative effects for providing this group of activities.</p>

Levels of Service

There are no Levels of Services for this group/activity.

Capital works programme - Corporate Services

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Archives digitisation	25,000	-	-
Otago Reservoir Shares	7,500,000	-	-
Smart District Action Plan	215,000	219,730	224,998
Support projects - additional scoping	80,000	81,760	83,720
New works total	7,820,000	301,490	308,718
Renewals			
Climate change aerial photography	200,000	204,400	209,300
EDRMS renewals	-	871,163	-
GIS renewals	71,026	-	-
Office equipment renewals	81,248	80,227	82,150
Other scheduled renewals	215,283	222,544	217,675
Peripheral renewals	18,900	61,320	34,535
Pool vehicles	480,600	491,173	502,948
Server renewals	300,000	919,800	209,300
Service centre renewals, Kaikohe	202,148	45,741	36,628
Renewals total	1,569,205	2,896,368	1,292,536
Corporate Services total	9,389,205	3,197,858	1,601,254

Corporate Services

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	8,563	(3,164)	(1,555)	1,161
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	45	347	100	104
Fees and charges	1,073	1,305	1,232	1,246
Internal charges and overheads recovered	65	47	49	51
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Dividends	1,300	5,500	5,000	2,000
Total operating funding	11,046	4,035	4,827	4,562
Applications of operating funding				
Payments to staff and suppliers	27,497	24,192	25,203	26,499
Finance costs	(1,584)	(1,701)	(1,377)	(1,361)
Internal charges and overheads applied	(17,424)	(20,092)	(21,362)	(23,370)
Other operating funding applications	-	-	-	-
Total applications of operating funds	8,489	2,399	2,464	1,768
Surplus (deficit) of operating funding	2,557	1,635	2,363	2,794
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	771	7,231	(653)	(653)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	771	7,231	(653)	(653)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	1,217	7,820	301	309
- to replace existing assets	1,586	1,569	2,896	1,293
Increase (decrease) in reserves	525	(523)	(1,488)	540
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	3,328	8,866	1,710	2,141
Surplus (deficit) of capital funding	(2,557)	(1,635)	(2,363)	(2,794)
Funding balance	-	-	-	-

4 Whare Ā-Rohe District Facilities

What we do

Throughout the District, the council manages a diverse array of facilities that are made available for public use. These include playgrounds, where children can play and families can gather; parks and reserves, which offer open spaces for relaxation, picnics, and outdoor activities; and sportsfields that cater to various athletic events and community sports. Public toilets are strategically placed to ensure convenience for residents and visitors alike. The council also oversees a variety of visitor destinations that attract tourists and local visitors, enhancing the overall appeal of the District. Town centres are maintained as vibrant hubs of activity, providing spaces for shopping, dining, and community events.

The council maintains our town centres to keep them clean, safe, and appealing for locals and visitors. This includes managing carparks, lighting, public toilets, and providing motorhome/ caravan dump stations.

In addition to these recreational and communal facilities, the council also manages 11 cemeteries throughout the District. These cemeteries are important for providing respectful and serene environments for remembering and honouring loved ones.

Together, these facilities significantly contribute to the liveability of our communities. They offer essential places and spaces where residents can connect with one another, engage in recreational and leisure activities, and enjoy a higher quality of life. For visitors, these well-maintained amenities enhance their experience by providing attractive and accessible locations to explore. Overall, the council's management of these diverse facilities is integral to fostering a strong sense of community, promoting social interaction, and improving the overall well-being of the District's residents and visitors.

What we provide

- Cemeteries
- Civic and community buildings
- Housing for the Elderly (note that this asset may be divested by the council during this LTP)
- Recreation
- Town maintenance, public toilets and carparks.

Why we do it

The provision of these facilities by the council is rooted in several key rationales that collectively aim to enhance the overall quality of life for residents and visitors alike. These include promoting community well-being, encouraging social interaction, fostering economic growth, and ensuring environmental sustainability.



Aligns to these aspects of well-being



A iwi | Social







Taiao | Environmental



Ahurea | Cultural

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p>Provides</p> <p>Social interaction - Playgrounds, town centres, and parks serve as communal spaces where residents can meet, interact, and build relationships, creating a vibrant social fabric and a strong sense of community pride and belonging.</p> <p>Providing and maintaining town centre facilities and services contributes to the overall livability and attractiveness of our communities.</p>	<p>Potential</p> <p>Increase costs to maintain and meet health and safety requirements.</p> <p>Issues relating to vandalism/anti-social behaviour and noise/congestion at sportsfields when busy.</p> <p>If neglecting town centre facilities services will lead to safety concerns, hygiene issues, negative perceptions, reduced economic activity, and environmental harm.</p>	<p>Continue</p> <p>To maintain what we have and consider the effects of new projects and the ongoing costs associated including health and safety requirements, cost to repair damaged caused by anti-social behaviour and continue to look at other funding sources to build new facilities when and where appropriate.</p> <p>Work with those who utilise sports facilities to monitor traffic movements and facilities plans to minimise congestion where possible.</p> <p>Continue to regularly maintain and address issues as they arise with contractors.</p>
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Parks, playgrounds, and sports fields encourage exercise and outdoor activities, essential for health and disease prevention.</p> <p>Natural spaces like parks and reserves provide peaceful environments that reduce stress and promote relaxation and mental health.</p> <p>Safety and sanitation: Public toilets ensure hygienic and convenient facilities for all, contributing to public health and safety.</p> <p>Housing for our Elderly that is fit for purpose and safe.</p>	<p>Potential</p> <p>Unequal access. Not all communities to have the same access to all facilities or have to travel to other areas to access. Increased costs to both communities and other infrastructure such as the roading network.</p> <p>Limited housing for the elderly as well as the possibility of divestment may have impacts of shortages and uncertainty for our Elderly.</p>	<p>Continue</p> <p>To ensure all community areas have well-maintained facilities.</p> <p>To involve communities in planning to meet their needs.</p> <p>To ensure compliance and regulations are continuously monitored.</p> <p>Ensure that when the divestment of units for Housing for the elderly is undertaken that consideration is made for their needs and for any future developments.</p>

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Parks and reserves protect natural habitats and biodiversity, contributing to the conservation of the environment. These areas also serve as educational spaces where residents learn about the importance of preserving nature, fostering a community that is proud of its commitment to sustainability.</p>	<p>Potential</p> <p>Developing parks, sports fields, and other facilities can disrupt local ecosystems and wildlife habitats. Construction and maintenance activities may lead to soil erosion, water pollution, and loss of biodiversity.</p>	<p>Continue</p> <p>To ensure regular maintenance and upkeep of the facilities and address issues as they arise.</p> <p>Conduct regular inspections to identify issue</p> <p>Enhance security measures where appropriate.</p>
 <p>We celebrate our unique culture and history</p>	<p>Provides</p> <p>Facilities that are preserves and supports our unique culture and heritage.</p>	<p>Potential</p> <p>Lost of valued assets or sites due to lack of maintenance or poor planning decisions.</p>	<p>Continue</p> <p>Work with our communities, iwi/hapū and other stakeholders to identify before planning and address any cultural issues that may arise.</p>

Levels of Service

Cemeteries

4.2 To ensure cemeteries are operated in a way that meets the community's needs.

Performance measure	Results 2022/23	Target 2024-27
4.2.1 All grave digging services are carried out respectfully, safe and the site is kept in a clean and tidy state.	3	No more than one complaint received regarding our grave digging services

Town maintenance, public toilets and car parks

4.3 The council will provide well maintained and accessible public toilets in high use areas.

Performance measure	Results 2022/23	Target 2024-27
4.3.1 Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades.	1	2
4.3.2 Ensure that public toilets are maintained to a cleanliness standard that enables users to have a pleasant experience.	79.60%	≥91%
4.3.3 Provide accessibility upgrades within parks and reserves.	3	2 per ward per annum

Changes to Levels of Service

The Levels of Service for these activities were reviewed as part of this LTP process and the table below indicates which measures will now be internally assessed and reported on a quarterly basis.

Civic and community buildings

All operational civic and community buildings are safe for community use and meet all statutory legislation levels.

Capital works programme - District Facilities

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Amenity lighting, BOI-Whangaroa ward	10,000	10,220	10,465
Amenity Lighting, Kaikohe-Hokianga ward	10,000	10,220	10,465
Amenity lighting, Te Hiku ward	10,000	10,220	10,465
Cemetery development, Russell	150,000	-	-
Housing for the Elderly works, District-wide	2,000,000	-	-
Kaitāia Airport fencing	200,000	-	-
Kaitāia Airport runway	1,294,854	-	-
Kaitāia Airport upgrades	465,000	-	-
Maritime facilities, boat ramp parking, Rangitāne	1,561,558	-	-
Maritime facilities, minor upgrades	-	77,393	87,569
New carparking, Russell	124,670	-	-
Paihia waterfront improvements	1,035,000	-	-
Parks and Reserves, District-wide playground shadesails	60,000	-	-
Public toilet, Kāeo	20,000	-	-
Skate Park, Kaitāia	80,000		
Taipā Point Reserve stormwater mitigation	207,000	-	-
Town beautification	171,000	174,762	178,953
Tsunami siren replacement project CDEM remediation	340,962	-	-
Waipapa BaySport carpark surfacing	207,000	306,600	-
Windsor Landing, public toilet	138,048	-	-
New works total	8,085,092	589,415	297,917
Renewals			
Amenity lighting, BOI-Whangaroa	5,000	5,110	5,232
Amenity lighting, Kaikohe-Hokianga	5,000	5,110	5,233
Amenity lighting, Te Hiku	5,000	5,110	5,232
Bins, benches, bollards, signs and tables, BOI-Whangaroa	30,000	30,660	31,395
Bins, benches, bollards, signs and tables, Kaikohe-Hokianga	30,000	30,660	31,395
Bins, benches, bollards, signs and tables, Te Hiku	30,000	30,660	31,395
Building renewals, Kāeo old Post Office	517,500	-	-
Civil defence renewals	25,849	-	-
Coastal walkway consent renewal, Ōpua Basin	-	7,497	-
Hall renewals, Kāeo	246,330	-	-
Hall renewals, Ōkaihau	956,224	-	-
Hall renewals, Taipā (Lake Ohia)	97,934	-	-
Kaitāia Airport runway	418,526	-	-
Maritime consent renewals, Awanui River, Unahi	-	7,497	-
Maritime consent renewals, Clansman Wharf area, Whangaroa	-	7,497	-
Maritime consent renewals, Hokianga Harbour	-	19,761	-
Maritime consent renewals, Hōreke, Hokianga Harbour	7,593	7,497	-
Maritime consent renewals, Kohukohu, Hokianga Harbour	-	7,497	-

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
Maritime consent renewals, Ōmāpere, Hokianga Harbour	-	19,761	-
Maritime consent renewals, Ōpononi, Hokianga Harbour	-	14,994	-
Maritime consent renewals, Paihia	-	-	20,235
Maritime consent renewals, Pukenui, Houhora Harbour	-	7,497	-
Maritime consent renewals, Rāwene, Hokianga Harbour	-	7,497	-
Maritime consent renewals, Te Hāpua Wharf, Pārengarenga Harbour	-	7,497	-
Maritime consent renewals, The Narrows, Hokianga Harbour	-	7,497	-
Maritime consent renewals, Tōtara North	-	7,497	-
Maritime consent renewals, Whangaroa	-	7,497	-
Maritime renewals, Hihi	-	19,761	-
Motorcamp consent renewals, Tauranga Bay	250,000	-	-
Parks and reserves renewals, BOI-Whangaroa	300,000	306,600	313,950
Parks and reserves renewals, Kaikohe-Hokianga	300,000	306,600	313,950
Parks and reserves renewals, Te Hiku	300,000	303,023	313,950
Pioneer House renewals, Kaitāia	1,963	511,000	-
Public toilet discharge consent renewal, Moerewa	-	-	9,770
Renewals total	3,526,919	1,691,277	1,081,737
District Facilities total	11,612,011	2,280,692	1,379,654

District Facilities

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	5,975	6,847	7,177	7,430
Targeted rates	11,981	14,498	15,347	15,524
Subsidies and grants for operating purposes	38	3	3	3
Fees and charges	1,366	1,413	1,417	1,427
Internal charges and overheads recovered	12	16	16	16
Local authority fuel tax, fines, infringement fees, and other receipts	105	111	111	111
Total operating funding	19,477	22,886	24,070	24,511
Applications of operating funding				
Payments to staff and suppliers	11,727	13,277	13,715	14,079
Finance costs	1,473	2,853	3,063	2,788
Internal charges and overheads applied	2,782	2,305	2,433	2,659
Other operating funding applications	-	-	-	-
Total applications of operating funds	15,981	18,436	19,210	19,526
Surplus (deficit) of operating funding	3,495	4,451	4,860	4,985
Sources of capital funding				
Subsidies and grants for capital expenditure	5,318	-	1,085	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	23,685	4,668	(4,063)	(3,326)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	29,003	4,668	(2,978)	(3,326)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	5,209.00	8,085	589	298
- to replace existing assets	7,674.00	3,527	1,691	1,082
Increase (decrease) in reserves	(6,372)	(2,493)	(399)	279
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	26,510	9,119	1,882	1,659
Surplus (deficit) of capital funding	(3,495)	(4,451)	(4,860)	(4,985)
Funding balance	-	-	-	-

5 Ngā Whakamahere Me Ngā Kaupapa Here Planning and Policy

What we do

In the Planning and Policy Group, our primary focus is on shaping the future trajectory of our organisation and its interaction with the community and environment. The Policy team crafts and refines guidelines, ensuring that our actions align with established principles and legal frameworks. Bylaws serve as a foundation for governance, providing the regulatory structure necessary for the orderly functioning of our operations. Strategies guide our long-term vision, outlining the path to sustainable development and growth.

District and reserve management efforts prioritise the preservation and responsible use of natural resources and public spaces. Integrated planning allows us to approach complex challenges with a comprehensive and interconnected perspective, ensuring that our initiatives align cohesively. Climate change considerations underscore our commitment to environmental stewardship and integrating sustainability practices into our policies and plans. Development of climate adaptation plans builds resilience in our communities and mitigation of the effects of climate change focuses the group on intergenerational equity. In essence, the Planning and Policy Group plays a pivotal role in shaping the present and future of our District, fostering sustainable development and community well-being.

What we provide

- Climate action and resilience using adaptation plans and mitigation strategies
- Integrated planning
- Strategies, policies, and bylaws.

Why we do it

The work of the Planning and Policy Group is motivated by a commitment to holistic and sustainable development. Through policy formulation, we establish a framework that ensures our actions align with ethical, legal, and community-oriented principles. Bylaws provide the necessary governance structure for the smooth functioning of our District. Strategies guide our endeavours, steering us towards long-term goals that prioritise environmental stewardship, community well-being and resilience, and responsible resource management. District and reserve management plans are driven by a commitment to preserve natural landscapes and public spaces for the benefit of current and future generations. Integrated planning allows us to tackle challenges comprehensively, fostering synergy among various initiatives. Climate action underscores our responsibility to our communities to provide guidance and leadership in



Aligns to these aspects of well-being



A iwi | Social



Ōhanga | Economic



Taiao | Environmental





Ahurea | Cultural

adaptation planning and mitigation of the effects of the changing climate. We address environmental, social and economic concerns, integrating sustainability and resilience into our policies and

plans. Ultimately, our work in the Planning and Policy Group is rooted in the belief that thoughtful, strategic planning is the linchpin for creating a resilient, equitable, and sustainable future.

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 Proud, vibrant communities	Provides Opportunity for us to engage with our community and develop processes, plans and strategies that enable them to have a say in matters that affect their lives.	Potential For some plans and policies to advantage some over others either as individuals or groups.	Continue Working with our communities to ensure there is equal opportunities for all in future planning for our District, allowing for everyone's voice to be heard.
 Communities that are healthy, safe, connected and sustainable	Provides Plans and strategies that keep our communities healthy and safe through environmental design, crime prevention and other principles.	Potential That some plans or strategies do not align with all communities, groups or individuals.	Continue Working towards better communication and information when new policies, plans or strategies are designed and then introduced.
 Resilient communities that are prepared for the unexpected	Provides Community adaptation plans and pre-event planning using adaptive pathway planning and strategies to build social, economic, cultural, and environmental resilience within communities.	Potential Climate change maladaptation where actions intended to reduce the impacts of climate change actually create more risk and vulnerability.	Continue Working with communities to plans together. Ongoing evaluation and monitoring of plans. To act as a community agency. To change treatments pre-agreed with communities. Education and awareness.
 Prosperous communities supported by a sustainable economy	Provides Economic stability can be factored when plans and strategies are designed for future growth, this leads to job creation which benefits our communities as a whole.	Potential Impacts may include not allowing for growth or the costs associated with rapid growth in areas that are not prepared either financially or infrastructurally which may not be able to sustain growth.	Continue To plan and develop strategies, plans and policies with communities that allow for growth and prosperity by sound planning development.

Community outcomes	Positive	Negative	How we mitigate these effects
 <p data-bbox="146 331 421 497">A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p data-bbox="450 161 571 192">Provides</p> <p data-bbox="450 206 740 685">Planning for sustainable and harmonious coexistence by acknowledging and protecting the delicate balance between human activities and ecological integrity is maintained, ensuring the preservation of biodiversity, natural resources, and ecosystems.</p>	<p data-bbox="746 161 868 192">Potential</p> <p data-bbox="746 206 1056 757">Inadequate environmental care can result in pollution, deforestation, and habitat destruction, contributing to climate change and exacerbating natural disasters which compromises quality of life and diminished resilience to environmental challenges as well as increased financial costs.</p>	<p data-bbox="1062 161 1184 192">Continue</p> <p data-bbox="1062 206 1401 237">Education and awareness.</p> <p data-bbox="1062 268 1445 336">Developing policies and plans that address these issues.</p> <p data-bbox="1062 367 1439 470">Community engagement and engaging in collaborative initiatives.</p> <p data-bbox="1062 501 1458 568">Using technological innovation to assist with future planning.</p> <p data-bbox="1062 600 1452 739">Crisis preparation and how we respond to environmental, natural and pollution related incidents.</p>
 <p data-bbox="162 936 405 1028">We celebrate our unique culture and history</p>	<p data-bbox="450 766 571 797">Provides</p> <p data-bbox="450 810 740 936">Plans that identify and protect culture, history and heritage sites.</p>	<p data-bbox="746 766 868 797">Potential</p> <p data-bbox="746 810 1056 936">Lost of valued assets or sites due to lack of maintenance or poor planning decisions.</p>	<p data-bbox="1062 766 1184 797">Continue</p> <p data-bbox="1062 810 1458 972">Working with our communities together when developing plans and ensuring there is adequate funding to maintain assets identified in the future.</p>

Levels of Service

There are no Levels of Services for this group/activity.

Planning and Policy

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	8,895	8,678	9,656	9,495
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	75	10	75	10
Total operating funding	8,970	8,688	9,731	9,505
Applications of operating funding				
Payments to staff and suppliers	7,233	7,160	8,094	7,709
Finance costs	5	8	7	5
Internal charges and overheads applied	1,715	1,509	1,619	1,780
Other operating funding applications	-	-	-	-
Total applications of operating funds	8,954	8,677	9,720	9,494
Surplus (deficit) of operating funding	17	11	11	11
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	(20)	(24)	(24)	(24)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	(20)	(24)	(24)	(24)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	(3)	(14)	(14)	(13)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	(3)	(14)	(14)	(13)
Surplus (deficit) of capital funding	(17)	(11)	(11)	(11)
Funding balance	-	-	-	-

6 Kaiwhakahaere Para Totoka Solid Waste Management

What we do

Effective solid waste management is essential for upholding a pristine and sustainable environment. The council plays a pivotal role by strategically situating rubbish and recycling bins across the District and maintaining a consistent schedule for waste collection and disposal. These measures not only facilitate the proper disposal of waste but also contribute to minimising litter and maintaining cleanliness in public spaces.

Furthermore, the council actively promotes recycling programs to mitigate environmental harm and foster sustainable habits among residents. By encouraging the separation and recycling of materials, these programs help diminish the volume of waste destined for landfills while conserving valuable resources. This not only reduces pollution but also conserves energy and minimises greenhouse gas emissions associated with waste disposal.

Proper waste management not only benefits the immediate environment by keeping streets, parks, and other public areas clean but also alleviates the burden on local ecosystems. By preventing contamination of soil and water sources, responsible waste management safeguards the health of wildlife and preserves biodiversity. Additionally, it contributes to the overall well-being of communities by minimising the risk of disease transmission and enhancing the quality of life for residents.

In essence, effective solid waste management is a cornerstone of environmental stewardship, promoting a cleaner, healthier, and more sustainable future for both current and future generations.

What we provide

- 1 Resource Recovery Centre at Kaitāia and 1 private facility contracted at Waipapa
- 12 community recycling centres
- 4 consented closed landfills.

Why we do it

Overall, we engage in effective solid waste management to protect the environment, promote public health, conserve resources, foster sustainability, comply with regulations, and reap economic benefits. It is a multifaceted endeavour with far-reaching implications for present and future generations.



Aligns to these
aspects of well-being






A iwi | Social



Ōhanga | Economic



Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p>Provides</p> <p>Provides cleanliness and promotes environmental health in public areas through proper waste management, including rubbish bins and recycling facilities, contributing to a sense of community pride and well-being.</p>	<p>Potential</p> <p>To cause issues if insufficient waste management issues are not addressed such as not providing rubbish bins and recycling facilities, leads to littered public areas, health risks, and resource wastage, undermining cleanliness efforts and environmental health.</p>	<p>Continue</p> <p>Looking into alternative disposal infrastructure, enforcing regulations, raising public awareness, promoting recycling, and fostering collaboration to prioritise cleanliness and environmental health.</p>
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Cleaner and healthier communities by reducing pollution, conserving resources, and promoting sustainable practices.</p>	<p>Potential</p> <p>Improper waste management, like littering and illegal dumping, diminishes the aesthetic appeal of landscapes and urban areas, impacting residents' quality of life and deterring tourism and economic development.</p>	<p>Continue</p> <p>To address improper waste management, like littering and illegal dumping, reduces the aesthetic appeal of landscapes and urban areas, affecting residents' quality of life, tourism, and economic development. Solutions include enforcing regulations, community clean-ups, and public awareness campaigns to enhance cleanliness and attract visitors, supporting local economies.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Protection for ecosystems, wildlife, and resources by preventing pollution of land, water, and air through proper waste management, while recycling reduces environmental strain, conserves natural resources, and minimises energy consumption and carbon footprint.</p>	<p>Potential</p> <p>Improper waste disposal contaminates soil, water, and air, harming ecosystems and wildlife. Landfill methane worsens global warming, affecting sea levels and weather.</p>	<p>Continue</p> <p>Proper management, regulation enforcement, investing in waste-to-energy, community education, innovation, and stakeholder collaboration to reduce pollution, protect ecosystems, mitigate methane emissions, and minimise climate impacts.</p>

Levels of Service

4.1 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.

Performance measure		Results 2022/23	Target 2024-27
4.1.1	Percentage of waste from refuse transfer station that is recycled / reused.	58.20%	64%
4.1.2	Responding to RFS relating to illegal dumping, and removing the rubbish.		
	a. Offensive waste: pick up within 24 hours.	100%	95% within set timeframe
	b. Standard waste: pick up within 4 days.	85.5%	

Changes to Levels of Service

The Levels of Service for these activities were reviewed as part of this LTP process and the table below indicates which measures will now be internally assessed and reported on a quarterly basis.

Solid waste management

All refuse transfer stations are open to the public no more than 30 minutes late once a year.

Capital works programme - Solid Waste Management

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
New bridge Kaitāia transfer station	500,000	-	-
Recycling Solutions, District-wide	50,000	51,100	52,325
Wastewater treatment system upgrade, Kaitāia Resource Recovery Centre	393,400	-	-
New works total	943,400	51,100	52,325
Renewals			
Transfer station consent renewals, Kaitāia	54,168	-	-
Weighbridge renewals, Kaitāia	158,663	34,113	-
Renewals total	212,831	34,113	-
Solid Waste Management total	1,156,231	85,213	52,325

Solid Waste Management

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	4,263	3,239	3,487	3,624
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,158	1,704	1,704	1,704
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	885	1,500	1,500	1,500
Total operating funding	6,306	6,442	6,691	6,827
Applications of operating funding				
Payments to staff and suppliers	5,489	5,834	6,016	6,123
Finance costs	103	85	125	114
Internal charges and overheads applied	678	524	549	591
Other operating funding applications	-	-	-	-
Total applications of operating funds	6,269	6,442	6,691	6,827
Surplus (deficit) of operating funding	37	-	-	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	215	784	(206)	(207)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	215	784	(206)	(207)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	474	943	51	52
- to replace existing assets	78	213	34	-
Increase (decrease) in reserves	(300)	(372)	(291)	(259)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	252	784	(206)	(207)
Surplus (deficit) of capital funding	(37)	-	-	-
Funding balance	-	-	-	-

7

Wai Ua me Hopuwai Stormwater and Drainage

What we do

Our stormwater system drains water away from public and private property to reduce potential harm to property, the environment and our communities. This is especially important in urban areas, particularly following heavy rain.

Council manages and maintains stormwater assets, such as pipeline reticulation, open channels, retention dams and floodgates. The council also assists the Northland Regional Council with some land drainage schemes.

What we provide

- 181,234m of line assets (culverts, channels, pipes)
- 5,077 point assets (catchpits, manholes, soak holes)
- 30 other assets (spillways, grills, inlets/outlet structures)
- 69 floodgates
- 1 pump station
- 31 ponds.

Why we do it

Stormwater management is a vital component of our activities to address the challenges posed by rainfall runoff and to safeguard communities from flooding and environmental degradation.

Stormwater management involves the planning, construction, and maintenance of systems to control the flow of rainwater, preventing erosion, minimising flooding, and protecting water quality.

The land drainage network includes open channels and floodgates designed primarily to enable landowners to drain their land for agricultural use and prevents the risk of water accumulation and subsequent flooding to other areas.

These activities help mitigate the risks of property damage, ensure the safety of residents, and maintain the integrity of local ecosystems. Through the establishment of drainage systems, retention basins and ponds and other infrastructure, council actively works to reduce the impact of storms, enhancing overall resilience and sustainability to our District.



Aligns to these
aspects of well-being



A iwi | Social






Ōhanga | Economic



Taiao |
Environmental

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Reduction in risk of damage from flooding to individual properties.</p>	<p>Potential</p> <p>Can affect public health and safety.</p>	<p>Continue</p> <p>Continue to advise landowners of potentially floodprone areas and plan accordingly so these areas are part of the built environment</p> <p>Monitor new developments to ensure natural flowpaths are maintained.</p>
 <p>Resilient communities that are prepared for the unexpected</p>	<p>Provides</p> <p>Stormwater management can reduce the risk of flooding by controlling the flow and volume of stormwater runoff, thus protecting property and infrastructure from damage.</p>	<p>Potential</p> <p>Additional funding will need to be sourced, this may impact on rates increases.</p>	<p>Continue</p> <p>Investing in stormwater and planning.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>A safe living environment for all our communities.</p>	<p>Potential</p> <p>To cause public health issues through the bacterial contamination to the environment through overflows during adverse weather events.</p>	<p>Continue</p> <p>To monitor discharges and fund maintenance to prevent issues occurring.</p>

Levels of Service

■ Mandatory performance measure

Stormwater

7.1 The council will manage the stormwater network to minimise flood risks within defined service areas.

Performance measure		Results 2022/23	Target 2024-27
7.1.1	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:		
	a. Abatement notices	0	1 or less
	b. Infringement notices	0	0
	c. Enforcement orders	0	0
	d. Convictions, received by the territorial authority in relation those resource consents.	0	0
7.1.2	Residents' satisfaction with stormwater drainage service (Recorded through the Residents Survey).	26%	≥70%

Performance measure		Results 2022/23	Target 2024-27
7.1.4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.	11.19	≤16
7.1.5	a. The number of flooding events that occur in a territorial authority district and	0	1 or less
	b. For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to the territorial authority's stormwater system).	0	0
7.1.6	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	No events	≤ 48 hours

Changes in Levels of Service

There have been no changes to the Levels of Service.

Capital works programme - Stormwater and Drainage

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
348a SH12 Ōmāpere stormwater	1,660,963	-	-
Stormwater floodgate improvements, District-wide	116,998	-	-
Stormwater improvements, Moerewa	3,388,000	-	-
Stormwater improvements, Tasman Heights, Ahipara Stage 4	138,000	-	-
Stormwater Inlet structure upgrade, Kawakawa	-	-	654,063
Stormwater minor capital works, District-wide	375,000	383,250	392,438
Stormwater network catchpit improvements, Kawakawa	-	-	326,508
Stormwater network extension upgrades, Kerikeri	-	-	130,813
Stormwater network improvements, Kaikohe	-	-	212,440
Stormwater network pipe renewal, Kaitāia	-	-	209,300
Stormwater pipe renewals, Commerce Street, Kaitāia	1,000,000	-	-
Stormwater pipe renewal, Kaitāia	1,250,000	-	-
Stormwater renewals, Kotare Drive, Taipā	529,195	-	-
Stormwater resource consents, Te Hiku	300,000	-	-
Stormwater resource consents, Kaitāia	-	151,951	-
Stormwater upgrade, Ahipara	150,000	715,400	-
New works total	8,908,156	1,250,601	1,936,025
Renewals			
348a/SH12 Ōmāpere stormwater	339,037		
Network reactive renewals triggered by roading, District-wide	300,000	306,600	313,950
Reactive renewals, District-wide	500,000	306,600	313,950
Gross debris traps upgrades, Kaikohe	-	153,300	-
Stormwater pipe renewal, Kawakawa	-	-	1,308,125
Stormwater renewals, Parkdale Crescent, Kaitāia	1,300,000	-	-
Stormwater renewal and diversion, Kaitāia	47,000	431,284	-
Renewals total	2,486,037	1,197,784	1,936,025
Stormwater / Drainage total	11,394,193	2,448,385	3,861,587

Stormwater and Drainage

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	3,533	1,627	1,871	1,762
Targeted rates	2,275	3,268	3,396	3,413
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	5,808	4,896	5,267	5,175
Applications of operating funding				
Payments to staff and suppliers	2,540	1,189	1,408	1,275
Finance costs	252	325	741	745
Internal charges and overheads applied	1,858	1,043	1,107	1,165
Other operating funding applications	-	-	-	-
Total applications of operating funds	4,650	2,557	3,256	3,185
Surplus (deficit) of operating funding	1,158	2,339	2,012	1,991
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	5,388	8,335	251	869
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	5,388	8,335	251	869
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	5,613	8,908	1,251	1,926
- to replace existing assets	2,137	2,486	1,198	1,936
Increase (decrease) in reserves	(1,205)	(720)	(185)	(1,002)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	6,546	10,674	2,263	2,860
Surplus (deficit) of capital funding	(1,158)	(2,339)	(2,012)	(1,991)
Funding balance	-	-	-	-

8 Ngā Hononga Rautaki Strategic Relationships

What we do

In the Strategic Relationships Group, we focus on building meaningful and collaborative connections that contribute to the overall success and inclusivity of our iwi, hapū, whānau, communities and the council. Working closely with all our iwi, hapū, whānau and communities is a fundamental aspect of our commitment to recognising and respecting everyone's perspectives. We work together in partnership that honour our rich cultural heritage and contribute to positive outcomes. The Mana kāwanatanga - Democracy Services team, provides guidance and support on a daily basis to the elected representatives of the community that form the governance function of our council, enabling them to understand their legislative responsibilities and assisting them to make informed decisions on behalf of our communities.

The council acknowledges the principles and spirit of Te Tiriti and seeks to work with Māori communities for the enhancement and benefit of those communities and the whole District. Our Māori Engagement, Relationships and Development (Te Hono) team, supports the aspirations of tangata whenua and is working to provide platforms for partnerships and opportunities for building capability and capacity within the community.

The council is committed to developing sustainable, beneficial relationships with the community through improved funding opportunities and empowering local communities, to achieve this the Stakeholder Relationships team play a key role in supporting community boards to achieve targeted outcomes and connect people and communities to achieve strategic outcomes.

By nurturing Partnerships and Strategic relationships, facilitating democratic processes, and engaging with a broad spectrum of stakeholders, we aim to create an inclusive and collaborative environment that reflects the values and aspirations of our diverse District.

What we provide

Mana kāwanatanga - Democracy Services

- Support the governance function of the council
- Democratic and procedural advice in relation to Governance functions and formal meetings
- Manage the triennial local government election for the council, including handover and induction
- Manage the (minimum) six-yearly Representation Review
- Contribute to, and in some cases lead, organisational projects and civic events as they arise to provide input and support from a Governance perspective.



Aligns to these aspects of well-being



A iwi | Social



Ōhanga | Economic



Taiao | Environmental



Ahurea | Cultural

Te Hono - Māori Engagement, Relationships and Development

- Support the organisation to achieve the goals of Te Pae o Uta – Te Ao Māori Framework
- Support the council cultural competency in Te Ao Māori
- Support iwi / hapū to thrive
- Strengthen our working relationship with Māori
- Support the economic and social development of multiple-owned Māori Freehold Land
- Support the development and relationship opportunities from Treaty settlements.

Stakeholder Relationships

- Support community board members to achieve the aspirations of the community by feeding information into the council
- Connect communities to funding opportunities, provide and administer community grants
- Work with communities, key stakeholders, other regional authorities, external agencies and organisations to develop key relationships within the council
- Support community-initiated plans.

Why we do it




The work of the Strategic Relationships Group is driven by a commitment to fostering a community-centric and inclusive approach to partnership and good governance. This engagement is not just a gesture but a genuine effort to incorporate diverse voices into decision-making processes, ensuring that policies and initiatives are culturally sensitive and equitable.

The goal is to uphold the principles of transparency, accountability, and citizen participation, fostering a robust democratic framework that empowers individuals to actively engage in shaping their community. Engagement, relationship management and development opportunities are motivated by the understanding that a thriving community involves collaboration with various entities. By building and maintaining strong relationships with stakeholders, including businesses and community organisations, Māori and other communities of interest we aim to create a shared vision and a collective commitment to the well-being and progress of the District as a whole.

Ultimately, our work in the Strategic Relationships Group is grounded in the belief that inclusive partnerships and democratic processes are essential for our communities' holistic development and harmony.

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Proud, vibrant communities</p>	<p>Provides</p> <p>Ability for our communities to participate in the council decision-making.</p> <p>Co-working with stakeholders, external organisations and groups to support communities.</p>	<p>Potential</p> <p>Lack of understanding or apathy may present barriers for communities to participate in decision-making.</p>	<p>Continue</p> <p>Working on ways to improve our communication and working with partners, communities, stakeholders, external organisations and other interested groups.</p>
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Deliver outcomes that align with community driven well-being initiatives and improving equity.</p>	<p>Potential</p> <p>Lack of communication or not engaging all of community.</p> <p>Lack of alignment between the council and community boards and communities / the council deliverables.</p>	<p>Continue</p> <p>Ongoing communication and development of relationships and sharing of information, value and purpose.</p> <p>Connecting with other agencies to share outcomes and remove duplication.</p>

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Prosperous communities supported by a sustainable economy</p>	<p>Provides</p> <p>Access to funding that supports communities to deliver initiatives and create economic growth.</p>	<p>Potential</p> <p>No support or uplift in capability may leave communities unable to realise potential or enable opportunities.</p>	<p>Continue</p> <p>Ensuring we are clear on funding channels and the council planning processes.</p> <p>Connecting communities to other agencies and enabling support.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Build and maintain relationships with local iwi/hapū/hapori.</p>	<p>Potential</p> <p>Disconnection from relevance of local government.</p>	<p>Continue</p> <p>Early and often communication and mutual gained trust and understanding of priorities.</p>
 <p>We celebrate our unique culture and history</p>	<p>Provides</p> <p>Co-Governance Te Kuaka – Te Ao Māori Committee.</p>	<p>Potential</p> <p>Lack of alignment in priorities between iwi partners and the council.</p>	<p>Continue</p> <p>Work closely with iwi partners to provide opportunities for meaningful and relevant engagement.</p>

Levels of Service

There are no Levels of Services for this group/activity.

Strategic Relationships

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	6,518	8,218	9,330	9,185
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	250	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	50	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	6,568	8,468	9,330	9,185
Applications of operating funding				
Payments to staff and suppliers	5,624	6,916	7,672	7,367
Finance costs	-	-	-	-
Internal charges and overheads applied	935	1,529	1,635	1,794
Other operating funding applications	-	-	-	-
Total applications of operating funds	6,560	8,445	9,307	9,162
Surplus (deficit) of operating funding	8	23	23	23
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	-	-	-	-
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	-	-	-	-
- to replace existing assets	-	-	-	-
Increase (decrease) in reserves	8	23	23	23
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	8	23	23	23
Surplus (deficit) of capital funding	(8)	(23)	(23)	(23)
Funding balance	-	-	-	-

9 Ngā Hononga Waka Transport Network

What we do

Our transport network is looked after through a shared council arrangement. The Northland Transportation Alliance (NTA) is a partnership between all four councils within Northland and Waka Kotahi NZ Transport Agency. The NTA is responsible for local roads, with Waka Kotahi NZ Transport Agency being responsible for all state highways.

Staff are seconded from all four Northland councils and work collaboratively with our stakeholders (the councils and ratepayers) and service delivery partners (contractors and consultants) to collectively create better safer and more accessible journeys across Northland.

The NTA framework provides a mechanism for individual councils to leverage off each other's expertise and maximise the resources from individual partner organisations to look after Northland's nearly 6,000kms of local roading network.

Customers make requests and enquiries via the councils' standard contact channels.

What we provide

- 2,509.1km of roads (902.7km sealed and 1,606.4km unsealed)
- 725 bridges
- 1,004 retaining and seawalls
- 1,847 streetlights
- 1 'Kohu Ra Tuarua' vehicular ferry used on the Hokianga Harbour
- 226.3km of footpaths
- 24km cycleways
- 87km of Pou Herenga Tai Twin Coast Cycle Trail.

Why we do it

The council's transport network is vital for providing essential district connections. Roads and footpaths ensure connectivity, promote public safety, and facilitate the movement of people and goods, fostering economic development and social cohesion.

Footpaths enhance pedestrian mobility and safety, encouraging active lifestyles and community engagement.

Additionally, the council integrates the Pou Herenga Tai Twin Coast Cycle Trail and cycleways into its transport planning, enhancing connectivity and promoting sustainable transportation. This approach contributes to community well-being and supports regional development goals.



Aligns to these
aspects of well-being



A iwi | Social






Ōhanga | Economic



Taiao |
Environmental

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Safe travel around our District.</p> <p>Connectivity within and between communities.</p> <p>Access to recreation and leisure and community facilities.</p> <p>Access to retail, commercial and professional services for planning of the network.</p>	<p>Potential</p> <p>Traffic noise impacts and vibration to properties adjoining roads.</p> <p>Health issues caused by dust on unsealed roads.</p> <p>Dangers to people and high social cost from accidents caused by poor roading quality and /or design.</p> <p>Delays and flow problems caused by heavy traffic volumes in urban areas.</p> <p>Air pollution from traffic fumes affects health and the environment.</p>	<p>Continue</p> <p>Road maintenance.</p> <p>Road sealing where appropriate and funding allows.</p> <p>Road safety improvement programmes.</p> <p>Better planning for better roads programme.</p> <p>Monitoring of emissions and offsetting these in our emission reduction programme.</p> <p>Using dust suppressant products.</p> <p>Repairing deteriorated roads as funding allows and on a priority basis.</p>
 <p>Resilient communities that are prepared for the unexpected</p>	<p>Provides</p> <p>Networks for the transport of goods and services in and our and around the District.</p> <p>Employment opportunities, within the transport sector and other industries such as forestry.</p>	<p>Potential</p> <p>Damage to our roading network caused by heavy loaded trucks.</p>	<p>Continue</p> <p>To work with the transport industry to minimise the effect of damage to local roads.</p> <p>To work with Waka Kotahi NZ Transport Agency to ensure the highway networks are better maintained and more frequent maintenance is carried out.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Better planning and continuous maintenance based on funding allowances to ensure our networks are maintain.</p>	<p>Potential</p> <p>Air pollution from traffic fumes affects health and the environment.</p> <p>Flooding effects on the environment.</p>	<p>Continue</p> <p>Repairing deteriorated roads as funding allows and on a priority basis.</p> <p>Funding drainage as part of the wider roading activity to minimise flooding.</p>

Levels of Service

■ Mandatory performance measure

Roading

9.1 To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards.

Performance measure		Results 2022/23	Target 2024-27
9.1.1	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	38 total 5 fatal 33 serious injury crashes Actual increase in serious injuries and fatalities is 3	No increase
9.1.2	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	92%	>88%
9.1.3	The percentage of the sealed local road network that is resurfaced.	4.6%	>8%
9.1.4	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the LTP.	93.2%	>8%
9.1.5	The maintenance of the roads meets the Council Levels of Service targets as specified in our roading maintenance contracts.	65.3%	>85%
9.1.6	The percentage of the sealed local road network that is rehabilitated.	0.18%	0.50%
9.1.7	The Hokianga Ferry Service will run in accordance with advertised timetable.	95.6%	>95%

Footpaths

9.2 To maintain the District's footpath network and infrastructure to high standards.

Performance measure		Results 2022/23	Target 2024-27
9.2.1	The percentage of footpaths within a territorial authority district that fall within the Levels of Service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or LTP).	98%	>90% in fair or better condition

Capital works programme - Transport Network

Roading and Footpaths

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Footpaths: Bay of Islands - Whangaroa	155,250	153,300	156,975
Footpaths: Kaikohe - Hokianga	155,250	153,300	156,975
Footpaths: Te Hiku	155,250	153,300	156,975
Low cost / low risk: Local road improvements	11,522,561	17,456,126	17,283,013
Low cost / low risk: Walking and cycling	1,790,000	2,800,280	2,909,270
Other access reactive capital	-	167,132	-
Rangitāne footpath	100,000	102,200	104,650
Standalone Kerikeri CBD Bypass	-	-	5,232,500
Unformed paper roads	500,000	511,000	523,250
Unsubsidised 2nd coat seals	150,000	153,300	156,975
Unsubsidised capital funding	2,000,000	2,044,000	2,093,000
Urban drainage	500,000	511,000	523,250
New works total	17,028,311	24,204,938	29,296,833
Renewals			
Bridges and structures renewals	3,481,400	4,068,778	4,267,054
Drainage renewals	1,664,901	1,911,876	2,103,600
Ferry renewals	100,000	730,730	3,142,640
Footpath renewals, BOI-Whangaroa	285,972	331,146	339,085
Footpath renewals, Kaikohe-Hokianga	193,261	236,395	242,062
Footpath renewals, Te Hiku	281,672	326,751	334,584
Sealed road rehabilitation	4,925,060	4,637,005	6,012,015
Sealed road resurfacing	7,201,909	10,395,419	7,122,471
Structures component replacements	1,823,555	2,207,521	2,328,254
Traffic services renewals	651,691	745,354	819,733
Unsealed road metalling	6,237,299	7,266,952	7,813,219
Renewals total	26,846,720	32,857,927	34,524,717
Roading and Footpaths total	43,875,031	57,062,865	63,821,550

Cycle Trail and Cycleways

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Pou Herenga Tai (Twin Coast Cycle Trail) Ōpua to Taumarere replacement	4,000,000	-	-
New works total	4,000,000	-	-
Renewals			
Cycleway network renewals	-	-	89,912
Renewals total	-	-	89,912
Cycle Trail and cycleways total	4,000,000	-	89,912
Transport Network total	47,875,031	57,062,865	63,911,462

Transport Network

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	14,232	16,964	20,504	21,164
Targeted rates	5,938	6,358	6,777	6,939
Subsidies and grants for operating purposes	14,923	19,294	22,311	22,681
Fees and charges	661	500	500	500
Internal charges and overheads recovered	133	25	25	25
Local authority fuel tax, fines, infringement fees, and other receipts	600	600	600	600
Total operating funding	36,488	43,741	50,717	51,909
Applications of operating funding				
Payments to staff and suppliers	26,184	28,840	33,471	33,690
Finance costs	1,723	2,192	2,664	2,903
Internal charges and overheads applied	(695)	2,222	2,345	2,548
Other operating funding applications	-	-	-	-
Total applications of operating funds	27,212	33,254	38,480	39,141
Surplus (deficit) of operating funding	9,276	10,488	12,237	12,768
Sources of capital funding				
Subsidies and grants for capital expenditure	22,477	28,718	41,472	38,880
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	5,805	8,773	6,359	11,977
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	28,282	37,491	47,831	50,857
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	19,088	21,512	28,177	30,512
- to replace existing assets	17,285	26,847	32,858	34,615
Increase (decrease) in reserves	1,185	(380)	(966)	(1,501)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	37,558	47,978	60,068	63,626
Surplus (deficit) of capital funding	(9,276)	(10,488)	(12,237)	(12,768)
Funding balance	-	-	-	-

10 Waipara Wastewater

What we do

The appropriate collection, treatment and disposal of wastewater are vital for the health and well-being of our communities and environment.

The council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste from septic tanks in our District. We provide new schemes and sewer connections where and when required.

We also monitor the maintenance requirements of on-site sewage disposal systems and provide for facilities for the reception and treatment for on-site septage discharged by commercial operators. Wastewater assets consist of pipeline reticulation, pump stations, and treatment plants.

What we provide

- 290,005m gravity mains
- 155,266m pressure pipes
- 13,406 service connections
- 788 domestic pump stations
- 16 treatment plants
- 153 pump stations
- 16 treatment plants
- 12 wetlands
- 1 borefield
- 73 septic tanks.

Why we do it

The council manage wastewater as part of their activities to ensure the responsible and sustainable treatment of sewage and industrial effluents.

Wastewater management is essential for preventing environmental pollution, protecting public health, and maintaining the overall well-being of residents. Proper wastewater management helps mitigate the impact on water bodies, ecosystems, and public health by treating and safely disposing of pollutants.



Aligns to these aspects of well-being



A iwi | Social




Taiao | Environmental



Ahurea | Cultural

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Decreases the risk of infection.</p>	<p>Potential</p> <p>To create the ongoing need for disposal of sludge.</p>	<p>Continue</p> <p>Investigate alternative options for the safe and sustainable disposal of sludge.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Safe disposal of wastewater reduces the amount of untreated effluent entering the environment.</p>	<p>Potential</p> <p>For adversely affected by spills or overflows of untreated sewage; smell and noises from the wastewater treatment plants and pumping stations may create nuisance or impact public health and the operation and maintenance of our assets.</p>	<p>Continue</p> <p>Monitor treated effluent to ensure it meets the conditions of resource consents and decrease the risk of overflows.</p>
 <p>We celebrate our unique culture and history</p>	<p>Provides</p> <p>Effective wastewater management benefits Māori communities by protecting vital water bodies, preserving traditional food sources, and reducing disease. It supports environmental sustainability, maintains ecosystems crucial to Māori culture, and fosters community empowerment through culturally aligned practices and the promotion of kaitiakitanga /environmental stewardship.</p>	<p>Potential</p> <p>To cause harm by contaminating water, damaging traditional food sources, and increasing diseases. It disrupts ecosystems, undermines cultural practices, and weakens spiritual connections.</p> <p>Lack of engagement in decision-making can lead to culturally inappropriate solutions.</p>	<p>Continue</p> <p>Investing in modern wastewater treatment, and or / using natural filtration, and engaging Māori in decision-making. Incorporating mātauranga Māori / Māori knowledge ensures cultural respect and environmental stewardship.</p>

Levels of Service

■ Mandatory performance measure

Wastewater

10.1 In defined areas, the council will collect, treat, and dispose of wastewater through a reliable wastewater network which is managed to ensure blockages, breaks or spillages are kept to a minimum.

Performance measure		Results 2022/23	Target 2024-27
10.1.1	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:		
	a. Abatement notices	2	2 or less
	b. Infringement notices	4	1 or less
	c. Enforcement orders	0	0
	d. Convictions, received by the territorial authority in relation those resource consents.	0	0
10.1.2	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.	2.94	≤ 12 per 1,000 connections
10.1.3	The total number of complaints received by the territorial authority about any of the following:	25.57	≤ 50 per 1,000 connections
	a. Sewage odour		
	b. Sewerage system faults		
	c. Sewerage system blockages		
	d. The response to issues with the sewerage system		
	e. Expressed per 1,000 connections to the territorial authority's sewerage system.		

10.2 Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

Performance measure		Results 2022/23	Target 2024-27
10.2.1	Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	1.42	≤ 2 hours
10.2.2	Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	2.85	≤ 4 hours

Changes in Levels of Service

There has been one change made to the Levels of Service from the previous LTP, as indicated below as this was a repeat of the mandatory performance measure and will be removed as a result.

Wastewater

Where the council attends to sewerage overflows resulting from a blockage or other fault in the council's sewerage system, the following response times are measured:

- a. Attendance.
- b. Resolution to prevent overflow.

Capital works programme - Wastewater

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Access to potable water at treatment plants	150,000	439,460	-
Aqua mats replacement, Whatuwhiwhi	125,000	-	-
Discharge consent, Hihi	207,176	-	-
Discharge consent, Kāeo	150,000	-	-
Discharge consent, Kaikohe	389,684	-	-
Discharge consent, Kaitāia	177,129	-	-
Land purchase for discharge - Kohukohu	-	817,600	-
Land purchase for discharge - Ōmāpere/Ōpononi	-	1,022,000	-
Land purchase for discharge - Rāwene	-	-	313,950
Minor capital works, District-wide	625,000	638,750	654,063
Monitoring site upgrades, District-wide	-	638,750	654,063
Network improvements, Ngāwhā	-	-	261,625
Network overflow, Kaitāia	7,704,000	2,219,784	-
Network upgrade, Rāwene	-	51,100	-
Network programme of infiltration detection and repair, Paihia	-	383,250	-
Odour unit for pump station - Jacaranda Place, Kerikeri	194,500	-	-
Overflows 146/148 Tokerau Beach Road, Whatuwhiwhi	366,000	-	-
Pump station odour devices programme, District-wide	-	383,250	392,438
Pump station storage improvement, Haruru	225,000	-	-
Reactive Health and Safety, District-wide	200,000	-	-
Resource consents amend to land discharge, Kohukohu	100,000	229,950	-
Resource consents amend to land discharge, Ōpononi	-	-	104,650
Resource consents amend to land discharge, Rāwene	-	-	130,813
Resource consents amend to land discharge, Taipā	100,000	127,750	-
Scheme improvements, Kaikohe	900,000	-	-
Storage pump capacity improvements, Kerikeri	600,000	-	-
Telemetry upgrades, District-wide	2,100,000	3,219,300	3,296,475
Treatment plant capacity improvements, Whatuwhiwhi	-	321,930	-
Treatment plant critical spares programme, District-wide	-	638,750	-
Treatment plant development, Kaitāia	-	-	1,308,125
Treatment plant improvements, Rāwene	-	314,572	-
Treatment plant improvements, Whatuwhiwhi	-	161,476	2,604,739
Treatment plant pipe realignment upgrade, Russell	-	-	156,975
Treatment plant replacement, Hihi	500,000	3,193,750	2,747,063
Treatment plant - resource consent, East Coast*	610,050	-	-
Treatment plant, stream diversion, Kawakawa	398,802	-	-
Treatment plant upgrades, Kaikohe	1,250,000	5,110,000	15,697,500
Treatment plant upgrades, Kaitāia	885,000	1,022,000	4,709,250
Treatment plant upgrades, Kohukohu	189,520	-	-
Treatment plant upgrades, Ōpononi	3,905,000	-	-
Treatment plant upgrades, Whangaroa	-	125,706	768,131
New works total	22,051,861	21,059,128	33,799,860

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
Renewals			
Consent renewal, East Coast*	-	-	78,488
Consent renewal, expand treatment plant, Kerikeri	-	76,650	183,138
Consent renewal, Kohukohu	-	102,200	52,325
Consent renewal, network overflows, Kaitāia	250,000	-	-
Consent renewal, Rāwene	175,000	255,500	-
Consent renewal, Russell	175,000	-	-
Consent renewal, Whatuwhiwhi	175,000	-	-
Diffuser renewal, Russell	250,000	-	-
Discharge consent renewal, Houhora Heads Motor Camp	250,000	-	-
Network reactive renewals triggered by roading, District-wide	-	-	654,063
Network renewals, Kaitāia	-	-	837,200
Network renewals, Kawakawa	-	-	261,625
Network renewals, Russell	400,000	408,800	745,108
Network renewals, Whatuwhiwhi	400,000	408,800	418,600
Network renewals, Ōpononi	400,000	408,800	418,600
Power cable realignment, Kāeo	-	-	261,625
Pump station renewals and upgrades, District-wide	-	1,430,800	1,517,425
Reactive renewals	300,000	306,600	313,950
Scheduled renewals, Kaikohe	-	511,000	523,250
Treatment and disposal sludge management renewals, Kawakawa	-	42,924	-
Treatment development, Kohukohu	-	306,600	313,950
Treatment plant security fencing, Ahipara	70,163	-	-
Upgrade, Baffin Street, Ōpua	1,600,000	-	-
Renewals total	4,445,163	4,258,674	6,579,347
Wastewater total	26,497,024	25,317,802	40,379,207

* East Coast includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Wastewater

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	294	20	395	747
Targeted rates	15,286	18,834	20,454	22,327
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	255	140	140	140
Internal charges and overheads recovered	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	15,835	18,994	20,989	23,214
Applications of operating funding				
Payments to staff and suppliers	8,847	15,037	13,875	14,292
Finance costs	1,830	2,069	2,642	3,177
Internal charges and overheads applied	2,044	1,360	1,435	1,522
Other operating funding applications	-	-	-	-
Total applications of operating funds	12,721	18,465	17,953	18,991
Surplus (deficit) of operating funding	3,114	528	3,036	4,223
Sources of capital funding				
Subsidies and grants for capital expenditure	-	1,800	19,163	1,844
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	12,509	27,425	34,544	31,989
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	12,509	29,225	53,707	33,833
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	12,281	27,612	55,072	37,116
- to replace existing assets	4,455	4,445	4,259	6,579
Increase (decrease) in reserves	(1,113)	(2,304)	(2,588)	(5,639)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	15,623	29,753	56,743	38,056
Surplus (deficit) of capital funding	(3,114)	(528)	(3,036)	(4,223)
Funding balance	-	-	-	-

11 Tapua Wai Water Supply

What we do

Safe drinking water is essential to the health and well-being of our communities. The council is responsible for the treatment and distribution of water through our reticulated water schemes.

We also install and read water meters to make sure you are billed for the correct usage.

A vital function is ensuring firefighting performance standards are met in urban water supply areas. We also provide new water connections with areas of benefit and supply commercial water operators who deliver to private water tanks.

What we provide

- 376,391m of pipes
- 1,902 valves
- 1,249 hydrants
- 10,226 water meters
- 23 treatment water storage
- 11 treatment plants
- 17 pump stations
- 11 water sources.

Why we do it

The council supplies water as a vital component of their activities to fulfil their role in safeguarding public health, ensuring environmental sustainability, and promoting the general welfare of communities.

The provision of clean and accessible water is a fundamental necessity for residents, and councils take on the responsibility of managing water resources, treatment facilities, and distribution networks.

By overseeing water supply, councils contribute to disease prevention, sanitation, and overall community well-being. This essential service aligns with the broader goal of creating liveable and healthy environments for residents.



Aligns to these aspects of well-being





A iwi | Social



Taiao | Environmental

Effects of providing this activity

Community outcomes	Positive	Negative	How we mitigate these effects
 <p>Communities that are healthy, safe, connected and sustainable</p>	<p>Provides</p> <p>Safe and convenient drinking water supply.</p> <p>A reliable water supply for commercial and industrial users.</p>	<p>Potential</p> <p>Supply and demand can impact during drought conditions.</p> <p>Businesses using large volumes of water may decide against locating in our District due to water costs or availability of supply.</p>	<p>Continue</p> <p>To monitor and control water supply to ensure there is enough for everyone.</p>
 <p>A wisely managed environment that recognises the role of tangata whenua as kaitiaki</p>	<p>Provides</p> <p>Water is vital for both the environment and Māori culture. Sustainable management, guided by mātauranga Māori / Māori knowledge is crucial for protecting its quality and availability.</p>	<p>Potential</p> <p>Unsustainable water management can deplete freshwater sources, leading to habitat loss and biodiversity decline. Pollution from industry and agriculture further harms ecosystems and aquatic life, affecting both the environment and human health.</p>	<p>Continue</p> <p>Promoting water conservation, efficient agricultural and industrial practices,</p> <p>Additionally, community education, including traditional knowledge like mātauranga Māori / Māori knowledge, are crucial for restoring water quality and fostering environmental stewardship.</p>

Levels of Service

■ Mandatory performance measure

Water Supply

11.1 To provide a safe, continuous, high-quality drinking water to all our customers.

Performance measure		Results 2022/23	Target 2024-27
11.1.1	The extent that all water treatment plants comply with the Taumata Arowai Drinking Water Quality Assurance Rules for bacterial treatment and monitoring.	Please see Annual Report 2022/23 for details	Each scheme continuously meets the required standards for drinking water. Each scheme to be reported on separately
11.1.2	The extent that all water treatment plants comply with the Taumata Arowai Drinking Water Quality Assurance Rules for protozoal treatment and monitoring Rules.		
11.1.3	The extent to which the pipeline networks comply with Taumata Arowai Drinking Water Quality Assurance Rules for distribution networks.	N/A	New measure, baseline to be determined
11.1.4	The total number of complaints received by the local authority about any of the following: <ul style="list-style-type: none"> a. Drinking water clarity b. Drinking water taste c. Drinking water odour d. Drinking water pressure or flow e. Continuity of supply f. The local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system. 	28.22	<100 complaints per 1,000

11.2 In times of emergency there is adequate water supply available.

Performance measure		Results 2022/23	Target 2024-27
11.2.1	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times		
	a. Attendance for urgent call-outs: from the time the local authority received notification to the time service personnel reach the site.	1.00	< 2 hours
	b. Resolution of urgent call-outs: from the time the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.	6.30	< 4 hours
	c. Attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	0.70	< 2 working days
	d. Resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	0.80	< 3 working days
11.2.2	Total number of waters leaks (expressed as number per 100km of mains, including service connections).	N/A	New measure, baseline to be determined
11.2.3	Water restriction days (NEPM D-R19).	N/A	New measure, baseline to be determined

11.3 To manage the water supply system in a sustainable way that also caters for growth.

Performance measure		Results 2022/23	Target 2024-27
11.3.1	The amount of real water loss from the networked reticulation system (calculated as Current Annual Real Losses for whole district in litres/connection/day).	28.6%	<26%
11.3.2	Network Leakage Index score (Infrastructure Leakage Index for whole district) (NEPM D-RE3).	N/A	New measure, baseline to be determined
11.3.3	Median Residential Water Consumption (litres/connection / day) (NEPM D-RE4) The average residential water use for entire network.	268.43	≤600

Changes in Levels of Service

The following are minor wording changes to Levels of Service statements to align to new local government mandatory performance measures.

Was	Now
To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.	To provide a safe, continuous, high-quality drinking water to all our customers.
	In times of emergency there is adequate water supply available
	To manage the water supply system in a sustainable way that also caters for growth

Capital works programme - Water Supply

	2024/25 Year 1	2025/26 Year 2	2026/27 Year 3
New works			
Clarifier membrane, Ōpononi	-	-	287,788
Clarifier sludge disposal improvement, Kaitāia	-	104,857	-
District-wide programme to meet water safety plan requirements	250,000	255,500	261,625
District-wide water minor capital works	461,000	483,406	507,553
Fireflow upgrades, Kaikohe	225,000	-	-
Fireflow upgrades, Ōpononi	-	341,348	1,207,661
Kaikohe water source resilience	875,000	-	-
Kaikohe water treatment plant spectro analyser installation	-	127,750	-
Kaitāia fluoridation	1,200,000	-	-
Kerikeri fluoridation	1,200,000	-	-
Mains upgrade, Paihia - Ōpua	-	693,938	707,434
Monitoring site upgrades, District-wide	188,000	-	-
Paihia mains Baffin Street Stage 1	354,000	-	-
SCADA system upgrades	900,000	1,379,700	1,412,775
Storage improvements, District-wide	-	638,750	1,308,125
Upgrade main to Heritage Bypass, Kerikeri	-	6,905,654	5,232,500
Water treatment plant PLC installation, Kaitāia	113,000	-	-
Water treatment plant PLC upgrade, Kaikohe	200,000	-	-
Water treatment plant upgrade, Kerikeri	1,000,000	2,474,262	4,242,511
Zonal monitoring, Paihia	400,000	-	-
New works total	7,366,000	13,405,165	15,167,972
Renewals			
District-wide water network reactive renewals triggered by roading	300,000	306,600	313,950
District-wide water pump station renewal programme	-	357,700	366,275
District-wide water reactive renewals	300,000	306,600	313,950
Kaikohe water network reticulation renewals	-	-	3,139,500
Kaikohe water treatment plant consent renewal, Monument Hill bores and Squires Spring	-	178,850	78,488
Kaikohe water treatment plant consent renewal, Wairoro Stream	175,000	25,550	-
Kawakawa water network planned renewals	-	-	4,186,000
Ōkaihau renew UV unit	75,000	-	-
Ōpononi / Ōmāpere water treatment plant consent renewal, Waiarohia Stream Dam	-	102,200	-
Ōpononi / Ōmāpere water treatment plant consent renewal, Waiotemarama Stream	-	81,760	-
Ōpononi water resource consents renew structure consent, Waiotemarama Stream	-	81,760	-
Water source renewals, Pembroke, Massey, Ranfurley and Reed Streets, Moerewa	470,000	-	-
Water supply network planned renewals, Kaitāia	750,000	-	-
Water treatment plant relocation, Paihia	1,021,858	2,555,000	8,283,048
Renewals total	3,091,858	3,996,020	16,681,211
Water Supply total	10,457,858	17,401,185	31,849,183

Water Supply

Funding Impact Statement

	AP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	225	(47)	(46)	(43)
Targeted rates	4,196	3,653	3,987	4,979
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	8,093	8,989	9,712	9,712
Internal charges and overheads recovered	-	106	106	106
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding	12,514	12,701	13,759	14,754
Applications of operating funding				
Payments to staff and suppliers	7,259	9,758	9,558	9,762
Finance costs	1,178	641	1,381	1,474
Internal charges and overheads applied	1,364	(413)	(443)	(406)
Other operating funding applications	-	-	-	-
Total applications of operating funds	9,801	9,986	10,496	10,830
Surplus (deficit) of operating funding	2,713	2,715	3,264	3,924
Sources of capital funding				
Subsidies and grants for capital expenditure	-	16,116	7,647	366
Development, financial and other contributions	-	-	-	-
Increase (decrease) in debt	1,719	5,758	15,493	22,151
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Total sources of capital funding	1,719	21,874	23,140	22,517
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the Levels of Service	3,291	22,402	22,147	18,064
- to replace existing assets	1,517	3,092	3,996	16,681
Increase (decrease) in reserves	(377)	(905)	261	(8,305)
Increase (decrease) in investments	-	-	-	-
Total applications of capital funding	4,432	24,589	26,403	26,441
Surplus (deficit) of capital funding	(2,713)	(2,715)	(3,264)	(3,924)
Funding balance	-	-	-	-

KA RŌPŪ WHAKAHAERE A TE KAUNIHERA COUNCIL CONTROLLED ORGANISATIONS

Far North Holdings Limited

Overview

Far North Holdings Limited (FNHL) is the Council Controlled Trading Organisation that develop and manage assets and commercial trading on behalf of Council. FNHL manage a diverse range of district assets to provide employment, economic, cultural and social outcomes to support the growth in the Far North District.

Key activities

1. Manage, operate and develop commercial, maritime, aviation, housing and infrastructure assets within its ownership in a commercial manner, or under the terms of any management agreement entered into
2. Plan, facilitate and secure commercial outcomes and investment in its area of influence that support economic growth of the Far North District (the District) for the betterment of the District, in a socially, culturally and environmentally responsible way
3. Create profits for its Shareholder and improve the Shareholder's asset value.
3. Deliver growth by identifying opportunities for investment and improved profitability, including development of a housing portfolio that helps to address community housing needs and consideration of opportunities proposed by the council.
4. Actively manage marine assets and infrastructure, including supporting growth of the Bay of Islands Marina and the associated marine economy, and address climate change and environmental impacts.
5. Continue to develop Ngawha Park to provide employment and skills-based training opportunities for our District and seek to attract value-added manufacturing and processing businesses that will generate further employment opportunities.
6. Using its portfolio: the Bay of Islands Airport, Bay of Islands Marina and Ngawha Park; the company will look to maximise opportunities to attract high quality capital and investment into the region to support the council's goal of sustainable prosperity.

Objectives

As the council's commercial vehicle, FNHL will grow the value of Shareholder funds, the return to the council over time and actively manage, develop and maintain regional infrastructure and assets. Additionally, we will contribute to the four aspects of well-being in the communities in which we operate (economic, social, environmental and cultural).

We will achieve these objectives by undertaking the following actions:

1. Achieve sustainable, commercial returns from our combined asset portfolio to facilitate dividends to our Shareholder.
2. Sustainably manage and maintain core community infrastructure and assets, in a socially and environmentally responsible manner which reflects and accommodates the interests of our stakeholders and communities when we are able to do so.

Strategic direction

We consider FNHL to be an enabler of the council's Vision for the Far North "He Whenua Rangatira - A District of sustainable prosperity and well-being", Our strategic direction reflects this and the Mission of "He Ara Tāmata - creating great places, supporting our people". FNHL seeks to align with the council's LTP, related Annual Plans and the Far North 2100 strategy; and in the spirit of "no surprises", FNHL will communicate openly and transparently with FNDC on any changes to the strategic direction in the Statement of Intent (SOI).

Over the period of the SOI, the council will provide FNHL with any other documents that it should have knowledge of, whether they be in the consultation stage or have been formally adopted, that reflect any changes to the council's vision or aspirations that FNHL needs to align with.

FNHL aims to grow asset values and to generate increasing profitability to return to the council and the community. FNHL will achieve this, having regard to the interests of our communities and

stakeholders, by actively managing our assets for future generations and delivering residential housing to address the needs in our communities. Maintaining a strong asset base allows FNHL to deliver ongoing revenue streams to continue to support rate reductions into the future for ratepayers, ensures FNHL is a credible organisation to encourage grants and investment for regional improvement, and the council supports FNHL to achieve a scale of development to help meaningfully improve social and economic outcomes for the District.

Over the forecast period FNHL remains committed to continuing to deliver a diverse range of projects across Tai Tokerau to deliver to the above.

This includes the continued focus on attracting manufacturing and processing businesses to Ngawha Innovation & Enterprise Park (Ngawha Park), the development of community housing and the provision of project management services to the council in supporting its development of a new library facility in Kaikohe.

Policies relating to ownership and control

The council is the sole shareholder of FNHL and return on investment is by way of annual dividends to the council. Through the annual SOI, the council establishes broad parameters for the company's operations without inhibiting proper commercial management.

Group Performance Target

Strategic Focus	Objectives	2024/ 25	2025 / 26	2026/ 27
Financial "Achieve sustainable commercial returns"	Create value for ratepayers by increasing shareholder funds	Grow shareholder funds	Grow shareholder funds	Grow shareholder funds
	Ratio of consolidated shareholder funds ¹	Must exceed 50%	Must exceed 50%	Must exceed 50%
	Effective financial management to deliver	Operating profit >\$2.0 million	Operating profit >\$2.5 million	Operating profit >\$3.0 million
	Return profit to FNDC by way of dividend, in line with dividend policy, excluding any agreed special dividend	Dividend payable > \$1.0 million Special dividend \$5 million	Dividend payable >\$1.25 million	Dividend payable >\$1.5 million
People "Be a good employer"	To make safety our priority to ensure health, safety and well-being of all employees and contractors in the Group	Put in place Health and Safety and well-being objectives	Health and Safety and well-being objectives and identified target areas being actioned	Health and Safety and well-being objectives and identified target areas being actioned
	Comply with our living wage policy for all permanent employees	To achieve	To achieve	To achieve
Sustainability "Undertake sustainable investment and management for the benefit of future generations"	Commit to tangible action to measure climate impact and target reductions based on best practice	Scope requirements for measuring carbon footprint across Far North Holdings and its subsidiaries	Measure carbon footprint for the Ngawha Park in line with generally accepted standards	Measure carbon footprint across the wider business in line with generally accepted standards and prepare an emissions reduction plan
	Achieve and maintain Clean Marina certification	To achieve	To achieve	To achieve

¹ Defined as total equity/ total assets, as reported in the Statement of Financial Position prepared under GAAP (generally accepted accounting practice).

Group Performance Target

Strategic Focus	Objectives	2024/ 25	2025 / 26	2026/ 27
Community “Create economic and housing opportunities, with improving engagement and communication”	Encourage positive relationships with the community by having transparent engagement policies and monitoring key stakeholder perceptions	Stakeholder perceptions survey	Stakeholder perceptions survey	Stakeholder perceptions survey
	Ngawha Park developed to grow economic and employment opportunities in the Far North	5 businesses based at the Park or incubated within the Innovation Centre	8 businesses based at the Park or incubated within the Innovation Centre	8+ businesses based at the Park or incubated within the Innovation Centre
	Identify opportunities to deliver social housing to meet local needs in partnership with Community Housing Providers (CHP's)	Develop at least 50 housing units	Develop at least 50 housing units (subject to funding availability)	Develop > 50 housing units (subject to funding availability)
	Civil Aviation Authority Certification maintained for the BOI Airport to support regional tourism and business visitors	To achieve	To achieve	To achieve

Northland Inc.

Overview

Northland Inc Limited, established in July 2012, is the region’s economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. On 1 July 2021, it became jointly owned by Northland Regional Council, Kaipara District Council and Far North District Council.

Following public consultation as part of their LTP 2024–34 consultation process, Whangārei District Council agreed to also become a joint owner of Northland Inc, effective July 2024. Each council (together referred to as the shareholder councils) holds an equal shareholding in Northland Inc.

A joint committee has been established to co-ordinate the responsibilities, duties and powers of councils as shareholders of Northland Inc. Furthermore, all four councils have committed to an annual level of funding for economic development in their LTP 2024–34, which will be transferred into, and subsequently allocated from, Northland Regional Council’s Investment and Growth Reserve.

Northland Inc is primarily funded by an operational contribution from the Investment and Growth Reserve. It is project-funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed on a fixed-term basis by the shareholder councils. Operational activity is led by a chief executive officer.

Objectives and activities

The mission of Northland Inc Limited is to make a purposeful economic development impact that builds resilience and improves the prosperity, wellness and equity of Te Tai Tokerau Northland. To achieve this, three priority areas and six enabling activities are proposed. These six enablers are part of the ‘BAU’ of Northland Inc and support (‘enable’) their activities over a range of sectors and initiatives.

Strategic priority 1 – Investment and Infrastructure

Objectives	Activities
<p>Grow investment and business support services such that regional economic activity improves consistently year on year.</p> <p>Prioritise activities and business ideas/proposals, with a view to applying our resources on focused impactful projects reflecting the organisational capacity at any time.</p> <p>Strategically focus on attracting, nurturing, and evaluating a pipeline of promising investment opportunities that align with an impact framework.</p> <p>Actively engage in advocating for and securing substantial investments for the region, in collaboration with a range of different investment and delivery partners.</p>	<ul style="list-style-type: none"> • Credible and proactive in the region linking projects with private investment, councils and government & assisting to de-risk key projects. • Leverage the Investment and Growth Reserve to increase investment into Te Tai Tokerau Northland. • Actively support and facilitate investment in strategic sectors (Aquaculture, Agriculture and Horticulture, Digital, Tourism, Ship and Boat Building and Repair Services) in Te Tai Tokerau Northland. • Support and facilitate the development of new and enabling infrastructure such as renewable energy, digital connectivity, roads, rail, and water. • Connected with investment providers into the Region to help direct investment to the most impactful projects. • Credible and proactive voice for the region that is informing government funding options and influencing priorities. • Well informed on infrastructure challenges and opportunities in Te Tai Tokerau Northland. • Strongly connected at both regional and national levels, joining the dots to ensure equitable investment in infrastructure.

Strategic priority 2 – The Primary Sector (Tuputupu Grow Northland)

Objectives	Activities
<p>Support and facilitate adaptation and innovation in Northland's primary and associated manufacturing sectors to ensure the people and environment of Tai Tokerau can thrive into the future.</p>	<ul style="list-style-type: none"> • Facilitate adaptation and innovation in Northland's primary sector around land use optimisation through to commercialising new agri-business opportunities for domestic and export markets. • Facilitate and enable proposals for commercialisation and value-added manufacturing investment locally. • Support the Ngawha Innovation and Enterprise Park. • Collaborative engagements across - central and local government, national and regionally based sector organisations; landowners and supply chain enablers. • Advocate for world class food and fibre businesses to be based in and grow out of Te Tai Tokerau.

Strategic priority 3 – Tourism and Destination Management

Objectives	Activities
<p>Support Te Tai Tokerau's visitor industry through delivery of destination management and marketing activity that aims to better manage the impacts of visitation, improve the distribution of benefits and enhance our</p>	<ul style="list-style-type: none"> • Lead the Destination Management Plan (DMP) in partnership with relevant stakeholders, industry, iwi and hapū. • Facilitate regional investment through sector collaboration groups, marketing the region nationally and internationally, and providing targeted business support for tourism operators. • Play a key role in attracting direct investment into the region for infrastructure to support tourism and support the development of sustainable pathways for businesses operating in the region. • Honour dual heritage and Māori story telling traditions by supporting stories told by those who have the right to tell them. A strong partnership approach

Objectives

region’s heritage, and culture.

Position Te Tai Tokerau Northland within target markets as a desirable place to visit.

Activities

- With iwi, hapū, Māori tourism operators and landowners are the basis for growing this portion of the market.
- Improve regional dispersal, length of stay, expenditure, and the appeal of off-peak travel particularly through leverage of the Twin Coast Discovery programme as a region wide development framework for tourism.
- Co-ordinate, and where appropriate, lead the implementation of an Annual Regional Tactical Marketing Plan for destination marketing, in alignment with the direction of national tourism organisations and in partnership with the Te Tai Tokerau Northland tourism sector.

Enabler 1 – Innovation and Enterprise**Objectives**

Support SME’s and Start Ups who want to start or grow their business in Te Tai Tokerau Northland.

Activities

- Work with government and other stakeholders to deliver funding, innovation, R&D and business support programmes into Te Tai Tokerau Northland.
- Contribute towards Te Tai Tokerau Northland’s journey towards a more innovative, digital and technologically advanced environment that supports our core and developing industries.
- Deliver business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership, New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand.

Objectives**Activities**

- Develop clusters, business networks or associations to take advantage of market development opportunities that leverage Te Tai Tokerau Northland’s key sectors and comparative advantages.
- Build and sharing specialist knowledge through a business events programme and providing opportunities to access a range of capital support mechanisms for Te Tai Tokerau Northland businesses.

Enabler 2 – Advocacy and Brand**Objectives**

Advocate for Te Tai Tokerau Northland to improve the economic well-being of the region, helping to support strong communities and environmental sustainability.

Develop and improve the profile of economic development and of Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc.

Activities

- Northland Inc is proactive and well informed on both the challenges and opportunities in Te Tai Tokerau and is acknowledged as regional leader in impactful economic development.
- A respected voice for the region and a credible source for central and local government to understand the regional context and to prioritise investment, policy settings and decisions on key economic opportunities.
- Uses powerful communications and a well-connected network to improve the reputation and visibility of the region while advocating for its needs.
- Leads the implementation of the regions long-term Economic Development Strategy for Te Tai Tokerau (Te Rerenga).
- Provides economic development intelligence and insights.
- Assists with project management and delivery of economic response activities

Enabler 3 - Māori Economic Development (“Āe Mārika”!)

Objectives	Activities
Assist strategic partners in the Māori Economic Development economy with their high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those with whom we partner with for delivery.	<ul style="list-style-type: none">• Support tangata whenua to develop and implement their own visions and economic development plans.• Partner with Māori organisations to deliver services to Māori businesses.• Connect into existing local and national Māori Economic Development activity and strategies that will support Te Tai Tokerau.• Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment, business growth and completion of economic development projects.• Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth.• Build a competent team (Northland Inc and partners) that operates as Te Tiriti based partners to support iwi, hapū, whānau and communities in achieving their economic development goals.• Engage with MBIE on the continual improvement of the Regional Business Partners network delivery into the Māori economy.

Enabler 4 – Environmental Sustainability

Objectives	Activities
Help Te Tai Tokerau Northland businesses achieve environmental sustainability, particularly by reducing their emissions, through partnerships that provide support and practical programmes.	<ul style="list-style-type: none">• Support Te Tai Tokerau Northland businesses to meet climate adaptation targets set by central government through access to appropriate information and tools.• Partner to provide support to Northland businesses with practical programmes.• Use an environmental sustainability focus for all active projects.• Assessing the environmental aspirations of businesses and projects.• Utilise Te Ao Māori/Mātauranga Māori in environment/sustainability kaupapa.• Have environmentally sustainable business practices within Northland Inc.

Enabler 5 – Partnerships

Objectives	Activities
Develop and nurture high trust partnerships across the region with those who have the capability to positively impact economic development outcomes across Te Tai Tokerau.	<ul style="list-style-type: none">• Develop and maintain high trust partnerships with stakeholders who impact economic development outcomes across Te Tai Tokerau.• Northland Inc is embedded within a network of relationships that bring capabilities and contributions to key projects with shared interests.• Partnership activity spread across central government, local government, business communities, investors and other stakeholders.

Enabler 6 – Organisational Culture and Capability

Objectives	Activities
Uphold an internal culture where our team are respectful and supportive of one another; our histories, our whānau, and our aspirations.	<ul style="list-style-type: none"> • Have quality resource that supports capability uplift in staff skills. • Capability to deploy impact or surge capacity in times of crisis or emergency response and have a strong network of operational partners that can activate as opportunity or needs arise. • Well-connected across the region; understands our local economy and employs highly skilled networked people. • Attract, retain and grow appropriate talent aligned to our culture and capability needs. • Culture of being performance and outcome driven, encouraging professional development, and personal well-being.

Key performance measures¹

Strategic priority 1 – Investment and Infrastructure

How we will measure	2024/25	2025/26	2026/27
Number of inward delegations hosted	3	3	3
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	4	4

Strategic priority 2 – The Primary Sector (Tuputupu Grow Northland)

How we will measure	2024/25	2025/26	2026/27
Projects assisted through stages of growth	6	6	6
Number of meaningful engagements and relationships with landowners, businesses, stakeholder that lead to and support positive outcomes	88	88	88
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	24	24	24

Strategic priority 3 – Tourism and Destination Management

How we will measure	2024/25	2025/26	2026/27
Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1	1	1
Number of Destination Management Plan initiatives completed in partnership with stakeholders	6	7	8

¹ Key performance measures are not specifically set for Enablers 5 and 6 as these are covered by KPIS for other areas.

Enabler 1 – Innovation and Enterprise

How we will measure	2024/25	2025/26	2026/27
Number of businesses engagements assisted (includes both one-to-one and one-to-some assistance and reporting by Territorial Authority and industry)	250	250	250
Proportion of those businesses assisted that are Māori (by Territorial Authority and industry)	35%	35%	40%
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score (NPS)	NPS>50	NPS>50	NPS>50

Enabler 2 – Advocacy and Brand

How we will measure	2024/25	2025/26	2026/27
Number of regional economic development updates or reports released	6	6	6
Number of media features that profile the region	24	24	24
Number of media activity that references Northland Inc	52	52	52

Enabler 3 - Māori Economic Development (“Āe Mārika”!)

How we will measure	2024/25	2025/26	2026/27
Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc., actively supported	18	20	22
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	>85%	>90%

Enabler 4 – Environmental Sustainability

How we will measure	2024/25	2025/26	2026/27
Number of businesses and organisations supported to improve their environmental sustainability	20	30	40
More Northland businesses taking action to reduce their emissions	20	30	40
Northland Inc is supporting businesses to meet climate adaptation targets set by central government	20	30	40



**NGĀ KŌRERO PŪTEA
FINANCIAL INFORMATION**

NGĀ KAUPAPA HERE KAUTE PŪTEA

ACCOUNTING POLICIES

Reporting entity

The Far North District Council is a territorial local authority governed by the Local Government Act 2002 (LGA). The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The prospective financial statements reflect the operations of the council and do not include the consolidated results of Council Controlled Trading Organisations (CCTO).

The council has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of the prospective financial statements in the LTP is to provide the reader with information about the core services that the council intends to provide.

The Far North District Council has designated itself to be a Tier 1 public benefit entity (PBE) for the purposes of International Public Sector Accounting Standards (IPSAS). The council's primary objective is to provide local infrastructure, goods and services for community or social benefit and equity has been provided with a view to supporting that primary objective rather than for a financial return.

These financial statements are for the three years ended 30 June 2027.

Accounting principles compliance

To meet all the requirements of local government legislation the council provides two sets of financial information:

- Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expense, cashflow and changes in equity
- Non-GAAP compliant Funding Impact Statements (FIS's).

Key differences between these two sets of information are that GAAP regulated financial statements must adhere to GAAP requirements.

The intention of the FIS is to make the sources and applications of the council funds more transparent to its stakeholders which may not be achievable if only GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002 (Schedule 10 Part 1).

A disclosure statement is required by Schedule 6 of the Local Government (Financial Reporting and Prudence) Regulations 2014 that discloses the council's planned financial performance in relation to various benchmarks to enable an assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Statement of compliance and basis of preparation

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and the Local Government (Financial Reporting and Prudence) Regulations 2014.

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with the PBE International Public Sector Accounting Standards (IPSAS), in particular these prospective financial statements have been prepared in accordance with PBE FRS42: Prospective Financial Statements, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The council is responsible for the prospective financial statements included in the LTP 2024-27, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures included in the document.

The prospective financial statements are for the period 1 July 2024 to 30 June 2027 and do not reflect any actual results. The actual results achieved for the period covered by this plan are likely to vary from the information presented in the document and these variations may be material. The council does not intend to update prospective financial statements after publication.

In the opinion of the council and the management of the council, the prospective financial statements for the 3 year period ending 30 June 2027 fairly reflect the prospective financial position, performance and operations of the council.

Measurement base

The prospective financial information has been prepared on a historical cost basis, modified by the revaluation of forestry assets, certain classes of property, plant and equipment, certain classes of intangible assets, and certain financial instruments (including derivatives).

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars (NZD) and are rounded to the nearest thousand dollars (\$000's).

Changes in accounting policies

The following changes in accounting policies have been applied:

- Financial instruments - PBE IPSAS 41 Financial Instruments was issued in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. The group has adopted PBE IPSAS 41 Financial Instruments, and the adoption did not result in any significant impact on the group financial statements.
- Service Performance Reporting – PBE FRS 48 In November 2017, the XRB issued PBE FRS 48 - Service Performance reporting. This new standard is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The new standard establishes principles and requirements for an entity to present service performance information that is useful for accountability and decision-making purposes in a general purpose financial report. This standard has been applied and adoption did not result in any material changes to the statement of service performance.

Specific accounting policies

Cost allocation

The council has derived the net cost of service for each significant activity of the council using the cost allocation system outlined as follows.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

For the purposes of rates revenue recognition the following policies have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates postponement applies where ratepayers meet the postponement policy criteria. Rates are shown as income in the year of postponement and recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to the council.
- Rates remissions are recognised as a reduction in rate revenue when the council has received an application that satisfies its rate remission policy.
- Rates collected on behalf of the Northland Regional Council (NRC) are not recognised in the financial statements, as the council is acting as an agent for the NRC.

Building and resource consent

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill

Fees for disposing of waste at the council's landfill are recognised as waste is disposed of by users.

Development contributions

The revenue recognition point for development contributions is when the council provides or is ready to provide the service for which the contribution is levied or the event that will give rise to a requirement for a development contribution under the legislation.

Subsidy

Subsidies are recognised as revenue upon entitlement once conditions pertaining to eligible expenditure have been fulfilled. The council receives funding assistance from Central Government from three main agencies:

- Waka Kotahi NZ Transport Agency subsidises the cost of maintenance and capital expenditure on the local roading network
- Ministry of Health (MOH) subsidises the cost of capital expenditure on water and wastewater facilities
- Ministry of Business, Innovation and Employment (MBIE) subsidises applications such as tourism infrastructure.

Vested or donated physical assets

Assets received for zero or nominal consideration are recognised at fair value when the council obtains control of the asset. The fair value of the asset is recognised as revenue unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the council expects it will need to return or pass the asset to another party.

Grants

Grants are recognised as revenue when they become receivable, unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Rental revenue

Rental revenue is recognised in the financial statements on a straight-line basis over the term of the lease.

Dividends

Dividends are recognised on an accrual basis net of imputation credits when the right to receive the dividend is established.

Third party revenue

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest

Interest revenue is recognised using the effective interest method.

Borrowings and other financial liabilities

Borrowing

Borrowings are initially recognised at fair value. After initial recognition, all borrowings are measured at amortised cost.

The council classifies borrowings as current liabilities unless there is an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Borrowing costs

Borrowing costs are expensed in the period they are incurred.

Guarantees

Accounting Standards require the council to initially recognise the guarantee liability by applying the 12-month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of financial year, the council have assessed the 12-month expected credit losses of the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore, the council has not recognised a liability.

Grants

Non-discretionary grants are those grants that are awarded if the grant application meets the specific criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the council and the approval has been communicated to the applicant. The council's grants awarded have no substantive conditions attached.

Income tax

Income tax expense includes components relating to current tax.

Current tax is the expected income tax payable on the taxable income for the year plus any adjustment to income tax payable in respect of previous years. It is calculated using tax rates (and tax laws) that have been enacted (or substantively enacted) at balance date.

Current tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Goods and Services Tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Leases

Operational lease

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, an operational lease is recognised.

Payments under this type of lease are charged as expenses in the periods in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Short term debtors and other receivables are stated at the amount due, less any provision for impairment.

Creditors and other payables

A liability is recognised when the service has been received or the goods received or when it has been established that the rewards of ownership have been transferred from the seller / provider to the council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

Employee benefits

Short term employee entitlements

Employee benefits expected to be settled within twelve months after the end of the period in which

the employee provides the related service are based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

Liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date; to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within twelve months of balance date, are classified as a current liability. All other employee entitlements are classified as non-current liabilities.

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense and reflected in either the surplus or (deficit) when incurred.

Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, The council recognises such parts as individual assets / components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

- Operational assets
These include land, buildings, improvements to leased assets, plant and equipment, and motor vehicles
- Restricted assets
Restricted assets are parks and reserves owned by the council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions

- Infrastructure assets
Infrastructure assets are the fixed utility systems owned by the council. Each asset type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Revaluations

The council accounts for revaluations of property, plant and equipment on a class of asset basis.

Valuations are performed with sufficient regularity to ensure that the carrying amount is not materially different to the fair value. If there is a material difference then a revaluation is performed.

All assets are valued at historical cost, except the following assets which are shown at fair value, based on periodic valuations by independent valuers, less subsequent depreciation:

- Roading infrastructure assets
- Stormwater infrastructure assets
- Water and sewerage infrastructure assets
- Maritime assets
- Footpaths and footbridges
- Carparks
- Refuse transfer stations
- Library books
- Ferry assets
- Heritage assets
- Parks and reserves
- Land
- Community facilities buildings.

Revaluation results are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus / (deficit). Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus / (deficit) will be recognised first in the surplus / (deficit) up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Additions of property, plant and equipment between valuations are recorded at cost, except for vested assets.

Certain infrastructure assets and land have are vested in the council as part of the sub-divisional consent process. Vested reserve land is valued at 50% of the surrounding residential land as per an appropriately certified government valuation. Vested infrastructure assets are valued based on the actual quantities of infrastructure components vested and the current unit rates for that component provided by the most recent valuation.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

The costs of day-to-day maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals

Gains and losses are determined by comparing the proceeds of asset disposals with the carrying amount of the asset disposed of. Gains and losses are included in the surplus / (deficit). When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than land and roading formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful life (Years)	Straight line depreciation (%)
Operational assets		
Runways	25	4
Buildings	15 – 120	0.83 – 6.67
Motor vehicles	3 – 5	20 – 33
Plant and machinery	1 – 40	2.5 – 100
Wharves (concrete)	10 - 85	1.17 – 10
Wharves (timber), moorings and ramps	10 – 50	2 – 10
Office furniture and equipment	5 – 15	6.67 – 20
Computers	3 - 7	14.28 – 33
Library books	3 – 40	2.5 – 33
Heritage assets	10 – 185	0.54 – 10
Leasehold improvements	3 – 25	4 - 33
Infrastructure assets		
Roads		
Top surface (seal)	5 - 50	2 – 20
Top surface (unsealed)	12	8.33
Pavement (base course) – sealed	35	2.85
Pavement (sub-base) sealed	35 - 50	2 – 2.85
Pavement (sub-base) unsealed	50 - 80	1.25 - 2
Culverts, cesspits	15 - 100	1 – 6.7
Surface water channels	0 - 50	0 - 20
Footpaths	30 – 60	1.6 – 3.3
Kerbs	50 – 80	1.25 – 2
Streetlights	8- 60	1.67 – 12.5
Signs	20	5
Bridges	50 – 100	1 – 2
Railings	30 – 50	2 – 3.3
Water reticulation		
Pipes	50 – 100	1 – 2
Valves, hydrants	50 - 70	1.43 – 2
Pump stations	10 – 50	2 – 10
Treatment Plants	5 - 100	1 - 2
Tanks / dams	40 – 100	1. – 2.5
Sewerage reticulation		
Pipes	40 – 100	1 – 2.5
Manholes	80	1.25
Pump Stations	7 - 70	1.43 - 14.28
Treatment plant	5 – 70	1.43 – 20
Stormwater systems		
Pipes	40 – 100	1 – 2.5%
Manholes	100	1%
Refuse	5 - 100	1 - 20

Improvements to leased assets are depreciated over the shorter of the unexpired period of the relevant lease and the estimated useful life of the improvement. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end. Land is not depreciated.

Impairment

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and the value of the asset in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The carrying amounts of the council assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus / (deficit). Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus / (deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus / (deficit), a reversal of the impairment loss is also recognised in the surplus / (deficit).

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus / (deficit).

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets.

These include:

- The physical deterioration and condition of an asset. The council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, such as stormwater, wastewater and water supply underground assets. This risk is minimised by the council performing physical inspections and assessments.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated.
- If useful lives do not reflect the actual consumption of the benefits of the asset, The council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, the council's infrastructure asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

Experienced independent valuers perform the council's infrastructure asset revaluations.

Critical judgments in applying the council's accounting policies

Management has exercised the following critical judgments in applying the council accounting policies for the three-year period ended 30 June 2027.

Classification of property

The council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service

delivery objectives as part of the council's social housing policy. These properties are accounted for as property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software and electronic books are included in this category.

Computer software

Acquired computer software systems are capitalised on the basis of costs incurred to acquire and bring the software to use. Costs associated with developing or maintaining computer software programmes are recognised as expense when incurred.

Other intangible assets

Other intangible assets, excluding easements which are not amortised, are stated at cost less accumulated amortisation and impairment losses. The useful lives and associated amortisation classes of intangible assets have been estimated as follows:

	Years	Percentage
Resource consents	5 – 30	3.33 – 20
Easements	Not amortised	0
IT software	3 – 10	10 – 33
Public access rights	10 – 50	2 – 10
Electronic books	5	20

Where the council invests at least \$100,000 in a project, but will not ultimately own an asset, the cost of the right will be treated as an intangible asset where:

- The community has the right to use the facility
- In terms of the contract, that right exists for longer than 12 months.

In all instances the cost will be amortised over the shorter of the expected life of the asset or the term of the contract rights.

Subsequent costs

Subsequent expenditure on capitalised intangible assets will be capitalised only when:

- It increases the future economic benefits embodied in the specific asset to which it relates
- It meets the definition of, and recognition criteria for, an intangible asset.

All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised:

- Over the period of that finite life
- Annually assessed for indicators of impairment (and tested for impairment if indicators exist)
- Carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

Forestry assets

Forestry assets are independently revalued to estimated market valuation. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised.

Forestry maintenance costs are expensed when incurred.

Equity

Equity is the community's interest in the council and is measured as the difference between total assets and liabilities.

Public equity is disaggregated and classified into a number of components to enable clear identification of the specified uses that the council makes of its accumulated surpluses:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves
- Fair value through equity reserves
- Cash flow hedge reserve
- Capital reserves.

Restricted reserves

Restricted reserves are a component of equity representing a use to which various parts of the equity have been assigned.

Reserves may be legally restricted or created by the council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the Courts or a third party. Transfers from these reserves may be made only

for certain specified purposes or when certain specified conditions are met.

Funds that are received or set aside for particular purposes, and have legislative restrictions placed upon them, are considered restricted funds. These include certain special funds or reserves and sinking funds created prior to the repeal of the Local Authorities Loans Act. The apportioned values of these funds not required in the current year have been shown as restricted funds.

The council created reserves are reserves established by the council's decision. The council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the council.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through equity reserves

This reserve comprises the cumulative net change in fair value of equity assets.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Development costs

Expenditure on development projects is carried forward to be expended against expected future revenue from the project. Expenditure carried forward is expensed when the council determines that the project has ceased or that no identified future benefits are likely to be derived.

Financial assets

PBE Standards classify financial assets into three categories:

- i. Measured at amortised cost if:
 - The asset is held by the Group to collect the contractual cash flows
 - The contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are initially recognised at fair value and subsequently are required to be measured at amortised cost.

- ii. Measured at fair value through other comprehensive revenue and expense if:

- The objective of the Group's management model for holding the assets is to both collect contractual cash flows and to sell the financial assets
- The asset's contractual cash flows represent solely payments of principal and interest.

Financial assets in this category are required to be measured at fair value with all changes taken through other comprehensive revenue and expenses.

- iii. Measured at fair value through surplus or deficit if:

- The assets that do not meet the criteria for classification as at amortised cost or at fair value through other comprehensive revenue and expense

Financial assets in this category are required to be measured at fair value with all changes in fair value recognised in surplus or deficit.

The classification depends on the council's management model for the financial asset and the contractual cash flow characteristics of the financial asset. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially measured at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. Impairment of financial assets

Financial assets carried at amortised cost are assessed each reporting date for impairment. If there is objective evidence of impairment, the difference between the asset's carrying amount and the present value of estimated future cash flows, where appropriate, is recognised in the surplus / (deficit).

Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete inventories.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write-down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

Investment properties

Investment properties are properties held to earn rental revenue, for capital appreciation, or for both. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the council measures all investment properties at fair value determined annually by an independent valuer. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the surplus / (deficit). There is no depreciation on investment properties.

Rental revenue from investment property is accounted for as described in the accounting policy for revenue recognition.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When the council begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is not reclassified as property, plant and equipment during the redevelopment.

Provisions

A provision is recognised in the statement of financial position when the council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are

determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

The council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is based on the present value of future cash flows expected to be incurred, taking into account ongoing future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

The council measures landfill assets using the cost model with changes in the provision for decommissioning costs being added to, or deducted from, the asset value until closure of the asset, at which time all changes to the provision are taken to the surplus / (deficit).

The discount rate used is a pre-tax rate that reflects current market assessments of time value of money and risks specific to the council.

Statement of cash flows

Cash or cash equivalents refers to cash balances on hand, cash held in bank accounts, on-demand deposits of three months or less and other highly-liquid investments in which the council or its subsidiaries invest as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of the council and record cash payments made for the supply of goods and services.

Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows, given that they flow through the council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of Council.

Non-current assets held for sale

Non-current assets are classified as held for sale and are stated at the lower of their carrying amount and fair value less costs to sell if the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of accounting purposes.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, the council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Landfill aftercare provision

The council gained resource consents to operate landfills at Ahipara, Russell, Whangae and Kaikohe. The council has responsibility under the Resource Management Act (1991) to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

There are closure and post closure responsibilities such as the following:

- Drainage control features to minimise infiltration of stormwater

- Final cover and vegetation
- Completing facilities for leachate collection and treatment
- Ongoing monitoring as per discharge consent conditions
- Completing facilities for monitoring of landfill gas and ensuring no hazard exists.

Post closure responsibilities:

- Treatment and monitoring of leachate
- Ground water and surface water monitoring
- Gas monitoring and flaring if require
- Implementation of remedial measures such as needed for settlement and cracking of capping layer
- Ongoing site maintenance for drainage systems, final cover and vegetation
- Ensure closed landfill is suitable for intended future use.

The management of the landfills will influence the timing of some liabilities – for example, the current landfill site of Russell will operate in two stages. A liability relating to stage 2 will only be created when that stage is commissioned and when refuse begins to accumulate in this stage.

The following major assumptions have been made in the calculation of the provision:

- The council approved the closure of the Russell landfill at a council meeting on 11th August 2022, with no active landfill sites in operation.
 - Ahipara - nil
 - Russell - nil
- Estimates of the remaining lives have been made by the council's engineers based upon historical volume information. The future cash flows for the landfill post closures are expected to occur for the years between 2023 and 2049 and includes costs to immediately close the Russell landfill. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cashflows have been estimated taking into account existing technology. Risk-free Discount Rates published by the Treasury have been used to discount the estimated future cashflows. <https://treasury.govt.nz/publications/guidance/reporting/accounting/discount rates>

NGĀ PŪRONGO MATAPAE AHUMONI

FORECAST FINANCIAL STATEMENTS

2024-27

Prospective statement of comprehensive revenue and expense

AP 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Revenue				
62,743	Rates - General	61,224	70,663	75,721
4,196	Rates - Targeted Water	3,653	3,987	4,979
35,479	Rates - Targeted excluding water	42,958	45,974	48,204
2,063	Rates - penalties	1,518	1,518	1,518
20,844	Fines, fees and charges	22,483	23,286	23,482
14,923	Subsidies operational	19,294	22,311	22,681
27,795	Subsidies capital	46,634	69,366	41,091
1,985	Other income	3,527	2,598	2,540
1,300	Dividends	5,000	5,000	2,000
171,330	Total comprehensive revenue	206,291	244,705	222,215
Expenses				
38,203	Personnel costs	38,810	39,426	40,245
45,480	Depreciation and amortisation expense	53,611	57,985	62,274
5,409	Finance costs	6,780	9,553	10,112
75,698	Other expenses	90,012	96,699	98,735
164,790	Total operating expenses	189,213	203,663	211,367
6,539	Net operating surplus / (deficit)	17,077	41,041	10,849
Other comprehensive revenue and expenses				
	Surplus / (deficit) attributable to:			
6,539	Far North District Council	17,077	41,041	10,849
	Items that will not be reclassified to surplus			
115,898	Gains / (loss) on asset revaluations	75,104	56,385	64,981
115,898	Total other comprehensive revenue and expense	75,104	56,385	64,981
122,437	Total comprehensive revenue	92,181	97,426	75,830

Prospective statement of changes in equity

Actual 2022/23 \$000s	Revised 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
2,321,561	2,489,335	Opening balance	2,554,940	2,647,121	2,744,548
167,774	65,605	Total comprehensive income	92,181	97,426	75,830
2,489,335	2,554,940	Closing balance	2,647,121	2,744,548	2,820,377

Prospective statement of financial position

AP 2022/23 \$000s	Revised 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Public equity					
1,078,750	1,070,087	Other reserves	1,145,191	1,201,576	1,266,557
13,791	12,908	Restricted reserves	12,908	12,908	12,908
1,516,774	1,471,945	Retained earnings	1,489,023	1,530,064	1,540,912
2,609,315	2,554,940	Total public equity	2,647,121	2,744,548	2,820,377
Current assets					
7,371	(1,819)	Cash and cash equivalents	9,264	26,892	35,194
34,544	34,847	Trade and other receivables	35,788	36,503	37,307
141	183	Inventories	183	183	183
42,056	33,211	Total current assets	45,234	63,578	72,683
Non-current assets					
2,234	2,126	Other financial assets	2,126	2,126	2,126
467	463	Forestry	467	472	477
13,945	11,379	Intangible assets	23,689	26,739	28,056
18,000	18,000	Investments in subsidiaries	18,000	18,000	18,000
2,739,306	2,682,273	Property, plant and equipment	2,819,268	2,953,673	3,081,719
2,773,952	2,714,241	Total non-current assets	2,863,551	3,001,010	3,130,378
2,816,008	2,747,452	Total assets	2,908,785	3,064,588	3,203,061
Current liabilities					
26,632	33,576	Trade and other payables	34,483	35,172	35,946
10,000	14,000	Borrowings	45,500	40,000	10,000
1,846	1,027	Provisions	9	16	8
3,190	2,750	Employee benefits	2,825	2,881	2,945
41,668	51,353	Total current liabilities	82,817	78,069	48,899
388	(18,142)	Working capital	(37,582)	(14,491)	23,785
Non-current liabilities					
163,847	141,022	Borrowings	178,726	241,859	333,680
1,177	137	Provisions	121	113	105
165,024	141,159	Non-current liabilities	178,847	241,972	333,785
206,692	192,512	Total liabilities	261,663	320,041	382,684
2,609,315	2,554,940	Net assets	2,647,121	2,744,548	2,820,377

Prospective statement of cash flows

AP 2023/24 \$000s		LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Operating activities				
	Cash was provided from:			
114,489	Rates	120,284	133,654	141,912
57,630	Other income	83,542	108,901	81,151
1,405	Interest and dividends	5,111	5,111	2,111
173,525		208,937	247,666	225,174
	Cash was applied to:			
119,644	Supply of goods, services and employees	125,722	128,512	130,794
5,409	Interest paid	6,780	9,553	10,030
84	Fringe benefit tax paid	195	196	198
125,138		132,697	138,261	141,022
48,387	Net cash inflows / (outflows) from operating activities	76,240	109,405	84,152
Financing activities				
	Cash was provided from:			
67,916	Borrowing	94,804	87,434	95,820
67,916		94,804	87,434	95,820
	Cash was applied to:			
11,118	Borrowing	13,089	16,827	20,502
11,118		13,089	16,827	20,502
56,798	Net cash inflows / (outflows) from financing activities	81,715	70,607	75,318
Investing activities				
	Cash was provided from:			
	Cash was applied to:			
103,398	Purchase and development of property, plant and equipment	146,873	162,384	151,168
103,398		146,873	162,384	151,168
(103,398)	Net cash inflows / (outflows) from investing activities	(146,873)	(162,384)	(151,168)
1,789	Net increase / (decrease) in cash flows	11,082	17,628	8,302
Net cash position				
5,582	Cash and cash equivalents opening balance 1 July	(1,819)	9,264	26,892
7,371	Less cash and cash equivalents closing balance 30 June	9,264	26,892	35,194
1,789	Cash movements for the year	11,082	17,628	8,302

Reserve Funds

AR 2022/23 \$000s		Revised 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Revaluation reserves					
814,133	Opening balance	975,684	1,067,359	1,142,463	1,198,848
161,551	Appropriations	91,675	75,104	56,385	64,981
975,684	Closing balance	1,067,359	1,142,463	1,198,848	1,263,829
Fair value through equity reserve					
31	Opening balance	31	31	31	31
31	Closing balance	31	31	31	31
Capital reserve					
2,697	Opening balance	2,697	2,697	2,697	2,697
2,697	Closing balance	2,697	2,697	2,697	2,697
General separate fund					
2,985	Opening balance	2,186	2,186	2,186	2,186
2,186	Closing balance	2,186	2,186	2,186	2,186
Special fund					
4,936	Opening balance	5,121	5,121	5,121	5,121
5,121	Closing balance	5,121	5,121	5,121	5,121
Amenity development fund					
385	Opening balance	278	459	459	459
72	Appropriations	181	-	-	-
457	Closing balance	459	459	459	459
Community services fund					
3,511	Opening balance	5,142	5,142	5,142	5,142
5,142	Closing balance	5,142	5,142	5,142	5,142
Development contributions					
(16,907)	Opening balance	(16,907)	(16,907)	(16,907)	(16,907)
(16,907)	Closing balance	(16,907)	(16,907)	(16,907)	(16,907)
Open spaces development contributions					
(3,768)	Opening balance	(3,768)	(3,768)	(3,768)	(3,768)
(3,768)	Closing balance	(3,768)	(3,768)	(3,768)	(3,768)

AR 2022/23 \$000s		Revised 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s
Depreciation reserve					
75,584	Opening balance	87,751	78,885	72,369	63,980
36,956	Appropriations	23,743	28,224	29,588	33,097
(24,789)	Withdrawals	(32,609)	(34,740)	(37,977)	(50,699)
87,751	Closing balance	78,885	72,369	63,980	46,378
Retained earnings					
1,492,875	Opening balance	1,423,390	1,406,136	1,429,776	1,479,207
(69,486)	Appropriations and withdrawals	(17,254)	23,641	49,431	28,450
1,423,390	Closing balance	1,406,136	1,429,776	1,479,207	1,507,657
Emergency event reserve					
7,304	Opening balance	7,304	7,304	7,304	7,304
7,304	Closing balance	7,304	7,304	7,304	7,304
Mineral survey reserve					
50	Opening balance	50	50	50	50
50	Closing balance	50	50	50	50
Property disposal reserve					
198	Opening balance	198	198	198	198
198	Closing balance	198	198	198	198

PŪRONGO AWENGA AHUMONI - REITI FUNDING IMPACT STATEMENT - RATES

Rates for 2024/25

This portion of the Funding Impact Statement has been prepared in two parts:

- The first part outlines the rating methodologies and differentials which the council has used to set the rates for the 2024/25 rating years
- The second part outlines the rates for the 2024/25 year.

General Rate

The General Rate is set on the basis of land value to fund Councils general activities. This rate is set on a differential basis as described in the following table.

The General Rate differentials are generally based on the land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. (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 unit and where each use would be subject to a different differential. In these circumstances the 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)).		

The 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 'Notes in relation to Land Use Differentials'.

Uniform Annual General Charge (UAGC)

The UAGC rate is set on the basis of one charge assessed in respect of every separately used or inhabited part (SUIP) of a rating unit. This rate will be 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 for the 2024/25 year is 15.5%. (Refer Local Government (Rating) Act 2002, Section 15 and 21).

Roading Rate

Council has two targeted roading 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 rateable rating unit (on every rateable rating unit) to fund part of the costs of roading (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 is set on all rating units. On a differential basis according to land use as described in the following table. (Local Government (Rating) Act 2002 Sections 16, 17 and 18 & Schedule 2 Clause 1 and Schedule 3 Clause 3)

Roading rate differentials are generally based on land use as defined by Council's valuation service provider and included in the RID. 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	Share	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 - 96 may also be treated as commercial 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	

The 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 'Notes to Land Use Differentials'.

Ward Rate

A Targeted Ward Rate is set 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 is set on a differential basis according to the Ward in which the rating unit is located. (Local Government (Rating) Act 2002 Sections 16,17 and 18 & Schedule 2 Clause 6 and Schedule 3 Clause 7)

Ward Rate differential categories

Differential	Basis	Description
Te Hiku Ward	31%	All rating units within the Te Hiku Ward
Bay of Islands-Whangaroa Ward	45%	All rating units within the Bay of Islands – Whangaroa Ward
Kaikohe-Hokianga Ward	24%	All rating units within the Kaikohe-Hokianga Ward

Stormwater Rate

This rate is to fund specific stormwater capital developments within urban communities across the district. This rate is a fixed amount per rating

unit assessed differentially within the following communities. (Local Government (Rating) Act 2002 Sections 16, 17 and 18 Schedule 2 Clauses 1 and 6)

Stormwater Rating areas

Ahipara	Awanui	Haruru Falls
Hihi	Houhora / Pukenui	Kaikohe
Kaimaumau	Kaitāia	Karikari communities
Kawakawa	Kerikeri / Waipapa	Kohukohu
Moerewa	Ngāwhā	Ōkaihau
Ōpononi / Ōmāpere	Ōpua / Ōkiato	Paihia / Te Haumi
Rāwene	Russell	Taipā
Taupō Bay	Tauranga Bay	Whangaroa / Kāeo

Stormwater Rate differential categories

Differential	Basis	Description
General	50%	All rating units which are assessed the general rate – general differential
Commercial	100%	All rating units which are assessed the general rate – commercial differential

Stormwater public good rate

A charge of \$10.00 on every rating unit in the District.

Paihia Central Business District Development Rate

Council has set a targeted rate on a differential 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 that were previously being charged the Kerikeri mainstreet rate – refer to the rating area map. (Local Government (Rating) Act 2002 Sections 16 and 17 Schedule 2 Clauses 1 and 6 and Schedule 3 Clause 7)

Paihia Central Business District Development Rate differential categories

Differential	Basis	Description
General	Per SUIP	All rating units which are assessed the General Rate – General Differential
Commercial	Per SUIP	All rating units which are assessed the General Rate – Commercial Differential

Kaitiāia Business Improvement District Rate

This targeted rate is set to support the Kaitiāia 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 is set on the basis of land value assessed over all rating units which are assessed the general rate – commercial differential within the defined rating area within the Kaitiāia Township. Refer rating area maps. (Local Government (Rating) Act 2002, Sections 16, 17 and 18, Schedule 2 Clauses 1 and 6 & Schedule 3 Clause 3)

BOI Recreation Centre Rate

The BOI Recreational Centre Rate assists in funding an operational grant to support the BOI Recreation Centre. This rate is assessed on the basis of a fixed amount on every SUIP within the area contained within rating rolls 400 to 499 – refer rating area maps for details of the rating area. (Local Government (Rating) Act 2002, Sections 16, 17 and 18, Schedule 2 Clause 6 & Schedule 3 Clause 7)

Sewerage schemes

Ahipara	East Coast*	Hihi	Kāeo	Kaikohe	Kaitiāia and Awanui	Kawakawa	Kohukohu
Kerikeri	Ōpononi	Paihia	Rangiputa	Rāwene	Russell	Whangaroa	Whatuwhiwhi

* East Coast includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Sewerage Capital Rate differential categories

Differential	Basis	Description
Connected	100%	Per SUIP connected, either directly or indirectly, to any of the District's public reticulated wastewater disposal systems.
Available	100%	Per RATING UNIT that is capable of being connected to a public reticulated wastewater disposal system, but is not connected ¹

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 an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP set at 60% of the differential rate value. (Local Government (Rating) Act 2002, Section 16, 17 and 18, Schedule 2 Clauses 1 and 5, Schedule 3 Clauses 7 and 12)²

Sewerage Rates

There are a number of targeted rates set to fund the provision and availability of sewerage services. These rates are designed to separately fund the costs associated with each wastewater scheme.

Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs is funded on the basis of a district wide operating rate. In addition, a uniform public good rate is to be charged per rating unit.

Capital Rates (Set on a scheme-by-scheme basis)

Capital differential rate: Capital rates are set on a scheme-by-scheme basis to fund the interest and depreciation costs associated with the provision of sewerage services to each of the District's 16 separate sewerage schemes set out below. These rates are set differentially on the basis of the provision or availability of service as set out below. (Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedule 2 Clauses 5 and 6 & Schedule 3 Clauses 7)

Sewerage public good rate

A fixed amount of \$15.00 on every rating unit in the District.

Operating Rates (Set on a district-wide basis)

Operating Rate: The operating targeted rate is to fund the operating costs associated with the provision of sewerage services. This rate is set on the basis of a fixed amount on every SUIP that is connected, either directly or indirectly, to a public

1. 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 the council will allow the rating unit to connect.

reticulated wastewater disposal system. (Local Government (Rating) Act 2002, Section 16, 17 and 18, Schedule 2 Clause 5 & 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 an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP set at 60% of the differential rate value. (Local Government (Rating) Act 2002, Section 16, 17 and 18, Schedule 2 Clauses 1 and 5, Schedule 3 Clauses 7 and 12)²

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 the capital and operating rates. They will be liable for the public good rate.

Water Rates

There are a number of targeted rates set to fund the provision and availability of water supplies. These rates are designed to separately fund the costs associated with each water supply scheme. Council's approach is that each scheme will pay its own interest and depreciation costs through the use of separate targeted capital rates, whereas the operating costs will be funded on the basis of a district wide operating rate. In addition, a uniform public good rate is to be charged per rating unit.

Capital Rates (Set on a scheme-by-scheme basis)

Differential Rate: A series of separate differential targeted rates is set to fund the capital costs associated with the provision of water supplies to each of the district's eight separate water supply schemes as set out below. These rates are set differentially on the basis of the provision or availability of service. (Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedule 2 Clause 5 & Schedule 3 Clause 7)

Water Capital Rate differential categories

Differential	Basis	Description
Connected	100%	Per SUIP that is connected, either directly or indirectly, to any of the Districts public reticulated water supply systems.
Available	100%	Per RATING UNIT that is capable of being connected to a public reticulated water supply system, but is not connected ³

Water public good rate

A charge of \$15.00 on every rating unit in the District.

Operating Rates (Set on a district-wide basis)

Operating Rate: This is a targeted rate set for 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 are set depending on whether the supply is potable or non-potable water. (Local Government (Rating) Act 2002, Section 19)

Non-metered Rate: The targeted rate is set 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 are set depending on whether the supply is potable or non-potable water. (Local Government (Rating) Act 2002, Section 16, 17 and 18, Schedule 2 clause 5 & Schedule 3 Clauses 7, 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 the capital or operating rates. They will be liable for the public good rate.

2. 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.
3. 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, within an area serviced by a water scheme and the council will allow the rating unit to connect.

Land Drainage Rates

There are four land drainage rating areas in the Far North District all located in the northern part of the Te Hiku ward. The council may set drainage rates on all rateable land in the relevant drainage areas.

Kaitiāia drainage area

A targeted rate is set to fund land drainage in the Kaitiāia 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 maps on our website for details of the rating area (Local Government (Rating) Act 2002, Section 16, 17 and 18, Schedule 2 Clauses 5 and 6, & Schedule 3 Clause 5)

Kaikino drainage area

A targeted rate is set 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 maps on our website for details of the rating area. This rate is 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, 17 and 18, Schedule 2 Clauses 5 and 6, & 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

Notes in relation to land use differentials

Notwithstanding the above, the 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.

The 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 the 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.

Motutangi drainage area

A targeted rate is set 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 maps on our website for details of the rating area. This rate is 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, 17 and 18, Schedule 2 Clauses 5 and 6, & Schedule 3 Clause 5)

Waiharara drainage area

A targeted rate is set 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 maps on our website for details of the rating area. This rate is 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, 17 and 18, Schedule 2 Clauses 5 and 6, & Schedule 3 Clause 5)

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 the council's Valuation Service Provider and the rates are set accordingly.

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

In every instance where the 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 the council and is not used for private pecuniary profit and is not subject to an alcohol license

- 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 en suite facilities.

Schedule of Rates for 2024/25

Set out in the following tables are the indicative rates for the 2024/25 rating years. For comparison purposes the rates for the 2023/24 rating year are also shown. Please note all rates include GST.

Rate	Basis of Assessment	Rates 2024/25		Rates 2023/24 GST Inc
		Rate (GST Inc)	Total Rate	
General Rates				
Uniform Annual General Charge	Per SUIP ¹	\$450.00	\$17,262,450	\$450.00
General Differential	Per \$ of land value	\$0.0029344	\$48,887,155	\$0.0030315
Commercial Differential	Per \$ of land value	\$0.0080696	\$6,890,589	\$0.0083366
Targeted Ward Service Rate				
BOI - Whangaroa ward Differential	Per SUIP	\$447.50	\$7,999,734	\$376.50
Kaikohe - Hokianga ward Differential	Per SUIP	\$559.10	\$4,299,199	\$438.30
Te Hiku ward Differential	Per SUIP	\$425.90	\$5,449,391	\$384.50
Targeted Rooding Rates				
Uniform Rooding Rate	Per SUIP	\$100.00	\$3,836,100	\$100.00
Rooding Differential Rate				
Residential	Per \$ of land value	\$0.0000816	\$611,402	\$0.0000690
Lifestyle	Per \$ of land value	\$0.0000898	\$421,656	\$0.0000757
Farming General	Per \$ of land value	\$0.0001112	\$337,325	\$0.0000932
Horticulture	Per \$ of land value	\$0.0000678	\$21,083	\$0.0000565
Dairy	Per \$ of land value	\$0.0001872	\$147,580	\$0.0001485
Forestry	Per \$ of land value	\$0.0013942	\$274,077	\$0.0011905
Commercial	Per \$ of land value	\$0.0002272	\$147,580	\$0.0001872
Industrial	Per \$ of land value	\$0.0001986	\$42,166	\$0.0001657
Mining / Quarry	Per \$ of land value	\$0.0078519	\$84,331	\$0.0066063
Other	Per \$ of land value	\$0.0001736	\$21,083	\$0.0001463

Rates 2024/25				
Rate	Basis of Assessment	Rate (GST Inc)	Total Rate	Rates 2023/24 GST Inc
Stormwater Targeted Rates				
Stormwater Differential Rate				
Commercial Differential	Per land use	\$375.00	\$583,875	\$0.00
General Differential	Per land use	\$187.50	\$2,689,688	\$0.00
Stormwater Public Good Rate				
Uniform Charge	Per rating unit	\$10.00	\$346,415	\$0.00
Targeted Development Rates				
Paihia CBD Development Rate				
General Differential	Per SUIP	\$18.00	\$38,169	\$18.00
Commercial Differential	Per SUIP	\$56.00	\$20,440	\$56.00
Kaitiāia BID Rate				
Kaitiāia BID Rate	Per \$ of land value	\$0.0007578	\$57,500	\$0.0007397
BOI Recreation Centre rate				
Uniform Targeted Rate	Per SUIP	\$5.00	\$24,250	\$5.00
Sewerage Targeted Rates				
Sewerage Capital Rates				
Ahipara				
Connected	Per SUIP	\$348.16	\$197,059	\$273.65
Availability	Per rating unit	\$348.16	\$35,860	\$273.65
Additional pans	Per sub pan ²	\$208.90	\$11,907	\$164.19
East Coast*				
Connected	Per SUIP	\$311.40	\$501,043	\$321.81
Availability	Per rating unit	\$311.40	\$114,907	\$321.81
Additional pans	Per sub pan	\$186.84	\$27,652	\$193.09
Hihi				
Connected	Per SUIP	\$1,307.93	\$211,885	\$551.38
Availability	Per rating unit	\$1,307.93	\$30,082	\$551.38
Additional pans	Per sub pan	\$784.76	\$5,493	\$330.83
Kāeo				
Connected	Per SUIP	\$706.47	\$122,219	\$684.16
Availability	Per rating unit	\$706.47	\$12,716	\$684.16
Additional pans	Per sub pan	\$423.88	\$35,606	\$410.50
Kaikohe				
Connected	Per SUIP	\$153.75	\$266,141	\$172.23
Availability	Per rating unit	\$153.75	\$9,686	\$172.23
Additional pans	Per sub pan	\$92.25	\$72,416	\$103.34
Kaitiāia & Awanui				
Connected	Per SUIP	\$276.96	\$718,434	\$242.02
Availability	Per rating unit	\$276.96	\$31,573	\$242.02
Additional pans	Per sub pan	\$166.18	\$141,918	\$145.21
Kawakawa				
Connected	Per SUIP	\$456.20	\$262,315	\$478.89
Availability	Per rating unit	\$456.20	\$5,931	\$478.89
Additional pans	Per sub pan	\$273.72	\$47,627	\$287.33
Kerikeri				
Connected	Per SUIP	\$666.23	\$1,241,853	\$672.50
Availability	Per rating unit	\$666.23	\$86,610	\$672.50
Additional pans	Per sub pan	\$399.74	\$175,086	\$403.50
Kohukohu				
Connected	Per SUIP	\$706.75	\$62,194	\$709.30
Availability	Per rating unit	\$706.75	\$6,361	\$709.30
Additional pans	Per sub pan	\$424.05	\$6,785	\$425.58

Rate	Basis of Assessment	Rates 2024/25		Rates 2023/24
		Rate (GST Inc)	Total Rate	GST Inc
Ōpononi				
Connected	Per SUIP	\$366.41	\$149,495	\$275.22
Availability	Per rating unit	\$366.41	\$35,175	\$275.22
Additional pans	Per sub pan	\$219.85	\$24,623	\$165.13
Paihia				
Connected	Per SUIP	\$450.82	\$985,493	\$456.31
Availability	Per rating unit	\$450.82	\$93,320	\$456.31
Additional pans	Per sub pan	\$270.49	\$331,080	\$273.79
Rangiputa				
Connected	Per SUIP	\$243.76	\$25,839	\$240.50
Availability	Per rating unit	\$243.76	\$3,900	\$240.50
Additional pans	Per sub pan	\$146.26	\$585.00	\$144.30
Rāwene				
Connected	Per SUIP	\$434.18	\$105,506	\$516.68
Availability	Per rating unit	\$434.18	\$12,157	\$516.68
Additional pans	Per sub pan	\$260.51	\$12,244	\$310.01
Russell				
Connected	Per SUIP	\$468.80	\$282,686	\$502.35
Availability	Per rating unit	\$468.80	\$65,163	\$502.35
Additional pans	Per sub pan	\$281.28	\$41,067	\$301.41
Whangaroa				
Connected	Per SUIP	\$673.09	\$9,423	\$667.78
Availability	Per rating unit	\$673.09	\$3,365	\$667.78
Additional pans	Per sub pan	\$403.85	\$4,442	\$400.67
Whatuwhiwhi				
Connected	Per SUIP	\$387.49	\$316,961	\$315.16
Availability	Per rating unit	\$387.49	\$132,522	\$315.16
Additional pans	Per sub pan	\$232.49	\$4,185	\$189.10
Sewerage Public Good Rate				
Uniform charge	Per rating unit	\$15.00	\$519,623	\$15.00
Sewerage Operating Rate				
Connected Rate (All Schemes)	Per SUIP	\$867.00	\$11,912,634	\$645.95
Subsequent Pan Rate (All Schemes)	Per sub pan	\$520.20	\$2,145,835	\$387.57
Water targeted rates				
Water capital rates				
Kaikohe				
Connected	Per SUIP	\$347.41	\$670,501	\$369.17
Availability	Per rating unit	\$347.41	\$18,760	\$369.17
Kaitāia				
Connected	Per SUIP	\$287.89	\$739,589	\$541.03
Availability	Per rating unit	\$287.89	\$25,046	\$541.03
Kawakawa				
Connected	Per SUIP	\$367.61	\$427,898	\$389.82
Availability	Per rating unit	\$367.61	\$11,028	\$389.82
Kerikeri				
Connected	Per SUIP	\$229.14	\$700,023	\$236.17
Availability	Per rating unit	\$229.14	\$30,476	\$236.17
Ōkaihau				
Connected	Per SUIP	\$407.92	\$75,057	\$401.99
Availability	Per rating unit	\$407.92	\$5,711	\$401.99

Rates 2024/25				
Rate	Basis of Assessment	Rate (GST Inc)	Total Rate	Rates 2023/24 GST Inc
Ōmāpere/Ōpononi				
Connected	Per SUIP	\$613.16	\$258,754	\$600.64
Availability	Per rating unit	\$613.16	\$42,921	\$600.64
Paihia				
Connected	Per SUIP	\$239.40	\$540,565	\$208.14
Availability	Per rating unit	\$239.40	\$20,349	\$208.14
Rāwene				
Connected	Per SUIP	\$290.51	\$94,706	\$282.02
Availability	Per rating unit	\$290.51	\$5,520	\$282.02
Water public good rate				
Uniform charge	Per rating unit	\$15.00	\$519,623	\$15.00
Water operating rates				
Water by meter rates				
Potable water	Per M ³	\$4.40	\$10,022,930	\$3.92
Non-potable water	Per M ³	\$2.86	\$2,862	\$2.55
Non-metered rates				
Non-metered potable rate	Per SUIP	\$1,395.21	\$82,317	\$1,331.35
Non-metered non-potable rate	Per SUIP	\$1,009.96	\$0.00	\$988.20
Drainage targeted rates				
Kaitiāia drainage area	Per Ha of land area	\$12.47	\$116,597	\$12.55
Kaikino drainage area				
Kaikino A	Per Ha of land area	\$11.46	\$4,305	\$11.46
Kaikino B	Per Ha of land area	\$5.73	\$2,157	\$5.73
Kaikino C	Per Ha of land area	\$1.91	\$2,515	\$1.91
Motutangi drainage area				
Motutangi A	Per Ha of land area	\$0.00	\$0.00	\$0.00
Motutangi B	Per Ha of land area	\$0.00	\$0.00	\$0.00
Motutangi C	Per Ha of land area	\$0.00	\$0.00	\$0.00
Waiharara drainage area				
Waiharara A	Per Ha of land area	\$20.96	\$3,017	\$20.96
Waiharara B	Per Ha of land area	\$10.48	\$8,149	\$10.48
Waiharara C	Per Ha of land area	\$3.50	\$1,868	\$3.50

Notes:

1. Per SUIP - Separately Used or Inhabited Part of a rating unit
 2. Per sub pan - per subsequent pan or additional pan
- * East Coast area includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Example of rates on different land values

Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate Average	Public Good Rate	Wastewater Average	Water Average (Excluding Usage)	Final Rates 2024/25	AP 2023/24
Residential										
100,000	\$293	\$450	\$100	\$8	\$463	\$40	\$1,264	\$295	\$2,913	\$2,658
250,000	\$734	\$450	\$100	\$20	\$463	\$40	\$1,264	\$295	\$3,365	\$3,123
500,000	\$1,467	\$450	\$100	\$41	\$463	\$40	\$1,264	\$295	\$4,119	\$3,898
750,000	\$2,201	\$450	\$100	\$61	\$463	\$40	\$1,264	\$295	\$4,873	\$4,674
1,000,000	\$2,934	\$450	\$100	\$82	\$463	\$40	\$1,264	\$295	\$5,627	\$5,449
Rural and Lifestyle										
100,000	\$293	\$450	\$100	\$9	\$463	\$40	-	-	\$1,355	\$1,282
250,000	\$734	\$450	\$100	\$22	\$463	\$40	-	-	\$1,809	\$1,748
500,000	\$1,467	\$450	\$100	\$45	\$463	\$40	-	-	\$2,565	\$2,525
750,000	\$2,201	\$450	\$100	\$67	\$463	\$40	-	-	\$3,321	\$3,302
1,000,000	\$2,934	\$450	\$100	\$90	\$463	\$40	-	-	\$4,077	\$4,079
Commercial										
100,000	\$807	\$450	\$100	\$23	\$463	\$40	\$1,264	\$295	\$3,441	\$3,201
250,000	\$2,017	\$450	\$100	\$57	\$463	\$40	\$1,264	\$295	\$4,686	\$4,479
500,000	\$4,035	\$450	\$100	\$114	\$463	\$40	\$1,264	\$295	\$6,760	\$6,610
750,000	\$6,052	\$450	\$100	\$170	\$463	\$40	\$1,264	\$295	\$8,834	\$8,741
1,000,000	\$8,070	\$450	\$100	\$227	\$463	\$40	\$1,264	\$295	\$10,908	\$10,872

Notes:

1. Land values are indicative amounts only.
2. Public Good Rate is for sewage, water and stormwater.

Example of residential rates by ward

	Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate	Public Good Rate	Waste-water if connected	Waste-water Operating Rate	Water if connected (excluding usage)	Total
Bay of Islands - Whangaroa											
Kāeo	\$577,377	\$1,694	\$450	\$100	\$47	\$448	\$40	\$706	\$867	-	\$4,352
Kawakawa	\$371,784	\$1,091	\$450	\$100	\$30	\$448	\$40	\$456	\$867	\$368	\$3,850
Kerikeri	\$623,873	\$1,831	\$450	\$100	\$51	\$448	\$40	\$666	\$867	\$229	\$4,681
Moerewa	\$173,466	\$509	\$450	\$100	\$14	\$448	\$40	-	-	-	\$1,561
Ōkaihau	\$602,441	\$1,768	\$450	\$100	\$49	\$448	\$40	-	-	\$408	\$3,262
Paihia	\$444,756	\$1,305	\$450	\$100	\$36	\$448	\$40	\$451	\$867	\$239	\$3,936
Russell	\$916,499	\$2,689	\$450	\$100	\$75	\$448	\$40	\$469	\$867	-	\$5,137
Whangaroa	\$571,873	\$1,678	\$450	\$100	\$47	\$448	\$40	\$673	\$867	-	\$4,302
Kaikohe - Hokianga											
Kaikohe	\$275,997	\$810	\$450	\$100	\$23	\$559	\$40	\$154	\$867	\$347	\$3,350
Kohukohu	\$304,405	\$893	\$450	\$100	\$25	\$559	\$40	\$707	\$867	-	\$3,641
Ōpononi / Ōmāpere	\$332,212	\$975	\$450	\$100	\$27	\$559	\$40	\$366	\$867	\$613	\$3,998
Rāwene	\$275,518	\$808	\$450	\$100	\$22	\$559	\$40	\$434	\$867	\$291	\$3,572
Te Hiku											
Ahipara	\$492,204	\$1,444	\$450	\$100	\$40	\$426	\$40	\$348	\$867	-	\$3,716
East Coast*	\$598,512	\$1,756	\$450	\$100	\$49	\$426	\$40	\$1,308	\$867	-	\$4,996
Hihi	\$376,173	\$1,104	\$450	\$100	\$31	\$426	\$40	\$277	\$867	\$288	\$3,582
Kaitāia/ Awanui	\$471,890	\$1,385	\$450	\$100	\$38	\$426	\$40	\$311	\$867	-	\$3,618
Whatuwhiwhi / Karikari	\$462,179	\$1,356	\$450	\$100	\$38	\$426	\$40	\$387	\$867	-	\$3,664

Note

Stormwater Targeted Rate will be additional to the rates noted above and charged \$187.50 per rating unit if you are in the stormwater Area of Benefit.

* East Coast includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Example of commercial rates by ward

	Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate	Public Good Rate	Waste-water if connected	Waste-water Operating Rate	Water if connected (excluding usage)	Total
Bay of Islands - Whangaroa											
Kāeo	\$342,444	\$2,763	\$450	\$100	\$78	\$448	\$40	\$706	\$867	-	\$5,452
Kawakawa	\$210,041	\$1,695	\$450	\$100	\$48	\$448	\$40	\$456	\$867	\$368	\$4,471
Kerikeri	\$614,141	\$4,956	\$450	\$100	\$140	\$448	\$40	\$666	\$867	\$229	\$7,895
Moerewa	\$107,667	\$869	\$450	\$100	\$24	\$448	\$40	-	-	-	\$1,931
Ōkaihau	\$179,867	\$1,451	\$450	\$100	\$41	\$448	\$40	-	-	\$408	\$2,938
Paihia	\$548,199	\$4,424	\$450	\$100	\$125	\$448	\$40	\$451	\$867	\$239	\$7,143
Russell	\$903,757	\$7,293	\$450	\$100	\$205	\$448	\$40	\$469	\$867	-	\$9,872
Whangaroa	\$274,750	\$2,217	\$450	\$100	\$62	\$448	\$40	\$673	\$867	-	\$4,857
Kaikohe - Hokianga											
Kaikohe	\$194,253	\$1,568	\$450	\$100	\$44	\$559	\$40	\$154	\$867	\$347	\$4,129
Kohukohu	\$76,500	\$617	\$450	\$100	\$17	\$559	\$40	\$707	\$867	-	\$3,358
Ōpononi / Ōmāpere	\$373,090	\$3,011	\$450	\$100	\$85	\$559	\$40	\$366	\$867	\$613	\$6,091
Rāwene	\$106,783	\$862	\$450	\$100	\$24	\$559	\$40	\$434	\$867	\$291	\$3,627
Te Hiku											
Ahipara	\$314,611	\$2,539	\$450	\$100	\$71	\$426	\$40	\$348	\$867	-	\$4,841
East Coast*	\$470,000	\$3,793	\$450	\$100	\$107	\$426	\$40	\$1,308	\$867	-	\$7,090
Hihi	\$254,390	\$2,053	\$450	\$100	\$58	\$426	\$40	\$277	\$867	\$288	\$4,558
Kaitāia/ Awanui	\$419,660	\$3,386	\$450	\$100	\$95	\$426	\$40	\$311	\$867	-	\$5,676
Whatuwhiwhi / Karikari	\$492,200	\$3,972	\$450	\$100	\$112	\$426	\$40	\$387	\$867	-	\$6,354

Note

Stormwater Targeted Rate will be additional to the rates noted above and charged \$375.00 per rating unit if you are in the stormwater Area of Benefit.

* East Coast includes Taipā, Coopers Beach, Cable Bay and Mangōnui.

Other Rating Policy Statements

Projected number of rating units

Local Government Act 2002 Schedule 10 Clause 20A requires the 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.

The council is projecting 39,684 rating units at 30 June 2024.

The projected total values at 30 June 2024:

Land value	\$18,587,454,960
Capital value	\$33,127,174,210

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, license, or other agreement
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

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 the council will a charge postponement fee on all rates that are postponed under any of its postponement policies. The postponement fees are as follows:

- Establishment fee: includes legal costs, and production of documents for registering statutory land charge (includes LINZ fee) \$300.00
- Annual administration fee for maintaining rates postponement \$50.00.

Financing fee on all postponements: Currently set at 4.83% pa but may vary to match the council's average cost of funds.

At the 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, the council will charge the rates for the 2024/25 rating year by way of four instalments.

Each instalment must be paid on or before the due dates set out in the following table. Any rates paid after the due date will become liable for penalties (See Penalties on Rates).

Rate instalment dates

Instalment	Due date	Penalty date
One	20 August 2024	27 August 2024
Two	20 November 2024	27 November 2024
Three	20 February 2025	27 February 2025
Four	20 May 2025	27 May 2025

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 as follows:

Scheme	1st invoice	Due date	Penalty date	2nd invoice	Due date	Penalty date
Kaikohe	Nov 2024	20/12/2024	27/12/2024	May 2025	20/06/2025	27/06/2025
Kaitiāia	Aug 2024	20/09/2024	27/09/2024	Feb 2025	20/03/2025	27/03/2025
Kawakawa	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Kerikeri	Sep 2024	21/10/2024	28/10/2024	Mar 2025	21/04/2025	28/04/2025
Ōkaihau	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Ōmāpere / Ōpononi	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025
Paihia	Oct 2024	20/11/2024	27/11/2024	Apr 2025	20/05/2025	27/05/2025
Rāwene	Jul 2024	20/08/2024	27/08/2024	Jan 2025	20/02/2025	27/02/2025

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, the council will impose the following penalties:

- A ten percent (10%) penalty on any portion of each instalment of rates assessed in the 2024/25 financial year that is not paid on or by the due date for payment, as listed 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

For Rating Area maps please see our website: www.fndc.govt.nz/services/rates/rating-area-maps

NGĀ WHAKATATAU MATAPAE MATUA

SIGNIFICANT FORECASTING ASSUMPTIONS

General assumptions

Building activity

The council estimates building activity will continue to fall due to changes in legislation that will see less building work requiring consent and the reduction in lower house prices, increased cost of building materials and supply and with interest rates predicted to remain high until at least 2025. It is assumed that residential consents will amount to approximately 300+ new dwellings being expected to be constructed each year, while non-residential consents values remaining high for the next three years.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Low	Not applicable

Climate change

The severe climate events of 2023 highlight the urgent need for resilience in the council and Tai Tokerau communities. The Ministry for the Environment's climate scenarios align with the IPCC's Sixth Assessment Report (AR6) from March 2023. Northland expects the following climate change effects:

- More frequent and severe extreme weather events with less recovery time.
- Increased threats to taonga species and rare ecosystems.
- Higher risk of new diseases and pests affecting biodiversity, food security, health, and well-being.
- More frequent and severe rainfall and drought, impacting primary industries.
- Disproportionate effects on vulnerable people from flooding, extreme weather, and sea level rise.

Delaying adaptation and emission reductions will lead to costlier climate impacts and more extensive adjustments. The council is now seeing significant impacts and is accelerating efforts to build community resilience in Te Tai Tokerau.

The council is implementing the Climate Change Roadmap (2020) and the Te Tai Tokerau Climate Action Strategy (TTCAS, 2022). It remains an active member of the regional Climate Action Te Tai Tokerau (CATT) technical reference group, the regional Joint Climate Change Adaptation Committee (JCCAC), and national organisations Aotearoa Climate Action Network (ACAN) and Aotearoa Council Climate Network (ACCN).

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Covid-19 (and other pandemic risks)

Ongoing infections from Covid-19 continue in the region and across New Zealand. The government lifted all remaining mandatory Covid-19 restrictions in 2023. Climate change and increased human-animal contact may increase the frequency of future pandemics (USA National Library of Medicine 2022).

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

District growth

Population statistics from Infometrics estimate the Far North population at 74,700 in 2023, projected to grow 0.7% annually to 79,936 by 2033. Growth is expected mainly in larger urban areas like Kaikohe, Kerikeri, and Doubtless Bay.

The over-65 age group will become a dominant demographic, making up 26.1% (20,859) of the population by 2033, due to longer life expectancy and the baby boomers reaching retirement. These demographic changes will occur gradually, with little change in community expectations over the next 10 years.

Deprivation levels are expected to remain unchanged, with Northland continuing to have New Zealand's highest deprivation level at 7.2 (MBIE Regional Economic Activity Web Tool, 2018).

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Inflation

Future cost increases align with BERL forecasts published in October 2023, retrieved from Business and Economic Research Limited (BERL).

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	High	If inflation is higher than forecast, the cost of goods and services will rise accordingly.

Levels of Service

Although most Levels of Service will remain static for the period of this LTP, there have been a number of new mandatory Levels of Service in the wastewater area and other changes relating to water supply - in particular drinking water standards. Other minor performance measures will be reported through internal quarterly reporting procedures.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Rating base

The number of properties we receive rates from is conservatively expected to increase by approximately 0.5% in year 2 and 3. The total number of units over the 3 years is predicted to increase by 385 units.

2024/25	2025/26	2026/27
38,361	38,553	38,746

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Security of water supply

Water shortages due to drought conditions will continue to be addressed in collaboration with the Government and other stakeholders. Projects to establish secure water storage assets are advancing, and the council assumes ongoing government funded assistance.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Subdivisions and Land Use Consents

Ongoing subdivisions in the Far North District are expected to strain the 3 waters infrastructure, potentially preventing the council from supporting some developments. Significant developments can be managed with developer agreements, but most are too small for privately funded infrastructure upgrades.

Increased development can negatively impact environmental well-being. The council mitigates these effects through sustainable regulation and planning, ensuring new developments meet environmental standards via the District Plan and Resource Management Act functions.

Emerging issues and expected legislative changes

The challenges for this activity include responding to legislative changes, meeting statutory consent

processing deadlines, and providing a fair, cost-effective service. As a large territorial authority, the council manages a fluctuating and complex workflow, especially large housing development applications.

New Zealand's resource management reforms will significantly change the council's responsibilities. The repeal of the Resource Management Act and the introduction of new legislation will alter roles for the council and other agencies.

Since 2017, application numbers have risen, peaking at 1,545 in 2022 and dropping to 1,147 in 2023, spiking with the Proposed Far North District Plan notification on 26 June 2023. Reliance on consultants has proven unreliable, leading to expected increased staffing costs.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Expenditure assumptions

Capital achievability

The capital works programme is considered to be achievable in the timeframe stated. Usual delays, such as consenting and weather, have been factored into timeframes and phasing. Wherever possible, works are based on known asset condition and have been prioritised to ensure critical assets are renewed on time. Where asset condition is uncertain the best information available has been used. Timing of renewals programmes reflects the expected delivery of asset condition assessment (i.e. increased certainty of condition information over time). The council expects a minimal amount of projects carried forward due to delays.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Medium	Not applicable

Capital borrowings

Borrowings for capital expenditure are assumed to be repaid over 20 years.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Unfunded depreciation

The council does not fund depreciation on transportation assets to the extent that Waka Kotahi NZ Transport Agency funds renewals.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Waka Kotahi NZ Transport Agency funding

Waka Kotahi NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
High	The recent change in Government will result in a Government Policy Statement that reduces the amount of subsidy provided.	High	Variations in subsidy rates will increase / decrease the council subsidy revenue. This may necessitate the council to review and amend its roading programme.

Revenue assumptions

Development contributions

In 2015 the council resolved to suspend the development contribution policy and charges in light of the economic downturn at that time. No decision has been made to re-commence the charging of development contributions for the term of this LTP, and therefore no income from source is assumed.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Far North Holdings Limited (FNHL)

It is assumed that the council will receive dividends from FNHL throughout the term of the plan and that the business of FNHL will not significantly change.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	The council may not receive the level of dividend expected due to unforeseen economic impacts.	Medium	If another economic shock like Covid-19 occurs, FNHL will adjust the dividend to the council, potentially reducing income and resulting in changes to future plans.

Funding sources

Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Subsidies

The council will apply for and receive Government subsidies for applicable projects. Indicative allocations for the first three years of the plan are \$17 million less than the original bid and this has been adjusted against renewal work as Waka Kotahi NZ Transport Agency is unable to provide work class detail until after the LTP has been adopted. Any further shortfall in funding from what was applied for would see a reduction/ reprioritisation in the capital projects and subsequent reduction in the council's subsidy funding.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
High	The council may not receive the funding or receive a lesser amount which could prevent projects from proceeding as planned and require more consultation with stakeholders.	High	If external funds are not received, the council will consider rescheduling other projects to allow the original project to proceed without the subsidy, or explore alternative cost-effective and affordable options. Costs to the ratepayer will be subject to consultation as required.

User fees

Increases are based on expected cost increases (inflation). This is expected to be sufficient for funding purposes.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Asset assumptions

Asset age

The council has previously used asset age as an effective proxy for the condition of an asset. In the current plan, condition information has been used alongside operational information from asset managers to determine a priority for renewal of assets. A programme of work is in place to increase the level of asset condition information to provide a basis for future planning.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Low	Not applicable

Asset life cycle

Life cycles of significant assets, including underground assets, are optimised to strike the best balance between maintenance, operations and renewals costs.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Low	Not applicable

Forestry assets

An assumption has been made that forestry assets will be held for the duration of the plan and no harvesting will take place.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Infrastructure asset revaluations

An assumption has been made that revaluation of infrastructure assets will continue to occur as follows:

- Roading and maritime assets - annually
- Remainder of assets – biannually, with water and wastewater one year and District Facilities the next.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Low	Not applicable

Useful lives

Depreciation rates for each asset group have been calculated using rates included in the Accounting Policies.

Depreciation rates are based on the expected useful life analysis performed by registered valuers in line with the requirements of Accounting Standards. Renewal of assets is based on a mixture of condition and operational indicators, being maintenance and repair data, and the council has confidence that it will achieve the renewal works in line with the timeframes in this plan.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable	Low	Not applicable

Liability assumptions

Borrowings

It is assumed that the council will have the facilities to secure funding as required throughout the term of this LTP.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Other assumptions

Currency movement

The council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Emissions trading scheme (ETS)

The council covers its liability for carbon emissions through fees and charges. The council has assumed no changes to carbon credit prices during the term of this LTP.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Local government reforms

The new government coalition was formed in late 2023, with no certainty about changes concerning future reforms for Local Government. In February 2024, the Government repealed the prior administration's Water Services legislation, with central government oversight and the introduction of new mandatory performance measures. Additionally, the Spatial Planning and Natural and Built Environment Act was repealed, and a fast-track consenting regime implemented. The results of the Future for Local Government review remain unknown at this stage. Until the council obtains clarity about the future, no alterations have been made to the existing Financial Strategy or the council's operations as a result.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
High	Budgeting for the impact of regulatory changes is challenging and involves a high degree of uncertainty.	High	The regulatory changes introduced could affect the council's financial balanced budget and may cause a previously balanced budget to be unbalanced one. Compensatory adjustments would then be required.

Northern Transportation Alliance (NTA)

A shared services agreement between all four council's within Northland (Kaipara, Far North, Northland Regional and Whangārei) and works collaboratively with Waka Kotahi NZ Transport Agency which was established in 2016. The NTA is the council's Transport Network group covering local roads. The council has made provision for gaining subsidy for the NTA activities for the subsidised projects throughout the term of this LTP.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Low	Not applicable	Low	Not applicable

Repealing of three waters legislation

In February 2024, the Government officially repealed the previous water services legislation.

The Government's new plan is 'Local Water Done Well' with the following key values:

- Increasing central government oversight and introducing economic and quality regulation
- Creating suitable service delivery models and financing tools, like improving the current council-controlled organisation model and developing a new type of financially separate council-owned organisation
- Establishing rules for water services and infrastructure investment.

Ensuring water services are financially sustainable, which includes sufficient revenue, separate balance sheets, ring-fencing, and funding for growth.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
High	Water activities greatly affect financial components as well as any capital works programme, and debt levels the LTP, any changes that are made to 'Local Water Done Well' will significantly impact the council.	High	Financial ramifications pertaining to these services would encompass various aspects, including but not confined to, operational revenues, direct operational expenses, balanced budgets and the accrued debt value utilised for funding these activities. Additionally, secondary impacts are anticipated, which the council will evaluate as part of the proposal analysis in due course.

Strategic assets

The council has not planned for the disposal or transfer of ownership of any strategic assets during the term of this LTP. The divestment for the Housing for the Elderly portfolio continues as a carry on from the last LTP and the council is conducting due diligence and looking at best solutions and outcomes going forward for the tenants.

Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Medium	Not applicable.	Medium	Not applicable.



**NGĀ KAUPAPAHERE
OUR POLICIES**

KAUPAPA HERE HIRANGA ME TE HONONGA SIGNIFICANCE AND ENGAGEMENT POLICY

Purpose

This Policy explains how the council will determine the significance of decisions and when and how our communities can expect to participate in council's decision-making processes.

Context

Genuine engagement is integral to high-quality Council planning, decision-making and operations. To be effective, we must be well acquainted with our community and their preferences, and our plans should have solid community backing.

Engagement is a process of dialogue between decision-makers, partners, communities and stakeholders for the purpose of making decisions, policies and strategies. Effective engagement serves to build trust in the council decision-making and increase the council's awareness of issues in the community.

This Policy provides guidance for assessing significance and the level of engagement suitable to the significance of the decision, along with guidance on the circumstances in which we would not consult. While our staff interact with community members, Māori partners and key stakeholders daily, some council decisions require a more structured form of engagement due to the significance a matter has within the wider community, or for groups within the community. Conversely, it would not be appropriate for the council to take every decision to the community.

The goal is to give people a sense of ownership of decisions and ensure Council's work is relevant to the people who live in our District.

Objective

The objectives of this policy are to:

1. Ensure consistency when determining the significance of proposals, assets and decisions
2. Identify the extent and type of public engagement required before a decision is made
3. Provide clarity about how and when communities can expect to be engaged in decisions
4. Build genuine relationships with Māori, Treaty

partners, key stakeholders and the wider community through a better understanding of their preferences, and encouraging co-operation, respect and mutual understanding of other points of view

5. To acknowledge the enduring presence, aspirations, and cultural obligations of mana whenua as kaitiaki of the Far North
6. Comply with section 76AA of the Local Government Act 2002.

Definitions

Consultation is a formal type of engagement, often prescribed by legislation and time bound. It generally involves seeking community feedback on a draft proposal, plan or document in order to inform Council's decision-making.

Engagement describes a broad range of activities, which might include consultation, designed to invite community participation in solving problems or making decisions related to Council's work. This means Council's work can better reflect or respond to the needs, views, preferences or aspirations of the community.

Hapū defines a cluster of families linked by the same whakapapa that may share the same land boundaries and same marae.

Levels of Service refer to the targets the council aims to achieve for the various services and facilities it provides. These are reviewed every three years in the Long-Term Plan. An example of this is the percentage of the roading network we aim to reseal each year.

Mana whenua are Māori with authority over the land and kaitiaki status.

Mātāwaka are Māori for whom their place of residence is not their traditional home, and therefore are not described as mana whenua.

Memorandum of Understanding (MOU) in this policy refers to a Crown-Māori Relationship Instrument, which is a documented agreement or arrangement, signed by both parties, that establishes or recognises an ongoing collaborative relationship between Ministers, Government agencies or Crown entities (such as Local Government), and a whānau, hapū, iwi, Māori organisation or Māori communities.

Significance is the degree of importance of an issue, proposal, decision, or matter that concerns or is before Council.

Significance relates to the likely impact on:

1. The well-being of the District
2. People affected
3. The ability of the council to perform its role, and the financial and other costs of doing so.

A more detailed definition can be found in section 5 of the Local Government Act 2002.

Special consultative procedure is prescribed by legislation. It requires the council to prepare and adopt a statement of proposal and a summary of the information if needed to reduce or remove confusion, and to make this widely available for public consumption and feedback, within a timeframe of no less than one month. The council must also provide an opportunity for people to present their views orally, if they wish to do so. Further detail is set out in section 83 of the Local Government Act 2002.

Strategic assets are assets, such as infrastructure or properties, that the council needs in order to achieve outcomes it decides are important to the current or future well-being of the community. A more detailed definition can be found in section 5 of the Local Government Act 2002.

Tangata whenua refers to “people of the land”. It might relate to specific groups, or more broadly to Māori as a people.

Principles of engagement

1. Our principles for engagement are laid out in the Local Governance Statement and are guided by the Local Government Act 2002 sections 82 Principles of Consultation and section 81 Contributions to Decision Making Processes by Māori.
2. We clearly communicate how and to what extent those we are engaging with can influence outcomes and within these limits we are genuinely open to the feedback and ideas of our community.
3. We think about engagement at the beginning of any project or process so that it is planned and purposeful. This also means, where appropriate, stakeholders or the community can be involved from an early stage.
4. We consider who will be affected by or interested in the project or process, and we try to reach as many people as possible within that group.

5. We provide clear, easy-to-understand background information to those we are engaging with, so they are better equipped to discuss the project or process and provide informed feedback.
6. We consider the timing of our engagement activities so as not to overburden our community.
7. We thank community members for their contributions, provide them with a summary of feedback and explain our decisions.

Engaging with tangata whenua

1. The council acknowledges the unique perspective of Te Ao Māori and recognise that Māori are more than an interest group or stakeholder.
2. We will continue to build and strengthen our relationships with mana whenua representative entities and engage in a range of ways to ensure their views are appropriately represented in the decision-making process.
3. The council acknowledges that different approaches are needed for Māori who live in the Far North but do not have genealogical connections to mana whenua hapū.
4. When engaging with tangata whenua and Māori, the council will:
 - a. Engage early in the decision-making process.
 - b. Establish and maintain processes to provide opportunities for Māori to contribute to the council’s decision-making, including partnership approaches where appropriate, and support Māori to fully engage with us.
 - c. Ensure existing general and project-specific relationship processes between the council and tangata whenua will, where working well, remain as a starting point for engagement.
 - d. Recognise and empower existing formal relationships (i.e. MOUs) with iwi and hapū.
 - e. Actively consider the recognition and protection of Māori rights and interests within the Far North and how we can contribute to the needs and aspirations of Māori.
 - f. Ensure all council reports identify any impacts on Māori. Build ongoing relationships with Māori through a range of approaches that enables Māori to guide how they want to engage with the council.

- g. Fulfil its obligations under any Treaty Settlement legislation.

Engaging with diverse communities

1. The council will consider those in our community with visual, hearing or literacy impairments, and those who speak English as a second language.
2. When undertaking engagement, the council will consider how to meet the needs of our diverse communities in respect of accessibility, language and cultural expectations to ensure engagement with the council is enabled as much as possible.
3. The council will consider the many demographics and interested parties across the District, including but not limited to youth, business, retirees and ratepayers that do not live in the District.

Determining significance

1. Significance is determined in the early stages of a proposal, before decision making occurs. If it becomes necessary to do so, the significance of a proposal may be re-assessed at any time.
2. In determining a proposal's degree of significance, the council will be guided by:
 - a. Legislative requirements including the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA), and Treaty Settlement (TS) legislation including Memoranda of Understanding (MOU).
 - b. Whether the decision is inconsistent with previous the council decisions or current policies, according to section 80 of the LGA.

- c. Commitments made in relationship agreements such as any MOU and/or mana-enhancing agreement.
- d. Historic levels of community impact or interest in the proposal.
- e. The likely impact on iwi/hapū/whānau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

Climate change

1. From 31 December 2021 the RMA requires councils to have regard to emissions plans and adaptation plans under the Climate Response Act 2002.
2. The council routinely considers the implications of its actions on climate change mitigation and adaptation in its decision-making.
3. The criteria in section 10. Matters of Significance are considered sufficient to assess the significance of decisions that have a climate change element, cause or impact.

Matters of significance

A decision is of high significance if one of the following applies:

- a. It involves the transfer of the ownership or control of a strategic asset (Schedule 1) or other important asset (Schedule 1a) to or from the council; or
- b. It is inconsistent with the council plans or policies and meets one of the thresholds shown in the table below:

Criteria	Threshold
Transfer of a strategic asset	The proposal involves the transfer of the ownership or control of a strategic asset (Appendix A) to or from Council.
Unbudgeted financial impacts	The proposal will incur unbudgeted net operational expenditure exceeding 2.5% of total rates in the year commenced OR unbudgeted net capital expenditure exceeding 10% of total rates in the year commenced.
Of specific interest to Māori	The proposal has a major and long-term impact on the well-being of iwi/hapū/whānau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.
Level of public interest	The proposal is likely to generate considerable interest or community views render the community deeply divided.
Effect on the community and its demographics	The proposal is likely to have an impact on the social, economic, environmental or cultural well-being of the District or an aspect of the District (e.g. a particular ward, a community of interest, a geographic area, or demographic).
Levels of Service	The proposal is likely to result in a change in the Levels of Service and that the change will be major and long-term.

Determining engagement

1. The council looks at the level of significance of a proposal when deciding what type of engagement is appropriate.
2. If a proposal is determined to be of high or medium significance, the council will conduct some form of engagement to inform the decision-making process.
3. If a proposal is determined to be of low significance, the council may inform the community once a decision has been made, or it may choose not to engage with the community at all (section 13).
4. The council applies the International Association of Public Participation (IAP2) spectrum to guide its approach to engagement.
5. Schedule 2 sets out the type of engagement the community can expect for proposals at different levels of significance.

Special consultative procedure

1. In some cases, the type of consultation required is set out in the legislation, i.e. the LGA. This is called a special consultative procedure and is prescribed in section 83 of the LGA, and is applied in the following situations:
 2. Adoption or amendment of a Long Term Plan
 3. Making, amending or revoking a bylaw that is considered of significant interest to the public or will likely cause significant impact on the public
 4. When the council decides it is prudent to do so.
 5. In these circumstances, the Special Consultative Procedure is a minimum requirement – the council may choose to conduct other engagement in addition to this process.

When the council may choose not to engage

Things the council will generally not engage on include, but are not limited to:

1. Operational matters that do not reduce a Levels of Service.
2. Emergency management activities.
3. Those decisions made by delegation to the council staff.
4. Commercially sensitive decisions (e.g. awarding contracts).

5. Decisions made to manage an urgent issue.
6. Decisions where action is necessary to:
 - a. Comply with the law.
 - b. Protect life, health, or amenity and infrastructure.
 - c. Prevent serious damage to property.
 - d. Avoid, remedy, or mitigate an adverse effect on the environment.

Schedule 1: Strategic assets

The following is a list of assets that the council requires in order to achieve outcomes important to the current or future well-being of the community:


1. The council headquarters.
2. The roading network.
3. The stormwater network.
4. The wastewater network.
5. The water supply network.
6. The open space network, including parks, walkways and sportsfields under the Reserves Act 1977.
7. Council-owned cemeteries.
8. Libraries.
9. Shares in Far North Holdings Limited.
10. Housing for the Elderly.

Schedule 1a: Other assets of importance to the community

The following are non-strategic assets (i.e. not defined as a “strategic asset” under the Local Government Act Section 5 Interpretation), but are considered by Far North District Council to be important to the well-being of the community:

1. The council land that is subject to claim under Te Tiriti o Waitangi
2. The council land/assets that have been transferred to the Council Controlled Organisations.

Schedule 2: Engagement assessment

SIGNIFICANCE	LOW	MEDIUM	HIGH		
EXPECTATION	MINIMUM	Local Government Act 2002 s82 and s83			
LEVEL OF ENGAGEMENT	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
ENGAGEMENT FOCUS	This is what we are doing	Tell us what you think	Help us decide	Let's work together	You make the decision
WHAT DOES IT INVOLVE?	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision-making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision is in the hands of the public. Under the LGA, the mayor and councillors are elected to make decisions on behalf of their constituents.
WHEN THE COMMUNITY CAN EXPECT TO BE INVOLVED	The council would generally advise the community once a decision is made.	The council would advise the community once a draft decision is made by the council and would generally provide the community with up to four weeks to participate and respond. Where desirable to meet the needs of affected parties or groups, and possible within timeframes available, the council may consider extending this period.	The council would generally provide the community with a greater lead-in time to allow them time to be involved in the process.	The council would generally involve the community at the start to scope the issue, again after information has been collected, and again when options are being considered.	The council would generally provide the community with a greater lead-in time to allow them time to be involved in the process, e.g. typically a month or more.
TOOLS COUNCIL CAN USE	Website and publications Social media Media release	Surveys Focus groups Submissions	Formal Hearings Public meetings Drop-in Centres	External Working Groups MOUs	Referenda Elections Polls

KAUPAPA HERE MONIWHIWHI ME TEWHĀNGAI PŪTEA

REVENUE AND FINANCING POLICY

Overview

The Local Government Act 2002 (LGA) requires all councils to adopt a Revenue and Financing Policy showing how they propose to fund operating and capital expenditures, and more importantly, who will pay these and why.

The council must decide, in accordance with s101(3) of the LGA, how each activity will be funded, taking into consideration:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- The period over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities
- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

This Revenue and Financing Policy sets out how the council plans to fund its operating and capital expenditure, over the life of the LTP.

The Policy discusses all available potential revenue and funding sources and outlines how and when it will use these.

In considering funding arrangements the council has taken the following factors into account:

- The community outcomes to which each activity primarily contributes
- Who benefits from the activity
- The period over which the benefits are delivered
- Whether the activity is needed in response to the action(s) (or lack of action(s)) of some person or group

- Whether it would be more prudent for the activity to be funded separately or included with other activities
- The overall impact of any allocation of liability for revenue needs on the community.

How has the council developed its Policy?

Every activity has been analysed using the factors discussed above. This analysis was then used to develop a set of funding decisions about the use of rates, both general and targeted, user charges, and other funding sources to arrive at what the council considers is an optimal funding arrangement for the activity.

The council then considered the overall effects of each separate funding proposal on the District as a whole.

The ultimate objective of this analysis was to find ways of funding the council's activities that are, as far as possible, affordable, transparent, and accountable.

Funding principles

After considering the above factors, the council agreed the following basic principles to guide the assessment of fairness and equity in choosing funding sources:

- Each generation of ratepayers should pay for the services they receive
- User charges are preferred whenever a private benefit can be identified, and it is efficient to collect the revenue
- The council will use any other funding sources before rates
- Capital expenditure to replace assets will be funded from rates in the form of funded depreciation
- Capital expenditure to upgrade or build new assets will be funded through borrowings
- Rate increases will be within the limits set in the Financial Strategy
- Borrowing will be within the limits set in the Financial Strategy.

Complying with these principles can at times be challenging.

The council must apply judgment in assessing options to determine fairness in the development of budgets or the acquisition of assets along with the choice of funding sources.

Operating costs

Operating costs are the day-to-day outgoings used to maintain the services delivered by the council, including a contribution to the wear and tear on assets used (referred to as depreciation).

The council generally operates a balanced budget, meaning that all operating costs are met from operating income. This ensures that those who pay for council services are those who use them.

Operating cost funding sources:

- User charges
User charges are levied for services where there is a benefit to an individual or group. The price of the service is set, taking account of several factors, including:
 - The cost of providing the service
 - An estimate of the private benefit derived from the use of the service
 - The impact of cost in encouraging/discouraging behaviours
 - The impact of cost on the demand for the service
 - The cost and efficiency of fee collection mechanisms
 - The impact of affordability on users.
- Other matters as determined by the council.

Grants, sponsorship, and subsidies

Grants, sponsorship, and subsidies are leveraged when available. The council expects to continue receiving substantial subsidies for roading and footpath activities from Waka Kotahi NZ Transport Agency.

Investment income, dividends, and interest

Income from dividends and interest is used to offset the overall costs of the council.

Other revenue

The council receives other operating income from:

- Petrol tax
- Property rentals
- Other minor sources.

Rates

Having identified all other potential funding sources, the council funds operating expenses from rates as follows:

General Rate

The council sets its General Rate on the basis of land value.

The General Rate is set using two differentials, general and commercial. This reflects the council's view that the general rate is a form of property-based tax, where different benefits are received by general and commercial ratepayers.

Uniform Annual General Charge (UAGC)

The council sets a UAGC. The UAGC is applied to each Separately Used or Inhabited Parts (SUIP) of a Rating Unit.

Targeted Rates

The council sets targeted rates where it believes that the cost of the service should be paid for by the group that benefits most or exclusively from the activity.

Targeted rates may be set on a uniform basis or differentially for different categories of rateable land.

Some targeted rates can be considered proxies for user charges, particularly for services such as water and sewerage. They are referred to as 'proxies' because they are generally fixed amounts payable by the different category of ratepayer, rather than an amount based on the level of usage.

An example of the difference between a proxy and a user charge is the way that the council charges for sewerage.

The council charges a fixed amount to the rating unit based on the number of users (SUIPS) and/or the number of pans. If that rate were a true user charge, the council might charge on the basis of the amount of sewerage being discharged. Although the community regularly requests that form of rating, that mechanism is currently not permitted by law.

The only legal volumetric charge a council can impose is water by meter charges.

The council's Targeted Rates are:

- Ward Rates for the Bay of Islands-Whangaroa, Kaikohe-Hokianga and Te Hiku wards
- The Urban Stormwater Rate
- Drainage Rates for Kaitiāia, Kaikino, Motutangi, Waiharara
- Sewerage Capital Rates for each of the council's wastewater scheme
- Sewerage Operating Rates for each of the council wastewater scheme
- Water Capital Rates for each of the council water scheme
- Community Development Rates for Paihia and Kaitiāia Commercial Business Districts (CBDs)
- The Bay of Islands Recreation Centre Rate

- The Rooding Uniform Rate
- A Differential Rooding Rate
- Water by meter charges
- A \$15.00 Public Good Rate for water and for wastewater, and a \$10.00 public good rate for stormwater, charged to each rating unit
- Non-metered Water Rate per connection.

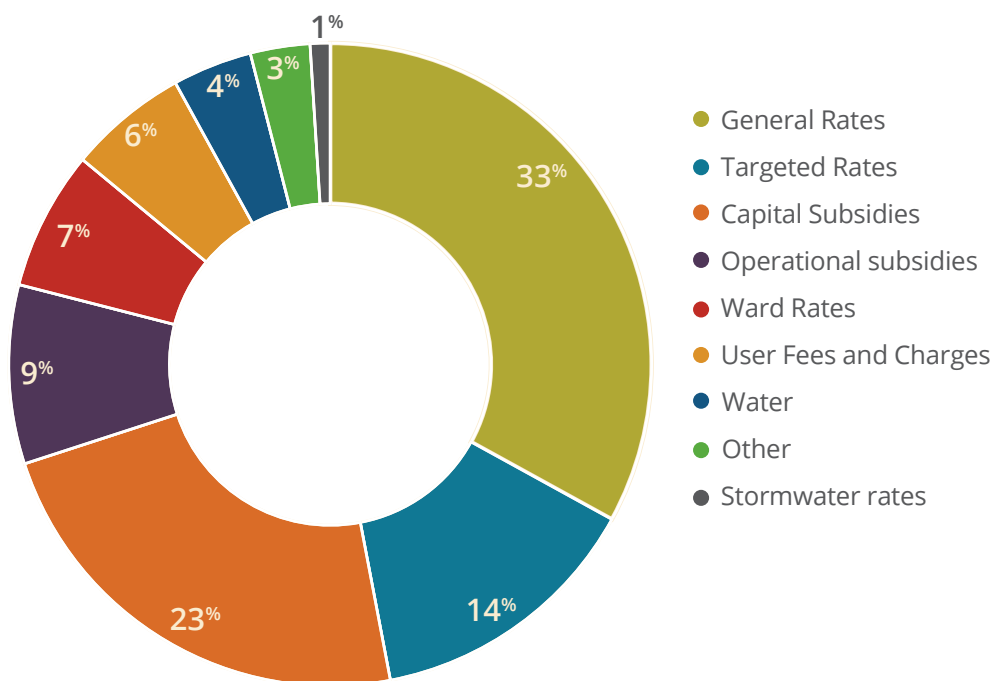
Details of all rates charged are included in the Funding Impact Statement published in the LTP and each year's Annual Plan.

Operating funding sources

Operating costs are the day-to-day spending that maintains the services delivered by the council.

This includes a contribution to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and a contribution to corporate overheads.

Figure 1 – Summary of operating income



Note: Operating funding sources may change from year to year; this summary shows funding arrangements for 2024/25 to 2026/27.

Capital costs

Capital costs are those relating to the purchase, development or acquisition of long-term assets.

Capital cost funding sources

As shown in figure 2, funding of capital costs may come from a variety of sources including:

Borrowings

Funds for assets that will provide long term benefits to the community will be borrowed to ensure the achievement of inter-generational equity.

The council reserves

Reserves include financial contributions collected under the Resource Management Act 1991 and

development contributions collected under the Local Government Act 2002.

While the council has resolved to continue to suspend the charging of development contributions for this LTP, contributions will continue to be received with respect to consents granted prior to the suspension of the policy in 2015.

Capital contributions

Capital contributions are made by ratepayers or other parties in support of specific capital projects.

Lump sum contributions

Lump sum contributions are made by ratepayers where they choose this method of payment towards specified capital works.

Grants, subsidies and other income

Contributions towards capital expenditure from other parties such as Waka Kotahi NZ Transport Agency in relation to certain roading projects, and the Crown in relation to certain wastewater projects and MBIE for Economic Stimulus and Employment Opportunities.

Revenue collected to fund renewals

Renewal projects are primarily funded from depreciation reserves where those funds are available.

The council has approved the following:

- Accounting treatment – funding depreciation
 - a. All depreciation on assets will be funded from rates except for:
 - Roading/footpath assets – the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year
 - Swimming pools – the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made
 - Water/wastewater/public toilet assets – the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current rate payers is applied.

b. Asset groups where depreciation will not be fully funded from depreciation:

- All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2027 followed by a phased return to 100% over the next 10 years. This does not apply to the items identified in (A)
- Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums
- Depreciation will not be funded from rates for Civil Defence (alarms), carparks, maritime assets, motor camps, Housing for the Elderly, parks and reserves minor structures (e.g. boardwalks / park benches etc) and solid waste assets.

Any asset groups not covered above will have depreciation fully funded from rates (corporate assets etc.)

Proceeds from the sale of assets

From time-to-time the council sells assets and may use the proceeds (after paying for the cost of the sale) to repay any debt attached to the asset.

Rates

Rates are primarily used to fund the council's day-to-day expenses. This includes funding an annual amount toward the ongoing renewal of existing assets, and the funding of financing costs on debt incurred to purchase or develop assets.

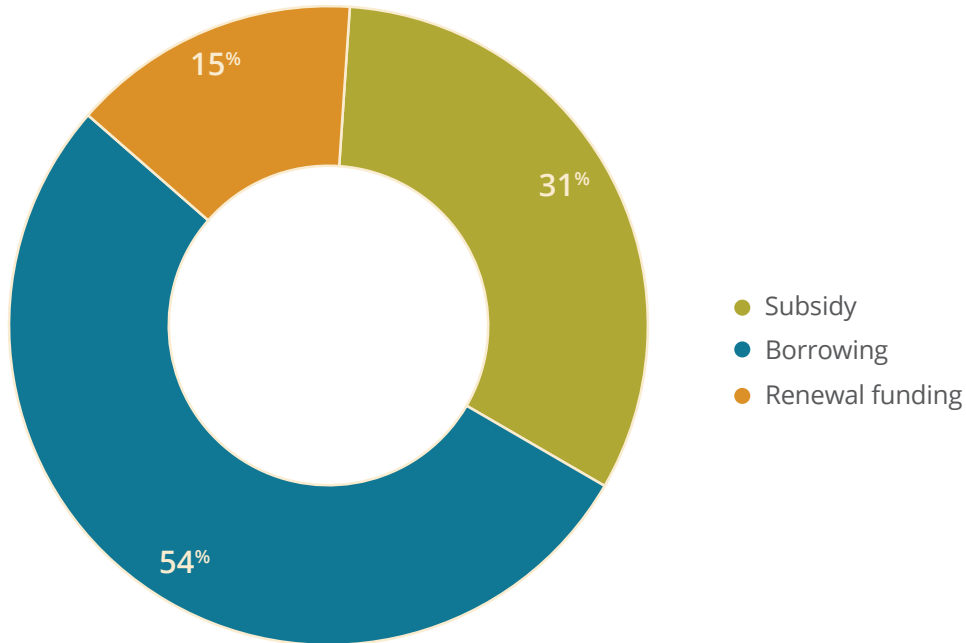
From time-to-time the council may undertake specific capital works funded by borrowings, where the debt repayment is sourced from targeted rates, usually for specific community projects.

Operating surpluses

Operating surpluses may be used to fund capital expenditure.

Capital Funding Sources 2024/25

Figure 2 – Summary of capital funding



Note: Capital funding sources may change from year to year. This summary shows funding arrangements for 2024/25.

Balanced budget

Section 100 of the LGA requires that the council's projected operating revenues match its projected operating expenditures. Despite this, the council may choose not to fully fund operating expenditure in any particular year if it can show that it is financially prudent to do so and where the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees, or charges.

The council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. The council will only budget for such an operating surplus if necessary, to fund an operating deficit in the immediately preceding or following years, or to repay debt. The council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

The council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The details of the funding apportionment are set out in the Funding Sources Summary that is included in this Policy.

The LGA requires the council to produce Funding Impact Statements (FIS), which provide details of the funding mechanisms to be used for each group of activities for each year covered by the LTP. These FIS show how the council intends to implement the Revenue and Financing Policy. It also shows the amounts to be collected from each available source for each group and how various rates are to be applied.

Funding needs analysis

This section sets out how the council proposes to fund each of its activities. It has been prepared in accordance with the provisions of Section 101(3) of the Local Government Act 2002 (the Act).

Note that throughout this section references are made to legislative provisions. Unless stated otherwise, these references refer to the Local Government Act 2002.

This analysis document is designed to show how the council has considered each of these requirements and how they relate to the final Revenue and Financing Policy.

Analysis identifies the arrangements the council proposes to apply when budgeting for each activity. Frequently there is a mix of funding mechanisms including both general and targeted rates together with a range of fees and charges. In many instances the final funding mix depends on the level of activity

and the council's ability to recover costs from user charges.

Section 101(3) analysis of operating expenditure by activity

The council has reviewed the funding for each of its individual activities using the methodologies set out in s101(3) of the LGA. The method used for this process was to consider each activity individually and reach a conclusion on each of the required factors.

Once this was completed, the council was then able to then decide how much of the activity should be funded by direct user charges and how much by rates. In this context, rates include the General Rate, Targeted Rates and Water by Meter charges, while user charges include all other forms of fees and charges.

Appendix A shows the results of this analysis and outlines the different funding arrangements. To add clarity the splits between Rates and User Charges are presented in 10% bands.

Section 101(3) analysis of capital expenditure by activity

The council will fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

It is not practical to create separate funding policies for every capital project, so the council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever the council resolves to consider a separate funding policy The council will consider the sources of funds outlined above, the Revenue and Financing Policy and complete a s101(3) assessment to determine a fair funding and equitable arrangement for the project.

Generally, the council will resolve the funding policy at the time the project is proposed in an Annual Plan or LTP.

Appendix A Funding arrangements

1. The Funding Source relates to the council costs only. It excludes any subsidies that may be received
2. The split between public (rate) and private (user) funding is an approximation and is arranged in 10% bands
3. The full community outcome descriptions (1-6) and Whakatauki can be found in Appendix B
4. Refer to Appendix C for a description of these headings.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Funding source - Rates 100% (approximate. May include other minor funding sources)						
Bylaws and Policies	1 2 3 4 5 6	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports the council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Customer Services	1 2	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is fully funded by general rates.	The community as a whole benefits from this activity. Whilst there are opportunities to recover some costs by way of fees and charges, these are very limited.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Economic Development	4	Individuals, businesses	Ongoing	Individuals, businesses, Community	High level of public benefit so the activity is fully funded by general rates.	This activity benefits the whole District but in particular the commercial and industrial sectors recognised through the General Rate differentials.
Governance	1 2 3 4 5 6	Community	Ongoing	Community	This activity is core to Council's democratic operations, so it is fully general rate funded.	This activity supports the council's democratic process it is therefore fully funded from General Rates.
Integrated planning	1 2 3 4 5 6	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports the council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Land drainage	3 4	Individuals, Groups	Ongoing	Landowners in areas of benefit	Fully funded by benefiting property owners using separate targeted rates.	This activity provides a private benefit for the landowners located within the defined drainage areas. It is therefore fully funded by local targeted rates.
Māori engagement	1 2 3 4 5 6	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Museum	1 6	Individuals, groups and community	Ongoing	Individuals, Groups	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	Museums benefit the community by offering knowledge, local history, and educational opportunities, funded mainly by General Rates.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Place-making	<p>1 2</p> <p>3 4</p> <p>5 6</p>	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports the council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Public safety	<p>1 2</p> <p>3 4</p> <p>5</p>	Individuals, Groups	Ongoing	Individuals, Groups	Most of the costs of this activity relate to its public benefits so it is fully general rate funded.	The council provides for 100% emergency management from rates to ensure that the Community is safeguarded. Where possible recovery is sought from exacerbators to reduce public funding which is provided from General Rates.
Recreation	<p>1 2</p> <p>5</p>	Individuals, groups and community	Ongoing	Individuals	Some private benefits but limited or no opportunities to charge so it is fully funded from general and ward rates.	Most of the council's recreational activities are non-excludable, meaning that the council cannot exclude people from using the facilities. For that reason, the activity is fully funded from General and Ward Rates.
Roading legalisation, cycleway and core administration	<p>1 2</p> <p>3 4</p> <p>5</p>	Individuals, groups	Ongoing	Users	This is a core function, so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions. Therefore it is fully funded from General Rates.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Sewerage treatment and disposal	2 5	Individuals, groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district-wide operating rate.	The activity mainly benefits ratepayers, with a small public benefit to protect the environment. For this reason, a small general rate contribution provided.
Spatial planning	1 2 3 4 5 6	Community	Ongoing	Community	This is a core planning function, so it is fully general rate funded.	This activity supports the council's democratic process which benefits all ratepayers therefore it is fully funded from general rates.
Stakeholder engagement	1 2 3 4 5 6	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Stormwater	2 3 5	Ongoing	Individuals	Landowners in areas of benefit	Separately funded with a mix of targeted rates and public good rate.	Targets those who directly benefit from the stormwater network, ensuring a more equitable distribution of funding via targeted rate based on land use and a public good rate.
Te Hono	1 2 3 4 5 6	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Town maintenance	1 2	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is funded by ward and general rates.	The council needs to balance maintenance and up-grade costs against what the communities want and can afford. Most town maintenance activities benefit the communities at large so it is fully rate funded.
Funding source - Rates 90% - 99% User Charges 1% - 10% The mix of district-wide and scheme-based rates balances the individual benefits with affordability						
Civic buildings	1 2	Community	Ongoing	Community	Some private benefits which general some fees but because of the limited opportunities to charge the unrecovered costs are funded from general rates.	While the council believes that the users of these facilities should contribute towards their costs; it needs to balance the maintenance and up-grade costs against what the community can afford so it is primarily rate funded.
Footpaths	2	Community	Ongoing	Users	Most of the costs of this activity relate to its public benefits so is fully general rate funded.	The provision of footpaths is one of the core the council activities and is therefore fully funded from General and Ward Rates.
Libraries	1 2 6	Individuals, groups and community	Ongoing	Individuals, Groups	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	Libraries benefit the community by providing knowledge and educational support, especially in remote areas with limited internet access. Therefore, they are primarily funded by General Rates.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Monitoring and enforcement	1 2 5	Individuals, groups and community	Ongoing	Individuals, Groups	This activity relates to the control of negative effects but the ability to recover these is limited by statute. Unrecovered costs are funded from general rates.	Most of the work carried out under this activity is for public good and it is primarily funded from General Rates. The only individual or private good relates to the bylaw licensing aspect of the role where these costs are recovered by fees.
Parking enforcement	1 2	Individuals, groups and community	Ongoing	Individuals, Groups	Council's view is that whilst parking control is primarily required because of the actions of individuals, the control of parking also provides a significant community benefit.	Most of the costs of this activity are funded by fines and user charges. The balance is seen as a public good contribution and is funded by rates.
Roading emergency works	2 3	Community	Ongoing	Users	The council recognised that different categories of ratepayers receive different benefits. When an emergency event occurs the council can access additional subsidy from Waka Kotahi NZ Transport Agency	Emergency works are hard to predict and often costly therefore additional subsidy support is required.
Swimming pools	1 2	Individuals, groups and community	Ongoing	Individuals, Community	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	Swimming pools are used by the public therefore user charges are applied but they do not necessarily cover all costs.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Water Supply	1 2 3 5 6	Individuals, Groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district-wide meter operating rate.	The activity is primarily undertaken for the benefit of the consumers, so no public funding is provided. The mix of district-wide and scheme-based rates balances the individual benefits with affordability.
Funding source - Rates 70% - 79% User Charges 21% - 30%						
Animal Control	1 2	Individuals, groups and community	Ongoing	Individuals	Majority of funding is received from fees and charges but there is an overall benefit to the community. Unrecovered costs are funded from general rates.	Animal Control covers dogs, other animals, and stock. Most dog owners comply with registration and rarely require further service. Public reports drive responses, but fee income seldom covers expenses.
Building compliance management	1 2 3 4 5	Community	Ongoing	Community	This activity mainly serves the public good. Limited fee income is supplemented by general rates.	This activity focuses on the council meeting its regulatory duties as a consent authority. Costs are largely unrecoverable, with applicants covering compliance certificate expenses and the shortfall funded by general rates.
Strategic property management	1 2 6	Individuals and groups	Ongoing	Individuals, Community	Some private benefits which general comes fees but because of the limited opportunities to charge the unrecovered costs are funded from general rates.	Whist the council is the main use of these facilities; it is primarily general rate funded.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Funding source – Rates 70% - 89% User Charges 11% - 30%						
Information Centres / isites	1 4	Individuals, groups	Ongoing	Individuals	This activity is primarily provided for visitors to the District but there are limited user charging opportunities. Unrecovered costs funded from general rates.	Some fee income received but this is quite limited. The council's confirmed intention is for isites to be fully self-funding but, given that they also act as service centres, this is unlikely to be achieved.
Funding source – Rates 60% - 79% User Charges 21% - 40%						
Cemeteries	1 2 3 5 6	Community Individuals	Ongoing	Individuals	High level of private benefit reflected in user charges but there is a need for indefinite maintenance requiring significant general rate funding.	Cemeteries are important to the community for cultural and social and environmental reasons. Whilst they do provide a private benefit there is a long term need to maintain them for an indefinite period of years.
Funding source – Rates 50% - 59% User Charges 41% - 50%						
Solid Waste Management - refuse	1 2 5	Community	Ongoing	Community	The council has previously considered whether to separately fund this activity but has retained the current general rate funding.	This activity manages the District's waste stream, funded mainly by general rates with some user charges. Independent operators handle refuse collection and management, charging directly for their services.
Solid Waste Management - recycling	1 2 3 4 5 6	Community	Ongoing	Community	The council considered separate funding for this activity but kept general rate funding.	This activity reduces landfill waste, benefiting the District, and is funded mainly by general rates with some user charges.







Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Funding source – Rates 40% - 60% User charges 60% - 40%						
Building Consent management	1 2 3 5	Individuals, groups and community	Ongoing	Individuals, groups	This activity is mainly funded by separate fees. General rates cover costs for public good activities like providing information and advice.	The full costs of the consent process should be borne by the applicants, but it is currently not practical to identify and charge all those who receive advice, these costs are funded from general rates.
Compliance	1 2 3 5	Individuals, groups and community	Ongoing	Individuals, Groups	User charges are based on the level of private benefit but the ability to recover these is restricted because fees are limited by statute. Unrecovered costs are funded from general rates.	Most costs from this activity deal with private benefits and controlling negative effects. Statutes or affordability prevent full cost recovery to maintain compliance. Increased safety and health benefits the community, funded through general rates.
Resource Consent management	1 2 3 5	Individuals, groups and community	Ongoing	Individuals, Groups	Primarily fee funded but some public good costs cannot be recovered. Unrecovered costs are funded from general rates.	This activity is primarily to support developers and provides a high level of private good. There is, however, a significant investment in providing advice to the public on a no-fee basis and in responding to and defending consent appeals because the courts rarely award full costs.

Activity	Community outcomes	Who benefits?	Period of benefit	Who's action contribute?	Separate funding	Rationale
Roading	1 2 3 4 5	Community	Ongoing	Users	The council recognised that different categories of ratepayers receive different benefits. There is a small contribution from other fees and charges.	This activity is primarily fund it from General Rates with a relatively small contribution from Targeted Rates and fees and charges.
Funding source – Rates 20% - 39% User Charges 61% - 80%						
Ferry	1 2 3 4 5	Individuals, groups	Ongoing	Individuals, groups	User pay charges and subsidy from Waka Kotahi New Zealand Transport Agency contribute to the funding of the service.	This is a key transport link that supports community access to medical services.
Housing for the Elderly*	1 2	Individuals	Ongoing	Individuals	High level of private benefit paid for in rental income, but some costs cannot be recovered. Unrecovered costs funded from borrowing.	Primarily funded by rentals paid by the occupiers but Council recognises that at times this activity may not be self-funding. This can be caused by several factors such as unexpected vacancies, market conditions etc. In that event the additional funding will be provided from borrowing.

* The Housing for the Elderly portfolio will be divested during this LTP.

Appendix B: Community Outcomes

Our community outcomes were reviewed as part of the Long-Term Plan 2024-27 with slight adjustments made to the wording.

1		Proud, vibrant communities	Whakatauki Te pā harakeke. A community of harakeke plants.
2		Communities that are healthy, safe, connected, and sustainable	Whakatauki He tina ki runga, he tāmore ki raro. Contentment above, firmly rooted below.
3		Resilient communities that are prepared for the unexpected	Whakatauki Te toka tū moana. The boulder standing in the ocean.
4		Prosperous communities supported by a sustainable economy	Whakatauki He kūaka marangaranga, kōtahi te manu i tau ki te tāhuna, ka tau, ka tau, tau atu e. Godwits rise and flock together in the air, one bird comes down to land on the sandbank to feed, then another, then another and another.
5		A wisely managed environment that recognises the role of tangata whenua as kaitiaki	Whakatauki Whatungarongaro te tangata, toitu te whenua. As man disappears, the land remains.
6		We celebrate our unique culture and history	Whakatauki Ahakoa he iti he pounamu. Although it is small, it is greenstone.

Appendix C: Factors considered in assessing s101(3) matters

LGA Section	Description from table	Factors considered
S101(3)(a)(i)	Community outcomes	Information drawn from the council's community outcomes adopted for consultation 12 March 2024.
S101(3)(a)(ii)	Who benefits	The council has grouped the beneficiaries of every activity according to the following criteria: Individuals: where there is a direct benefit to a user. Groups: where a particular group in the community benefits. For example, a group could be identified by proximity to a service or by association. Community: where there is a benefit to the majority of persons or properties in the community.
S101(3)(a)(iii)	Period of benefit	For operating costs, the period of benefit is ongoing as the council regularly provides the service. For the purpose of user charges, the benefit is restricted to the period of use, and user charges recognise this. For capital projects the council will consider the period of benefit to be the current and future generations who will benefit from the activity and will distribute the funding accordingly.

LGA Section	Description from table	Factors considered
S101(3)(a)(iv)	Whose act creates a need	The council considered whether the action or inaction of individuals or groups contribute to the need to undertake the activity. This assessment may help the council determine whether user charges or targeted rates may be a funding option to modify the behaviour of those whose action or inaction causes cost to the council.
S101(3)(a)(v)	Separate funding and Funding source	In the first instance the council considered whether individual user charges were the best method to attribute transparent and accountable charges to beneficiaries of the service. In considering the feasibility of this, the council considered the cost of and efficiency of collecting the separate revenues. The council believes that the current mix of general and targeted rates provides a transparent funding arrangement whilst, at the same time does not create an excessive complex system to maintain.
S101(3)(b)	Rationale	In considering the overall impact of the liability to pay rates, the council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (as if rates replicated user pays). It is through the collective contribution of the whole community that the well-being of the District is best improved. The council does, however, operate a range of differentials which are designed to allocate the funding requirements to recognise the different demands that different ratepayer groups make on the services that the council provides.

Price level adjustors

All activities	Source	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27
Capital expenditure				
Capital expenditure	LGCI -CAPEX	2.6%	2.7%	2.6%
Specific operating				
Compliance	BERL - Planning and Regulation	2.2%	2.2%	2.2%
Communication and Engagement	BERL - Community Activities	2.4%	2.5%	2.4%
District Facilities	BERL - Community Activities	2.4%	2.5%	2.4%
Others	BERL - Planning and Regulation	2.2%	2.2%	2.2%
Solid Waste Management	BERL - Water and Environmental	2.7%	2.9%	2.8%
Stormwater and Drainage	BERL - Water and Environmental	2.7%	2.9%	2.8%
Transport Network	BERL - Rooding	2.9%	2.9%	2.9%
Wastewater	BERL - Water and Environmental	2.7%	2.9%	2.8%
Water Supply	BERL - Water and Environmental	2.7%	2.9%	2.8%

Interest rate projection

	Year 1 2024/25	Year 2 2025/26	Year 3 2026/27
Interest rates used	4.83%	4.92%	4.75%

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