

**LONG TERM  
PLAN 2018-28**

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**TE PAE  
TAWHITI**

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# Introduction





*Omapere Wharf, Hokianga Harbour. Courtesy of Northland Inc.*

# Our vision, mission, values and expectations

## Our vision

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

## Our mission

Creating great places, supporting our people

## Our values - tikanga

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

## Tumanako - our expectations

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

# Message from the Mayor and Chief Executive Officer

## *Kia ora koutou*

Welcome to the Long Term Plan (LTP) for 2018-28.

This document signals a new phase in the direction of our district. It focuses on funding growth where it's most needed, while consolidating and building on the infrastructure gains we have achieved over the past three years.

Since our last LTP 2015-25, we have worked hard to address historic infrastructure gaps. We have achieved some important wins including the new Kerikeri sewerage scheme due for completion next year, and we have begun work on Te Hiku Sports Hub in Kaitaia. We are constructing a new water treatment plant at our Rawene / Omanaia water supply and we have completed the Twin Coast Cycle Trail, which is already attracting thousands of cyclists and creating new opportunities for business.

We are now well-placed to invest in new initiatives to make the Far North an even better place to live. The need for fresh investment could not be stronger. Our region has experienced considerable growth in recent years with a surge in migration from Auckland and elsewhere, and a boom in tourism. The Labour-led Government elected in 2017 has shown a willingness to help by increasing investment in regional economies. The Far North has been an early beneficiary with the Provincial Growth Fund pledging millions for a range of projects to promote sustainable development, long-term jobs and growth for our people. Several of the initiatives in our Long Term Plan will benefit from this funding.

Once again we were impressed by the level of engagement residents have shown during the LTP consultation process. We received 866 submissions and 130 submitters spoke with councillors and staff during three days of hearings held in Kaitaia, Kaikohe and Kerikeri. Most supported the proposals we put forward, some voiced reservations and others suggested alternatives to consider. Wherever possible we have incorporated your views.

We are particularly pleased this Long Term Plan will deliver a community and civic hub for Kaikohe. There was strong support for this proposal and councillors have confirmed \$11.8 million to make this a reality. We will now work with partners, including Ngapuhi and central government, to create a suitable design we can then consult on with the community.

Kaitaia's aging wastewater infrastructure will also get a major upgrade. The Council has opted to spend \$13.4 million to

eliminate wastewater flowing into our waterways during severe weather. The option selected will limit this happening to only the most severe 'once-a-year' weather events.

Roads are a lifeline for all Far North communities. We had proposed several significant roading initiatives to keep traffic flowing smoothly in Kerikeri, our most vibrant economic hub. However, we agreed funding these initiatives could unfairly penalise others in the district with pressing roading issues. We have instead agreed that a decision on the South Eastern Bypass in Kerikeri, and the Waipapa to Kapiro link will be delayed for the time being until we have determined a district-wide roading strategy.

Submitters were keen on proposals to extend the success of the Twin Coast Cycle Trail – Pou Herenga Tai by creating more connections within our district. To achieve that, we will invest \$26 million between 2022 and 2028, and a further \$18.7 million beyond the term of this LTP. These projects will only go ahead if the government is willing to contribute at least 50 per cent of the cost. We will also invest \$4.6 million to replace the Opuia to Taumarere leg of trail. This part of the 'twin coast' experience could be lost when the Bay of Islands Vintage Railway Trust resurrects its rail link along that part of the rail corridor, and submitters agreed we should find an alternative.

We also made decisions on issues not specifically raised in our consultation document. These include bringing forward existing plans to prevent flooding of West Coast Road in Panguru, and boosting funding for Animal Control so we can increase staffing levels at our dog pounds.

We are genuinely excited by the opportunities this plan offers. We believe this 10-year blueprint will become a springboard for sustainable growth across our district. It is a programme that promotes growth where it is most needed. It will support business and employment, and make our communities more liveable.

Ngā mihi.



**John Carter QSO**  
Mayor



**Shaun Clarke ONZM**  
Chief Executive Officer

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# Mayor and Councillors

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**Hon John Carter**  
QSO  
Mayor



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**Cr Tania McInnes**  
Deputy Mayor  
Bay of Islands-  
Whangaroa Ward



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



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**Cr Dave Hookway**  
Bay of Islands-  
Whangaroa Ward



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**Cr Kelly Stratford**  
Bay of Islands-  
Whangaroa Ward



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**Cr Sally Macauley**  
QSM  
Kaikohe-Hokianga  
Ward



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**Cr John Vujcich**  
Kaikohe-Hokianga  
Ward



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**Cr Colin 'Toss'  
Kitchen MNZM**  
Te Hiku Ward



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**Cr Felicity Foy**  
Te Hiku Ward

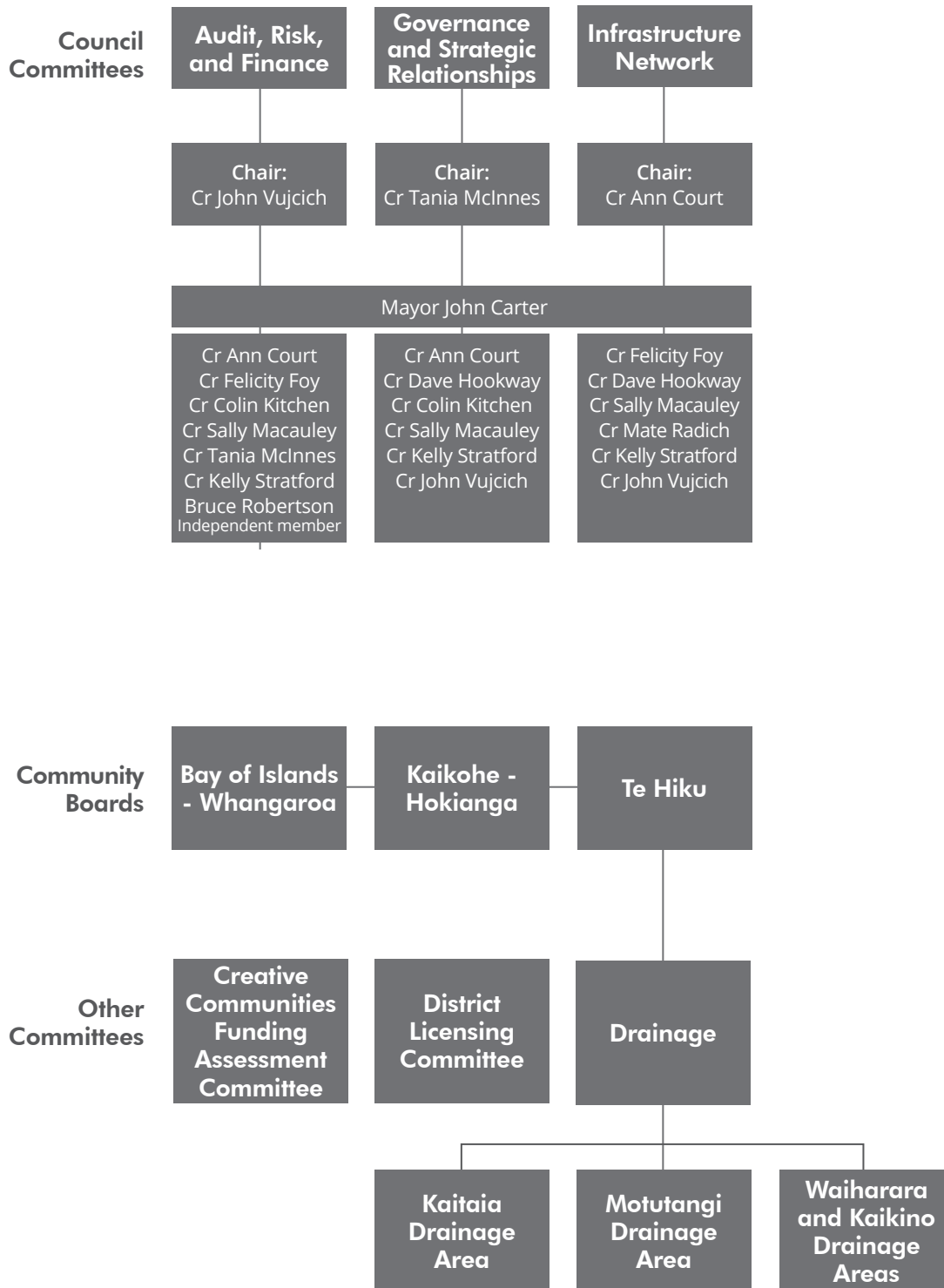


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**Cr Mate Radich**  
Te Hiku Ward



# Committees and delegations



# Community Boards

## Bay of Islands - Whangaroa



**Terry Greening**  
Chair  
Russell-Opua



**Belinda Ward**  
Deputy Chair  
Paihia



**Lane Ayr**  
Kerikeri

## Kaikohe - Hokianga



**Mike Edmonds**  
Chair  
Kaikohe



**Emma Davis**  
Deputy Chair  
North Hokianga



**Shaun Reilly**  
Kaikohe

## Te Hiku



**Adele Gardner**  
Chair  
Kaitaia



**Melanie Dalziel**  
Deputy Chair  
North Cape



**Laurie Atkinson**  
Whatuwhiwhi



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**Rachel Smith**  
Kerikeri



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**Bruce Mills**  
Whangaroa



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**Manuwai Wells**  
Kawakawa-Moerewa



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**Martin Robinson**  
Kerikeri



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**Kelly van Gaalen**  
Kaikohe



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**Louis Tooreburg**  
South Hokianga



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**Vacant**  
South Hokianga



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**Awhina Murupaenga**  
Kaitaia



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**Bronwyn Bauer-Hunt**  
Kaitaia



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**Nuū Ward**  
Doubtless Bay

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# Management structure

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**Shaun Clarke**  
Chief Executive  
Officer



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**Richard Edmondson**  
Manager  
Communications



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**Jill Coyle**  
Manager  
People and  
Capability



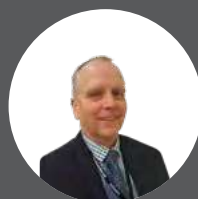
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**Samantha Edmonds**  
General Manager  
Corporate Services  
Group



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**Dr Dean Myburgh**  
General Manager  
District Services  
Group



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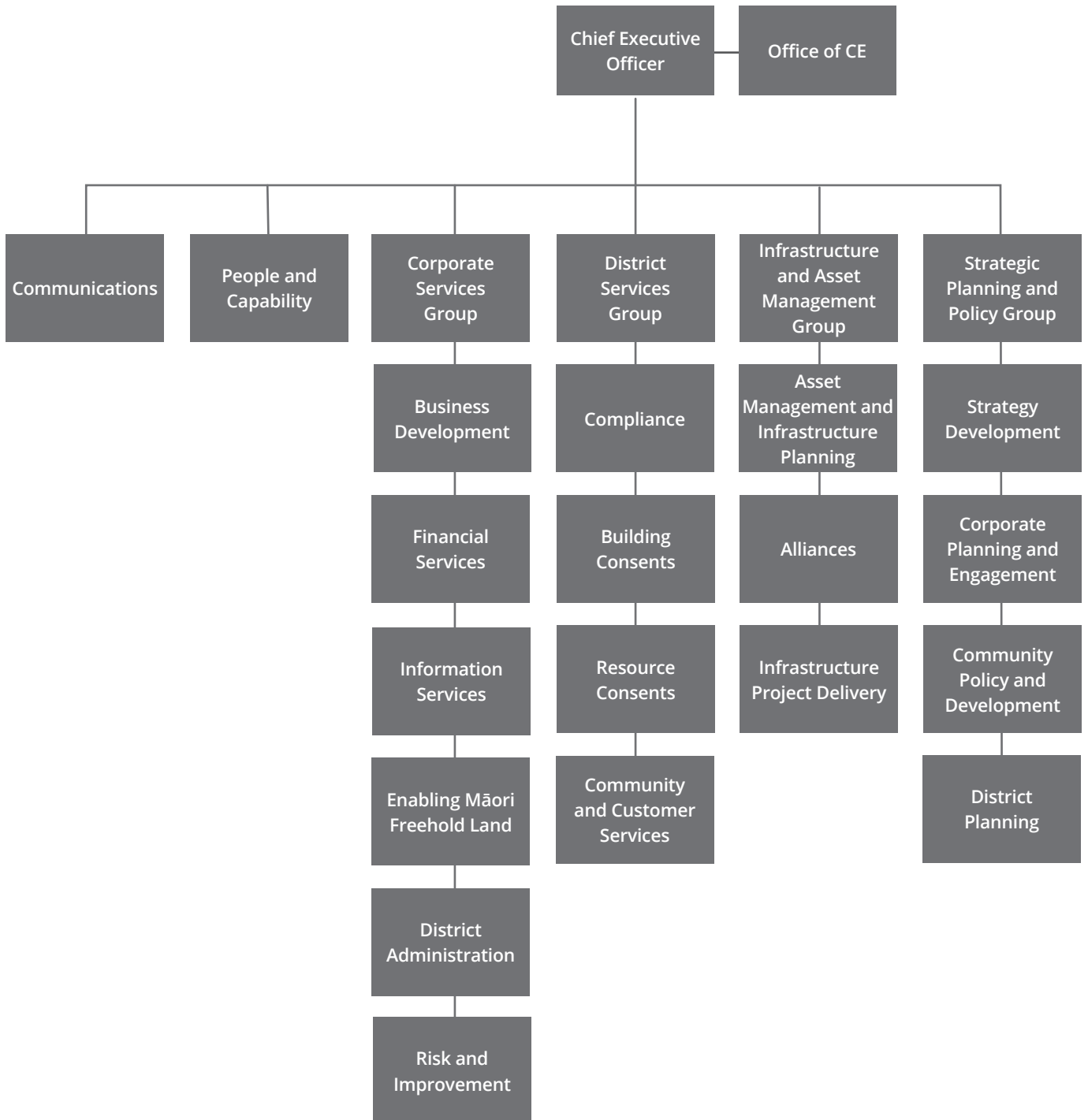
**Andy Finch**  
General Manager  
Infrastructure and  
Asset Management  
Group



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**Kathryn Ross**  
General Manager  
Strategic Planning  
and Policy Group

# Organisation structure



# Strategic Direction

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*Te Pahi sandboarding, Cape Reinga. Photographer: David Kirkland. Courtesy of Northland Inc.*

# Community outcomes

These are the outcomes we believe our District needs to grow and succeed.



## Communities that are healthy, safe, connected and sustainable

Our aspiration is that communities have access to everything that they need to have a good quality of life. We have the freedom of opportunity and choice in the way that we live. We know our communities and can participate in all that they have to offer.

### Whakatauki

He tina ki runga, he tāmōre ki raro.  
Contentment above, firmly rooted below. Those with good family foundation and grounding in their own culture and heritage will find satisfaction and contentment in life.



## Connected and engaged communities prepared for the unexpected

Our communities are aware, informed and well-equipped to be able to respond to an unexpected event. We are resilient and know that we can look to each other to get through whatever comes our way. This is our strength.

### Whakatauki

Te toka tū moana.  
The boulder standing in the ocean. This refers to a chief or to a group of warriors being buffeted by opposing forces but standing firm.



## Proud, vibrant communities

Our communities celebrate who they are and where they live. We embrace and respect the diversity within our communities and take pride in our unique places and spaces. We are working together to achieve our aspirations.

### Whakatauki

Te pā harakeke.  
A community of harakeke plants.



## Prosperous communities supported by a sustainable economy

Our communities are unlocking the potential of our district and are empowered to pursue opportunities. We are leveraging our valuable resources and producing quality products that will directly support our communities. Our communities are known for quality, for manaakitanga and for prosperity.

### 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. Emphasises the importance of combining group action with individual initiative and vice versa.



## A wisely managed and treasured environment that recognises the special role of tangata whenua as kaitiaki

Our natural resources are valued and are thriving. We are safeguarding them for the future and ensuring that they are being used sustainably. We are actively seeking balance in the environment to maintain its life-sustaining properties for everybody to enjoy.

### Whakatauki

Whatungarongaro te tangata, toitu te whenua.  
As man disappears, the land remains.



# Strategic priorities

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These are the strategic priorities that will help shape our District and achieve our vision and mission.

## Better data and information

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Great decision-making and planning need the best data and evidence we can get. To understand where we want to go, we need to know where we are and how we got here. Our systems and processes will be improved and will produce meaningful, robust data so that we are armed with the best information to make the best decisions for our communities.

### Whakatauki

Whāia te mātauranga hei oranga mō tātou.

Seek knowledge for the sake of our well-being.

## Affordable core infrastructure

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Our responsibility is to provide infrastructure that is compliant, reliable and sustainable. Our infrastructure will contribute positively to the well-being of the community. Priority will be given to need, affordability and sustainability to ensure the future well-being of our communities.

### Whakatauki

Ko te teo / tumu herenga waka.

The stake for tying up the canoe – a symbol of reliability.

## Improved Council capabilities and performance

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Our people are the backbone of the organisation. Investing in Council capabilities through training and skill development lifts performance. Recruiting the best and enhancing Council culture strengthens the organisation.

### Whakatauki

Ehara taku toa i te toa takitahi, engari he toa takitini.

My strength does not come from me alone, but the strength of many.

## Address affordability

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Our approach is balanced, equitable and fair. We understand the needs of the District and actively seek partnerships and affordable methods to ensure they are met in a way that contributes positively to our communities.

### Whakatauki

Naku te rourou, nau te rourou ka ora ai te iwi.

By my basket and by your basket the people will live.

## Civic leadership and advocacy

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Our community is best served by capable and credible leaders that openly collaborate and work towards shared common goals. Our leaders demonstrate good governance by adding value to the organisation for the benefit of our communities.

### Whakatauki

Ina te mahi, he rangatira.

See how it is done, leaders indeed / leadership evidences itself.

## Empowering communities

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To best serve our communities, their voices must be heard. Our communities will be empowered to participate and engage with Council in a manner that best meets their needs. Relationships with tāngata whenua will be empowered to create meaningful dialogue and genuine participation.

### Whakatauki

Mā te rongo, ka mōhio, mā te mōhio ka marama, mā te marama ka mātau, mā te mātau ka ora.

Through resonance comes cognisance; through cognisance comes understanding; through understanding comes knowledge; through knowledge comes life and well-being.

## The Local Government (Community Well-Being) Amendment Bill

At the time of adopting this LTP, the Government has an amendment bill going through the House that, if successful, will result in a number of changes to the Local Government Act 2002. The most significant of these changes is to restore the statutory purpose of local government “to promote the social, economic, environmental, and cultural well-being of communities”. Should this amendment be made, Council will re-assess relevant policies and plans to ensure compliance and alignment with the revised purpose. The Government has confirmed that LTPs for 2018-28 will not need to be amended.

# Working in partnership with Māori

The Council recognises the special position of mana whenua and tāngata whenua within this District and the important role Māori have to play in Council's decision-making processes. Schedule 10 of the Local Government Act (LGA) 2002 requires Council to include in its LTP any steps that it intends to take to strengthen the capacity of Māori to contribute to the decision-making processes of the Council. Council seeks to recognise the principles of Te Tiriti o Waitangi / Treaty of Waitangi within its decision-making.

In accordance with section 81 of the LGA, the Council must:

1. Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority;
2. Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and
3. Provide relevant information to Māori for the purposes of (1) and (2) above.

The Council wishes to develop a Te Tiriti o Waitangi / Treaty of Waitangi Strategy as a foundation for building trust, good faith, and to increase its partnerships and collaboration with Māori. The Strategy will acknowledge Te Tiriti / the Treaty whilst supporting the economic, environmental, cultural and social issues of significance to Māori.

This Strategy will identify how the Council will foster more positive and productive relationships with Māori. It will also bring together the Council's commitments and obligations, to ensure that Council considers how its policies and actions recognise and protect Māori rights and interests, and contribute to Māori needs and aspirations.

Aligned to the Te Tiriti o Waitangi / Treaty of Waitangi Strategy, Council will develop policy that sets out the Council's commitment to enhancing the participation of Māori in Council's decision-making processes. For both Māori and Council, enhanced participation will contribute to:

- greater understanding of expectations and aspirations
- finding common outcomes
- increased opportunities to establish shared projects and joint ventures, supporting Māori expectations and aspirations to promote the well-being of Māori and the wider community
- ensuring more efficient and effective use of Council and Māori resources
- improved processes based on an understanding of one another's priorities, expectations and available resources.

The Council is committed to building strategic relationships with Māori. Effective relationships and meaningful engagement will enable the Council to meet our responsibilities, recognise Te Tiriti o Waitangi / Treaty of Waitangi and result in more informed decision-making.

## Memoranda of Understanding

Memoranda of Understanding are principle-based documents that seek to build and maintain relationships, and enable input into Council processes where applicable. These documents are becoming increasingly important as Council seeks closer and more meaningful working relationships with Māori, effective consultation and engagement on a wide range of issues affecting Māori areas of interest, and shared projects for shared outcomes.

The Council currently has formalised a Memorandum of Understanding with the following iwi and hapū entities:

- Te Rūnanga o Te Rarawa
- Te Rūnanga o Ngāti Hine
- Te Whiu Hapū Incorporated
- Ngakahu / Ngakohu Whānau Ahuwhenua Trust.

The following entities are either currently developing or discussing memoranda of understanding with Council:

- Te Rūnanga o Whaingaroa
- Te Kahu o Taonui (Iwi Leaders Forum)
- Te Rūnanga o Ngāti Rehia
- Whangaroa Papa Hapū
- Parahirahi Ngawha Waiariki Trust.

Other strategic relationships that Council participates in include:

- Te Oneroa-a-Tōhē (90 Mile Beach) Board
- Te Hiku Social and Well-being Accord; and
- Iwi and Local Government Chief Executives (ILGACE) Forum.

The Council is committed to encouraging and developing further relationships at both the governance and operational levels. The Council will also participate in co-governance models where they arise under Treaty Settlement legislation (as they have for Te Oneroa-a-Tōhē).

## Resource management

For resource management matters, the Council is considering Mana Whakahono-ā-Rohe / Iwi Participation Arrangements as an opportunity for iwi and Council to work together under the Resource Management Act. The Council is investigating this new legislation, including newly released guidelines. Other processes or mechanisms that will contribute to Māori input in resource management include:

- providing opportunities for Māori to participate in the review of Council's District Plan
- implementing statutory provisions prescribed within Treaty Claims Settlement Acts
- considering iwi and hapū environmental management plans
- Resource Management Act training, through to supporting iwi and hapū representatives becoming accredited Commissioners.

The relationship between Māori and Council's regulatory functions relating to protecting the environment requires information-sharing and appropriate dissemination. The wider relationship-building process will also seek to align Māori social and development outcomes so there are clearer opportunities and efficiencies when providing for the social, cultural, environmental and economic development, and the well-being of Māori within the Far North.

## Development of Māori capacity to contribute to decision-making processes of Council

The Council recognises that having the capability and capacity to engage are issues for both Council and Māori. As well as the measures outlined above, the Council is consistently increasing its own capacity to engage with Māori. The Council is actively assisting Māori with developing their capacity to input into decision-making processes via hui and targeted training workshops. The Council also welcomes opportunities to explore staff secondments, exchanges and co-location that benefit both the Council and Māori.

## Council's Significance and Engagement Policy

This policy sets out what the community, including Māori, can expect from Council regarding consultation and ways they can influence and participate in Council's decision-making processes. Council acknowledges the unique perspective of Māori and recognises that Tangata Whenua are more than an interest group or stakeholder. When Council and/or its committees are considering a significant decision, it will consider the likely impact on iwi / hapū / whānau and their relationship with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga. Additionally, Council directs all report writers, through its compliance schedule, to give due consideration to the above when seeking a decision of Council.

# The Right Debate

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*Hongi at Waitangi, Bay of Islands  
Courtesy of Northland Inc.*

# What we discussed with you

During consultation on this LTP, we asked for your feedback on a number of key issues.

- Should we allocate funding to develop a community and civic hub in Kaikohe similar to Kaitaia's Te Ahu?
- Should we invest in a permanent cycle trail link between Taumarere and Opuā when the temporary section is reclaimed by the Bay of Islands Vintage Railway Trust for their rail link?
- Should we extend Pou Herenga Tai (the Twin Coast Cycle Trail) beyond its current scope to create more connections across our District?
- Does the District (and the Russell community) support transferring the Russell wharf to Far North Holdings Limited for development?
- How much money should be allocated to remedial works on the Kaitaia wastewater system to prevent overflows during stormy weather?
- Does the community support the allocation of additional funding to Community Boards for place making projects?
- Are funding levels for the Infrastructure Grants Fund and the Events Investment Fund appropriate or should more money be allocated? And who should have the authority to make decisions on how those funds are distributed, Councillors or Community Boards?
- Is rainwater harvesting to tanks the most appropriate solution in providing potable water to the residents of Te Kao? And if we do so, what, if any, financial assistance do ratepayers feel is appropriate from Council?
- How much should Council contribute financially to the Kawakawa Tourism Hub and Kawakawa town square projects?

We also consulted on the following non-key but still important (or legislatively required) items:

- a library strategy that will extend the reach of our community libraries and improve the way they operate
- our annual adjustment of fees and charges
- proposed changes to our rates remission and postponement policies following a legislated review
- our updated Significance and Engagement Policy.

866 submissions were received from members of the public, organisations, groups and businesses, and more than 130 submitters spoke at hearings in Kerikeri, Kaitaia and Kaikohe. In addition to the issues we asked for your feedback on, submitters raised others that are of importance to them. For many of these, 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. While deliberating, Council acknowledged the need to develop a variety of strategies and plans to address current and future

requirements across our District from core infrastructure including roading and stormwater through to community facilities, halls, sporting facilities and parks. These initiatives will get underway immediately, and will be carried out in collaboration with our communities.

## Decisions made on the key issues

**Kaikohe community and civic hub.** Support for the development of a community and civic hub in Kaikohe (similar to Kaitaia's Te Ahu) was strong. As a result of feedback Council confirmed the \$11.8 million budget and will now work with partners, including Ngapuhi and central government, to progress on a suitable design for consultation with the community. Funding was brought forward to the first four years of the LTP to enable design and business case development and funding applications to central government in a joint effort between Council (Far North Holdings) and Te Rununga A Iwi O Ngapuhi and Ngapuhi Asset Holdings Company.

**Pou Herenga Tai (Twin Coast Cycle Trail).** Council made two decisions as a result of feedback. Firstly, it confirmed a budget of \$4.6 million to retain the cycle trail's coast to coast status by replacing the section between Opuā and Taumarere that will be affected by the Bay of Islands Vintage Railway Trust's rail link. Submissions also indicated strong support for further developing the cycle trail to create more connections across our District. The originally proposed development period of 21 years was shortened, with investment of \$26 million from years four to 10, and a further \$18.7 million allocated beyond the 10 years of the LTP. Council did confirm, however, that it intends to carry out extension projects only if a minimum of 50% government subsidy can be confirmed, and if this cannot be achieved, further consultation will occur.

**Russell Wharf.** While the community (and particularly the residents of Russell) support transferring the wharf to Far North Holdings, concerns about community input on the future of the asset were made clear. Council therefore confirmed its proposal to divest the wharf to FNHL on the condition that the community and tangata whenua maintain input into the development, future direction, management and governance of the wharf.

**Kaitaia wastewater.** Council proposed spending \$5.1 million on preventing wastewater spills in the sort of storm we typically get every three months. Feedback from across the District indicated support for this option, however in deliberations Council felt that spending more to eliminate spills in more severe weather events is preferable, and as a result confirmed a budget of \$13.4 million to resolve the overflow issues from the Kaitaia wastewater scheme.

**Community funding.** Council confirmed the allocation of \$100,000 additional funding to Community Boards to fund place making projects. This gives each Community Board an additional \$33,333 per annum to allocate to projects in their ward that they feel would improve the 'liveability' of their

place. Also confirmed was the continuation of the district-wide Infrastructure Grants Fund at \$100,000 and the district-wide Events Investment Fund of \$80,000 alongside a decision that Community Boards should decide how both funds are allocated through formal funding rounds.

**Te Kao potable water.** The decision to support the Te Kao community's preference for rainwater harvesting to tanks was confirmed, with the cost of implementation borne by the resident. Council acknowledges that the community is likely to require some financial assistance in making this plan a reality, and agreed to consult with affected residents on an interest free loan for those who wish to take up the offer.

**Kawakawa Tourism Hub.** Council confirmed its proposal to provide a one-off grant of \$230,000 for the Kawakawa Tourism Hub / Te Hononga, funded through the ward rate to assist the Hundertwasser Park Charitable Trust to build four toilets and one pay shower in the new centre which will be near the designated freedom camping site. Council also agreed, in principle, to providing a loan of \$160,000 to the Trust for a 10 year term to help with the development of a town square next to the Hundertwasser toilets.

**Community outcomes.** The proposed community outcomes were adopted with minor changes. The final version can be found on page 11 of this document.

**Library strategy.** Council confirmed funding to enable to implementation of a library strategy that will provide a way forward that preserves the traditional library service (loaning out books) but that also responds to the demand for new information and communication services, such as access to the web. The 10 year library strategy and was adopted and the associated funding was confirmed.

**Fees and charges.** Fees and charges were adopted as proposed. However, the Kaikohe-Hokianga Community Board requested, and were granted, delegated authority to set the fees for Kaikohe's Memorial Hall. Until this has been completed the current fees will remain.

**Rating policies.** We consulted on amended rates remission and postponement policies as a result of legislative review requirements. Proposals included some deletions of policies that are no longer required or used and the addition of remissions for extreme financial hardship and two new policies to incentivise Māori economic development on Māori Freehold and Treaty Settlement land. Council confirmed and adopted these policies with minor amendments, with the exception of the remission for extreme financial hardship.

**Significance and Engagement Policy.** The policy was adopted without change.

## Other budget adjustments made as a result of consultation

**West Coast Road, Panguru flood mitigation.** The Panguru community, including students from the school, asked Council to start flood mitigation works earlier than proposed. The project, jointly funded by Council and the Northland Regional

Council (NRC), will now start in 2018/19. NRC have changed their budget timing to match ours.

**Strategic roading initiatives.** The proposed roading programme included significant funding for major roading initiatives in Kerikeri, and while Kerikeri residents defended the need for these projects, others in the District felt that this money should be invested elsewhere. In debating the issue, Council decided to delay a decision on the South Eastern Bypass and Waipapa to Kapiro link projects until a District-wide roading strategy could be developed to determine the priorities for roading across the District. The funding for these projects has been reallocated to the implementation of initiatives from the strategy and re-timed to begin in 2020. Additional unsubsidised funding of \$1 million per annum was also allocated for road sealing, for which priorities will be set by the strategy. The strategy will be completed in time to inform the 2019/20 Annual Plan.

**Broadwood Swing Bridge.** The swing bridge at Broadwood, a popular tourist attraction, is currently closed and in a dangerous state due to overdue repairs. An additional \$100,000 has been allocated for repairs and a load assessment to ensure ongoing safety of the asset.

**Animal control.** In debating submissions relating to animal control Council made a decision to increase the amount of operating funding for animal control by \$180,000 per annum in a bid to improve the level of service delivered.

**Sportsville funding for Lindvart Park, Kaikohe.** Council made a decision earlier this year to appoint Sportsville as the management entity for Lindvart Park in Kaikohe, and has now made a decision to allocate an annual grant of \$40,000 to Sportsville to assist them.

**Taipa stormwater and wastewater.** The Taipa bridge supports a rising main that transfers wastewater from the Cable Bay, Coopers Beach and Mangonui communities to the treatment plant in Taipa. NZTA is replacing the bridge, and as a result of this work Council has an opportunity to deal with some wastewater and stormwater issues at relatively low cost. \$90,000 has been allocated to the new wastewater pipe on the bridge and a further \$400,000 has been allocated to upgrade the stormwater network around the Taipa township in conjunction with the bridge works. The additional funding has been allocated to 2018/19.

**Mawson Avenue, Waipapa water supply.** The private water scheme that provides bore water to the residents of Mawson Avenue in Waipapa will soon be shut down by the owner. Consultation with the community lead to a decision to connect the customers of the scheme to Council's Kerikeri water scheme. Funding of \$500,000 has been allocated to enable upgrade of the Mawson Avenue scheme reticulation to enable connection.

**Civil Defence.** The Councils of Northland have for some time been considering a shared service for Civil Defence, and to that end Council has agreed to contribute an additional \$60,000 in 2018/19 to cover our District's share of a regional recovery manager's salary and the establishment of a fully

integrated regional shared service. The funding level will be reviewed in the 2019/20 Annual Plan once the potential for a regional rate to fund this essential service is investigated by NRC.

## New strategies, plans and policies

Throughout the decision-making process Council committed to the development of a number of strategies and policies to guide future decisions. It is expected that these policies, plans and strategies will complement the Sustainable District Strategy that is currently being developed.

- A District-wide roading strategy to identify priorities for the future. The strategy is to include parking and footpaths. Footpath proposals and requests from submissions are to be considered and prioritised as part of the strategy work.
- A full review of Council's rating policies and practices.
- A public toilet strategy to identify current and likely future requirements and capacity, location of facilities and minimum standards.
- A stormwater strategy to identify priorities for the District. Council resolved to include flood mitigation projects for Moerewa and Kawakawa, and that these be prioritised for spend in light of Northland Regional Council's projects for the Taumarere River catchment not progressing.
- Accelerated focus on the long term strategy for the Hokianga Harbour Crossing in collaboration with the Hokianga Ferry Liaison Group.
- Development of (and consultation on) a Smoke Free on Council Property policy.
- Consider solid waste strategies in light of current uncertainties in the recycling market.
- An indicative business case for Kohukohu to Herekino and Rawene to Kaitia via Broadwood routes to be designated state highways to present to NZTA for consideration.
- Review submissions on speed control and traffic calming and control measures and assess in line with Safer Journeys, the safe system approach, rules and speed management guidance.

## Changes as a result of new information

**Roading subsidies.** After consultation on the LTP commenced, Council was informed by the NZ Transport Agency that our Funding Assistance Rate (FAR) would be increased from 1 July 2018. This means we will receive a higher level of subsidy to assist with our roading programme and less local share

funding from Far North District ratepayers. In assessing the impact of this positive news, Council decided to retain the local share at the level proposed to allow the flexibility to respond to funding offered to Council under any changes that may arise from the review of the Government Policy Statement for roading, which we anticipate may make provision for previously unsubsidised activities.

**Capital works reforecast.** Concurrent with consultation, Council carried out its annual reforecast of capital works for the current financial year to determine which projects would not be complete at the end of the year and would therefore require funding to be carried forward. To ensure a deliverable programme of work in 2018/19 any projects that could be retimed were moved to outer years. Projects carried forward to 2018/19 or later totalled \$2.8 million.

**Electricity supply.** During consultation on the LTP Council was made aware that externally provided data on which electricity contracts had been calculated was incorrect. Operating costs have been increased by \$400,000 per annum as a result.

## Budget corrections

**Tourism Infrastructure Fund (TIF) local share.** Council is in the process of applying to the TIF for the development of public toilets in several locations, however, one of the criteria is confirming that the local share of 50% has been budgeted. This was overlooked when the LTP was being developed, so additional capital funding of \$514,000 in 2018/19 has been added, \$394,000 capital and the remainder operational.

**Kerikeri Pavilion.** In restoring the pavilion to its previous condition, renewals not carried out while the building was closed now need to be completed as part of the project. Council has budgeted an additional \$300,000 for this purpose.

**Maromaku domain.** An additional \$213,880 has been budgeted to complete work on the netball courts.

**Omanaia / Rawene water treatment plant.** An additional \$400,000 has been added to the budget to cover expected shortfalls and an application for increased MoH funding has been made.

## Other changes Council decided to make

**Rawene sewerage rates.** Council made a decision to reduce the value of the depreciation element of the capital rate for the Rawene Sewerage rate by 40% for 2018/19 only to reflect the subsidy proportion of the original scheme.



# What you will get for your Rates dollar in 2018/19

With all the changes made as a result of consultation and new information, this is what your rates dollars pays for in 2018/19



**19¢**

**Roading**



**14¢**

**Wastewater Services**



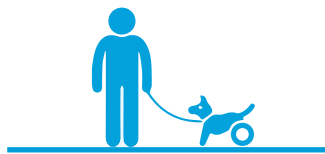
**10¢**

**Customer Services**  
Libraries, information / service centres



**10¢**

**Community Services**  
Cemeteries, town maintenance etc



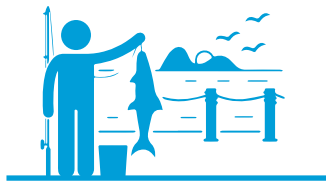
**10¢**

**Regulatory Services**  
Building, animal control etc



**8¢**

**Forward Planning**  
Policy, community assistance etc



**7¢**

**Recreation Facilities**  
Parks and reserves, maritime, pools



**5¢**

**Stormwater and Flood Protection**



**4¢**

**Refuse**  
Transfer stations



**4¢**

**Governance**



**3¢**

**Sustainable Environment**  
District Plan, Māori engagement etc



**3¢**

**Water Supply**



**1¢**

**Public Safety**  
Civil Defence



**1¢**

**Housing for the Elderly**



**1¢**

**Footpaths**

# Strategies

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*Gathering kai moana, Paihia, Bay of Islands. Courtesy of Northland Inc.*

# Financial strategy for 2018-28

## 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.
- Limit rates to a maximum of 90% of total Council revenue (currently about 83%), with the balance coming from other sources such as subsidies from Government agencies including the New Zealand Transport Agency, and other capital income.
- Limit overall rates increases to inflation (Local Government Cost Index) plus 2.5% each year.
- Limit debt to no more than 175% of total annual revenue (excludes subsidy and capital income).
- Have external debt at a level no higher than \$167 million at the end of the 2027-28 financial year.
- Maintain interest costs at less than 10% of rates revenue.

Council has, over the past several years, taken stock of where the gaps in services and infrastructure exist. This follows a period where maintenance and operational spending was cut and new capital projects curtailed in response to the global financial crisis, resulting in a decline in asset condition and internal capacity to plan for and manage those assets.

The 2015-25 Financial Strategy recognised that this approach was no longer sustainable and committed to strengthen Council's capacity and capability to maintain and renew assets to ensure the continued provision of effective service now and into the future. The LTP 2015-25 allocated significant resources to this end, but we still have a long way to go.

## The approach for the 2018-28 Financial Strategy is to:

- Invest in the continuous improvement of our core processes and tools to enhance infrastructure and service investment decisions and delivery in the short, medium and long-term.
- Protect past investment in assets by developing a prioritisation model, using key decision criteria that weights capital renewal projects ahead of initiatives to increase levels of service or provide additional capacity for growth.
- Replace or renew infrastructure assets where it is reasonable and economic to do so.
- 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 depreciation value to fund renewals while a comprehensive review of all funding mechanisms, including rates and development contributions, is carried out.
- Continue to use borrowings to spread the cost of new capital expenditure over a longer period of time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

## Financial Strategy – towards sustainability and affordability

The overall focus of our Financial Strategy is **financial sustainability and affordability** in meeting the current core purpose of local government, which is to 'meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses'.

To us, this means that our commitments to deliver infrastructure and services are funded in a way that is affordable for the community and meet Council's obligation to be effective stewards of the assets of the District now and into the future.

In developing this Financial Strategy, we reflected on feedback from consultations that occurred since the last LTP and community needs as shared with us through various entities such as Council's Community Boards and other interest groups (i.e. Federated Farmers, the Northland District Health Board, resident and ratepayer groups and business associations). In the context of our current financial position, we also applied our minds and began the process to finding solutions to those challenges that confront us in this District. Resolving these issues will not be easy; the required work programme will be comprehensive and lengthy.

Where possible, we have ensured that:

- revenues are sufficient to cover expenses (we have balanced our budget every year)
- funding allows for major capital projects the community wants, within reason
- current service level targets are achievable within the funding envelope
- the needs of current and future ratepayers have been taken into account.

Council acknowledges that:

- many people in our District will not be able to afford escalating costs
- the cost of providing services will not reduce without significant intervention
- Council will need to continue to make difficult trade-off decisions, compromising on delivering 'nice to haves' to ensure essential services are provided and costs are kept down
- Council will have to balance the affordability and prudence of increasing debt levels. Too much debt now could compromise future development projects.

While the Financial Strategy presented is set for a ten-year period, Council acknowledges that it will again be reviewed as part of the next LTP (spanning 2021 to 2031). In the period between adopting this LTP and preparing for the next, should the funding and rating review identify ways of improving the

affordability of our infrastructure and services, those changes will be consulted on as part of the 2021-31 LTP, although if Council feels an earlier change is warranted this could be achieved through an amendment to the 2018-28 LTP for which full consultation will be required.

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

- Council's main source of funding is from rates. While we try to maximise Government subsidies 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 table below shows how we compared in 2017.

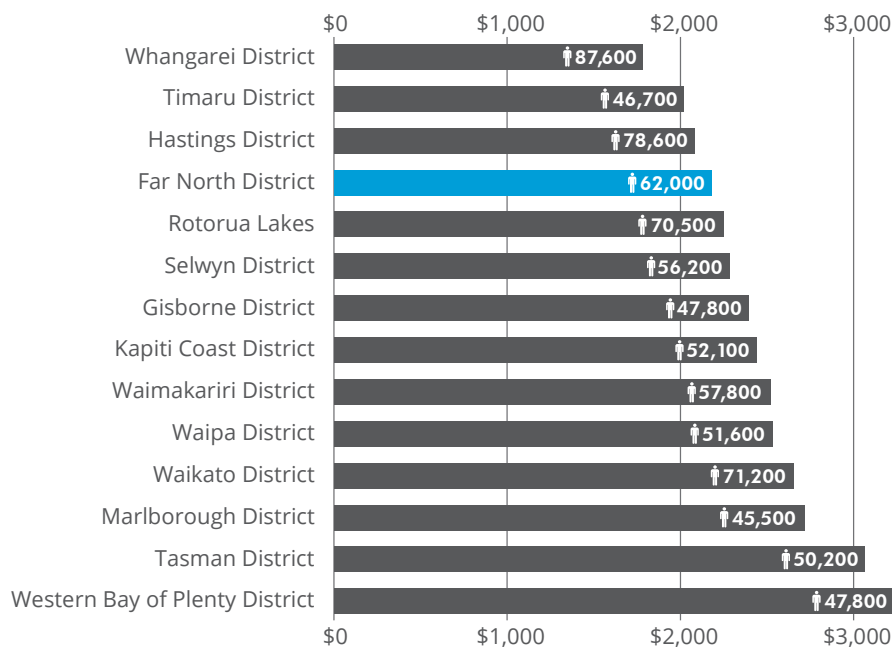
## Average residential rates\*

Far North District	Average for provincial councils	National average
\$2,179	\$2,300	\$2,251

\*Average residential rates include compulsory user charges (such as water)

Source: New Zealand Taxpayers Union Report 2017 ([www.taxpayers.org.nz](http://www.taxpayers.org.nz))

## Average residential rates 2017\*



\*Average residential rates include compulsory user charges (such as water)

Source: New Zealand Taxpayers Union Report 2017 ([www.taxpayers.org.nz](http://www.taxpayers.org.nz))

We acknowledge that a thorough review of our rating and funding practices is required, which may result in potentially fundamental changes to the way we fund renewals and achieve inter-generational equity. This review will take time.

Our intention is to carry out a full review of revenue and rating systems post-adoption of the 2018-28 LTP, and if changes are necessary we will do this through an amendment to the 2018-28 LTP, which will require full public consultation.

## Rates

### General rates and the Uniform Annual General Charge

All ratepayers in the Far North District pay general rates and a uniform annual general charge (UAGC). The general rate is based on the value of the ratepayer's land, while the UAGC is a fixed amount that is charged for all Separately Used or Inhabited Parts of a rating unit (SUIPs).

### Targeted rates

Targeted rates include a combination of capital and operating rates. Council has a number of targeted rates, including:











### Ward rates

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:

Bay of Islands - Whangaroa	47%
Kaikohe - Hokianga	24%
Te Hiku	29%

### 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%		Mining / Quarry	4%
	Farming General	16%		Industrial	2%
	Forestry	13%		Other	1%
	Commercial	7%		Horticulture	1%

### Stormwater rates

Council levies a stormwater rate to fund specific stormwater capital developments within urban areas across the District. Those deemed to be commercial are charged a differential of 200%, meaning that they are charged twice as much for stormwater as are other rating categories. The following table shows the urban areas subject to the stormwater rate:

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

### Sewerage rates

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

We levy two targeted rates that fund the provision and availability of sewerage services from each of the District's 16 sewerage 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

## Funding sources

General Rates  
41%

Subsidies  
20%

Targeted Rates  
16%

Ward Rates  
9%

User Fees and Charges  
7%

Water by Meter Charges  
4%

Other  
3%

- **Operational rate:** Operating costs for all schemes are charged district-wide to all properties (SUIPs) connected to any Council wastewater scheme.

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

## Water rates and charges

Council's policy on funding water infrastructure is that each scheme must pay its own costs.

A per m<sup>3</sup> volumetric charge (actual volume used for those with meters and an assumed amount for those without meters) is intended to fund the operational requirements of each scheme. A capital rate is also levied on all properties connected to (or capable of being connected to) a Council water scheme. Capital costs consist of interest and depreciation.

## Targeted improvement rates

We levy a number of 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 Council's Funding Impact Statement for more details). The rate is set on a differential basis, with all rating units assessed as commercial being charged a differential of 3 (300%) on the general differential.

- **Kaitaia Business Improvement Development (BID):** Allows for the Kaitaia Business Association to undertake improvement works in the Kaitaia business area. The rate is set on land value and is charged to commercial rating units in Kaitaia.
- **Bay of Islands Recreation:** 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. Since then, the College's Board of Trustees has managed and maintained 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

Council's community initiated infrastructure roading contribution policy provides a mechanism for residents to co-fund the sealing of their unsealed road (or part thereof). 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.

## Increases to rates

Due to the cost of infrastructure and service provision, which continues to rise faster than general inflation, we assume an increase in costs in accordance with the Local Government Cost Index (LGCI). In this 10 year plan, we intend to increase the general rate beyond the level of inflation, as shown in the table below.

Financial Year ended 30 June	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
LGCI	2.0%	2.2%	2.2%	2.2%	2.3%	2.3%	2.4%	2.5%	2.5%	2.6%
Additional increase (decrease)	1.9%	1.8%	-0.2%	0.7%	1.8%	0.2%	1.1%	0.3%	0.8%	0.4%
Rates increase	3.9%	4.0%	2.0%	2.9%	4.1%	2.5%	3.5%	2.8%	3.3%	3.0%

## Forecast rates \$m

Financial Year ended 30 June	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rates \$m	\$85	\$88	\$90	\$92	\$96	\$99	\$102	\$105	\$108	\$112

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

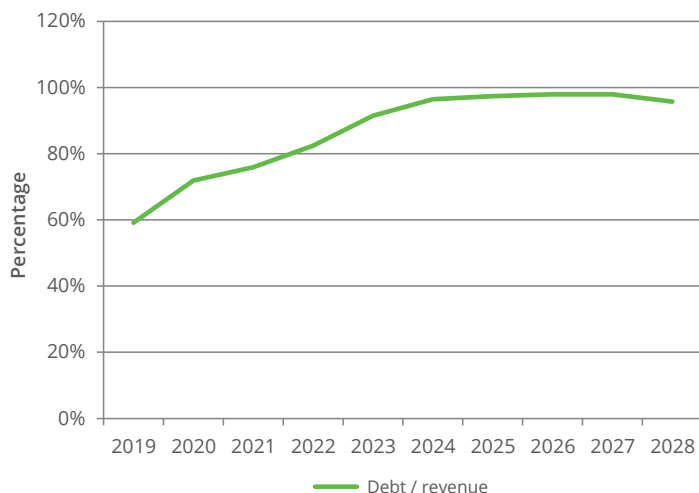
## Forecast rating base information

2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
37,989	38,036	38,084	38,132	38,179	38,227	38,275	39,323	38,371	38,419

## Debt, interest and internal funding

External debt is anticipated to increase by \$107 million to \$167 million by 2028. The chart overleaf compares net debt to revenue and shows an increasing trend over the 10 year period, with a peak in 2026 at 103%.

## Debt as a % of revenue



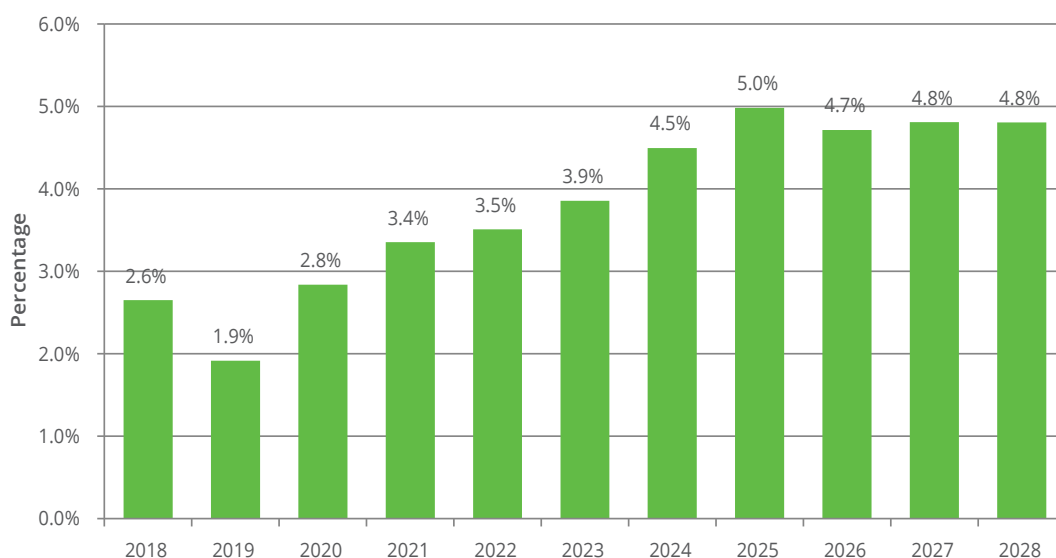
Council's intention is to ensure that net debt does not exceed 175% of total revenue, and for the 10 year period debt is forecast to remain substantially below this level. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

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

Council minimises its financing costs, as a member of the Local Government Funding Agency (LGFA). This means that we are able to borrow at better rates available through direct lending from trading banks.

The LTP assumes an interest rate averaging 4.57% across the 10 year period.

## Interest as a % of revenue



As part of its treasury management, Council seeks to reduce overall interest costs by using funds held in reserve. Where Council has cash surplus, rather than hold funds on deposit and borrowing all funds needed for capital works, reserve funds are used as short term funding. We do not charge internal interest to the reserve funds.

Renewal reserves for capital funding will be approximately \$62 million as at 30 June 2018 and by the end of the 10 year LTP period are expected to be \$20 million.

## Fees and charges

We will increase most fees and charges annually to align with

the Local Government Cost Index inflation factor (LGCI) which is expected to range from 2.0% to 2.6% throughout the 10 years of the LTP. In some areas, we will seek to recover actual costs which may exceed the rate of LGCI. Council's fees and charges are reviewed annually.

## Subsidies

Government subsidies via the New Zealand Transport Agency (NZTA) provide a significant source of funding for our transportation activities. In 2018/19 we expect to receive operating and capital subsidies of \$22.5 million, representing 36.8% of the gross cost of both operating and capital expenditure on a wide range of approved items. At the time of



completing this Plan, NZTA had not confirmed the subsidies we will receive.

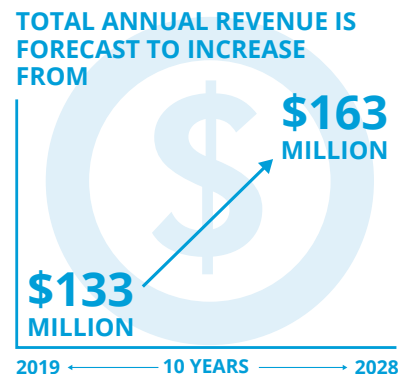
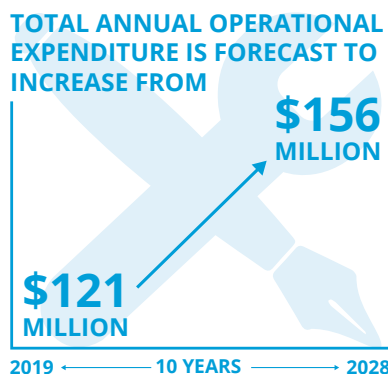
Council seeks to obtain as much government funding as possible, and from time to time sizeable funding is available through agencies other than the NZTA. In the 10 years of this LTP, we are assuming that subsidies can be (or have been) obtained for the following projects:

Roading projects. . . . .	\$273.6m
Cycle Trail 'Pou Herenga Tai'. . . . .	\$15.3m
Completion of Kerikeri wastewater treatment plant . . .	\$6.5m
Safe drinking water for Omanaia and Rawene water supply . . . . .	\$1.8m

## Expenditure

Note that total operating expenditure excludes rate remissions which range from \$2.2 million to \$2.6 million annually over the 10 years of the 2018-28 LTP. This expenditure is netted against rate income.

### Operating Expenditure



Above are the forecast levels of operating expenditure and revenue across the 10 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 tables below show the split of total forecast operating costs for each activity and expenditure type for the planning period.

### Breakdown by activity

Breakdown by activity	\$m	% of Total
<b>Network</b>		
Roading and Footpaths	446,552	32.6%
Wastewater	163,645	11.9%
Stormwater	44,102	3.2%
Solid Waste Management	58,293	4.3%
Water Supply	101,802	7.4%
<b>Total</b>	<b>814,394</b>	<b>59.4%</b>
<b>Other</b>		
District Facilities	177,117	12.9%
Environmental Management	141,467	10.3%
Governance and Strategy	57,696	4.2%
Customer Services	110,116	8.0%
Strategic Planning and Policy	69,452	5.1%
<b>Total</b>	<b>555,848</b>	<b>40.6%</b>
<b>Total activity expenditure</b>	<b>1,370,242</b>	<b>100.0%</b>

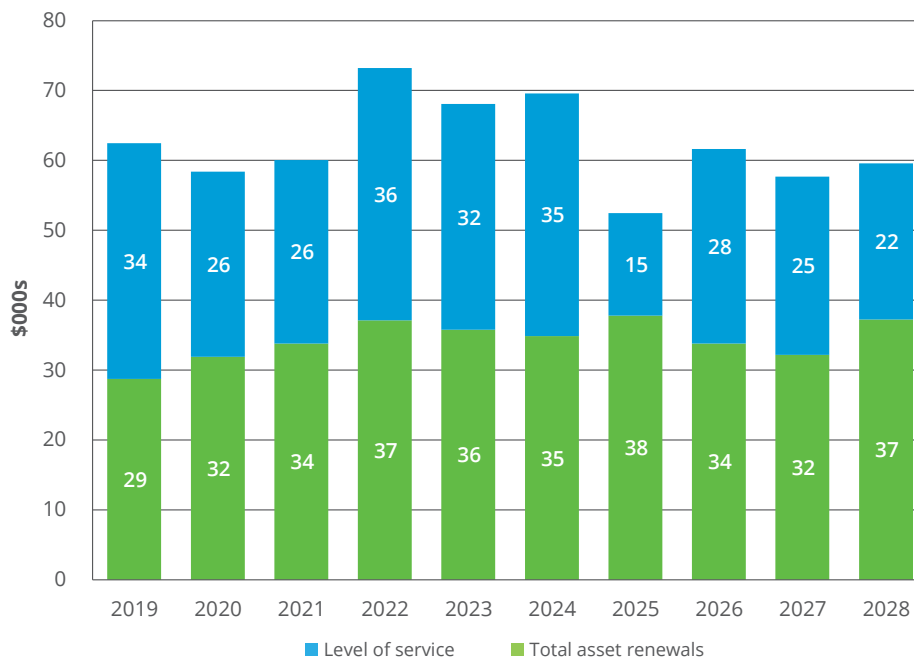
## Capital Expenditure

Total annual spend on capital projects ranges from \$52 million to \$73 million. The plan includes \$26.2 million of funds reforecast forward for incomplete projects with \$23.6 million included in the first year of the Plan. Expenditure is funded by a combination of :

- operating surpluses;
- rates collected for depreciation; and
- Government subsidies and debt.

The graph below illustrates planned capital expenditure over the 10 years of the Plan of \$623 million. 55% of total expenditure is for the renewal of existing assets, with 45% for improving levels of service.

### Capital expenditure per year



The numbers in this chart represent the actual values to be spent on new and renewal capital works and do not agree with the numbers in the Whole of Council Funding Impact Statement, which are shown based on primary driver.

Depreciation is higher than actual renewals for the 10 years of the plan. This is because Council has a number of assets which have a long useful life and are not due for replacement within the 10 year period covered by this plan. Any excess depreciation funds are ring-fenced and Council does have plans to use these funds (albeit outside of the 10 years of the plan).

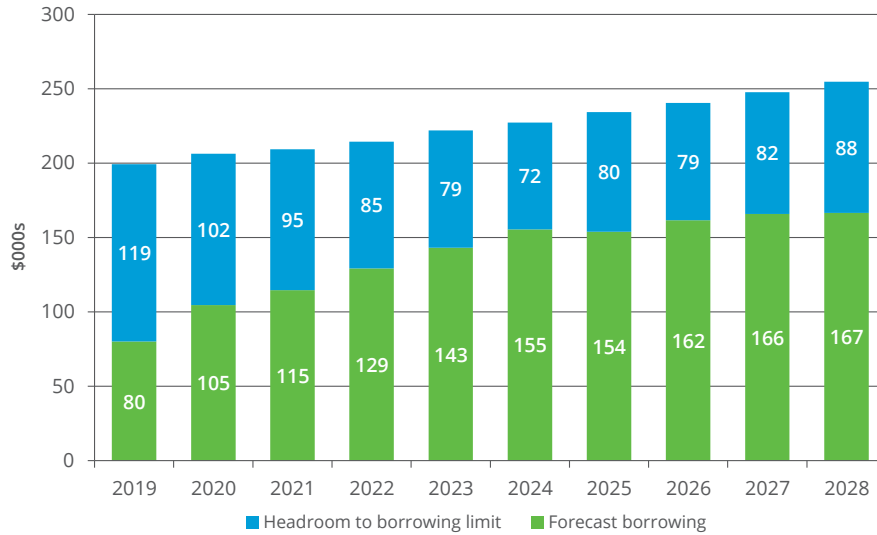
Council intends to undertake a comprehensive review of all funding mechanisms (including rates) within the next two years. We are also committed to developing an Asset Management System to ensure that asset information is

provided that will allow for improved planning for asset replacement. Until these reviews have been completed, Council is planning a business as usual approach which includes funding depreciation rather than renewals.

### Limiting our capital works programme

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.

### Borrowing levels



### Renewals and depreciation

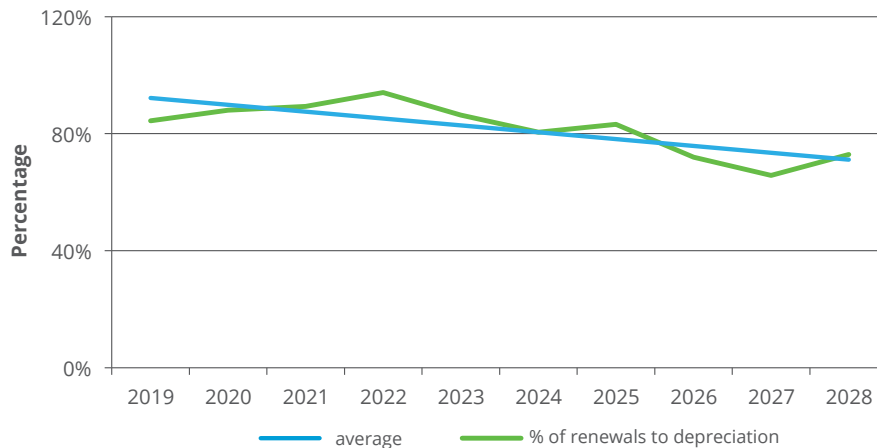
Council recovers the expense of depreciation through rates. The depreciation charge is determined by spreading the value of the asset being depreciated across its useful life. For complex assets such as a wastewater system, depreciation is calculated for each category of the component parts that make up the complete system, as each category of component asset may have a different useful life.

Council maintains its assets on an annual basis and periodically renews (replaces or overhauls) the assets that make up the component parts of the larger systems so that, generally, the asset is kept 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.

### Renewals to depreciation

The below chart shows the average ratio of renewals to depreciation is expected to be 81.7 % for the 10 years of this Plan.

### Ratio of renewals to depreciation



Council is not intending to change its approach to funding renewals at this point but may do so in the future. We are committed to reviewing and investigating alternative and complimentary methodologies for funding renewals by asset class (for example, a wastewater scheme). The review will form a key component of the rating review that is proposed outside of the LTP 2018-28 cycle. If options are considered to be beneficial, we will ensure they are within the boundaries of Local Government policies and international accounting standards, prior to consulting with the public.

As part of deliberations, Council made the decision to transfer the Russell Wharf to FNHL, which will reduce depreciation expenses and avoid future renewal expenditure.

Capital expenditure by activity type is allocated as shown in the table overleaf. This shows that over the 10 year period 76.7% of capital expenditure is focussed on network infrastructure. It is 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 forecast capital expenditure includes District Facilities spend of 15.2% of the remaining total capital budget in the 'other' category.

### Breakdown by activity

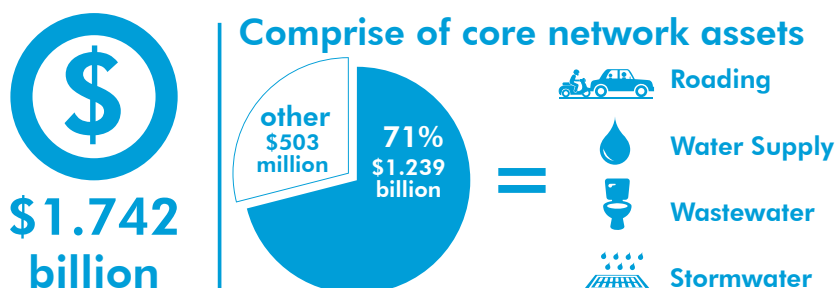
Breakdown by activity	\$000s	% of total
<b>Network</b>		
Roading and Footpaths	310,901	49.9%
Wastewater	87,763	14.1%
Stormwater	14,927	2.4%
Solid Waste Management	4,894	0.8%
Water Supply	59,712	9.6%
<b>Total</b>	<b>478,197</b>	<b>76.8%</b>
<b>Other</b>		
District Facilities	94,528	15.2%
Environmental Management	1,339	0.2%
Governance and Strategy	41,411	6.6%
Customer Services	7,474	1.2%
Strategic Planning and Policy	194	0.0%
<b>Total</b>	<b>144,946</b>	<b>23.2%</b>
<b>Total activity capital expenditure</b>	<b>623,143</b>	<b>100.0%</b>

## Major capital projects

- Council intends to develop a district-wide roading strategy, and has allocated budget of \$38 million in the LTP to carry out strategic initiatives that are identified in that strategy.
- Kerikeri ring road linking Butler Road to Clarke Street in Kerikeri at a cost of \$1.4 million.
- Unsealed road re-metalling across the District of \$43 million.
- District-wide dust mitigation totalling \$14 million.
- Sealed road resurfacing of \$66 million.
- Bridge and culvert replacements totalling \$11 million.
- Extensions to the Twin Coast Cycle Trail 'Pou Herenga Tai' totalling \$26 million over the next 10 years (and a further \$18.7 million beyond the term of this LTP). Extension projects rely on government subsidies. The Opuatiaumarere portion of the cycle trail will also be replaced at a cost of \$4.6 million.
- Progress the Te Hiku Sports Hub swimming pool with a Council contribution of \$9.03 million offset by a community contribution of \$6.02 million.
- Wastewater improvements to remedy consent compliance issues, with a total cost of \$10.4 million.
- A total spend of \$48 million on the wastewater network, including reticulation and treatment plant upgrades and scheduled renewals. We plan to spend \$13.4 million on addressing wastewater overflow issues in Kaitaia.
- Stormwater network upgrades of \$7 million along with a further \$6.6 million in minor capital works to alleviate a number of persistent problems.
- Co-development of a Community and Civic hub in Kaikohe (Kaikohe Renaissance) at a cost of \$11.8 million.

## Assets

### Fixed Assets valued as at 30 June 2017



Asset Management Plans have been prepared for infrastructure assets, setting out required maintenance and renewal expenditure to ensure they are appropriately managed and maintained to provide our targeted levels of service.

Council intends to maintain these assets in accordance with these plans. Council also holds a number of operational and investment assets including property (incorporating land, buildings and ground leases) and small forestry blocks held for sewage soakage / ponds.

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

### Minimising risk

We have comprehensive insurance for reasonably foreseeable risks for infrastructure (other than underground assets, which are generally undamaged by weather events). The premiums are still very high and we have a \$100,000 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 sufficient to return services to the state they were in before the event. In previous years, Council prudently decided to rate 1% for emergency flood related works, and that rate has been continued in this plan. The funds raised supplement 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.

### Future rating review

Council has a complex rating system that is comprised of:

- General rates
- Uniform Annual General Charges
- Ward rates
- Targeted rates such as water, wastewater and stormwater
- Water by meter charges.

The rates suite generates up to 90% of the income Council needs to meet its operating costs. New rates and changes to existing rates that have previously been adopted with the best of intentions have, in some cases, had unforeseen consequences on individual properties or communities within the District. The previous LTP 2015-2025 referred to a rating review that would occur in the 2015/16 year, however the incoming Council made a decision to delay. We again propose to carry out a comprehensive review of the way that rates are set in the Far North to ensure that the rates mechanism provides a fair and equitable allocation of operating costs to district ratepayers and also supports a more balanced approach to improvements across different communities and impacts on our environment.

Some of the questions raised through the rates review include:

- is the current mix of general, ward and service rates the right mix and are the allocations between the various rates the right allocations?
- should water and sewerage schemes be charged on a scheme basis or a ward or district basis? Can these schemes be funded in a way that helps better balance social, public health and environmental impacts?
- should general rates be set on land value (LV) or capital value (CV)?
- can Council's policies better enable the development of Māori Freehold Land (should the owners wish to)?

The result of the review will not change the overall amount of money required from ratepayers. However, it may result in some ratepayers paying more or less for their property, depending on the outcome.

Council will time the review to commence in 2018/19, and will engage with the community as part of that process. It is anticipated that, due to the time needed to achieve a good outcome, any proposed changes would be included in a revised LTP to be issued in 2020. The review process will be undertaken with internal staff resources and will not have any debt or other financial implications.

### Limits and Policies

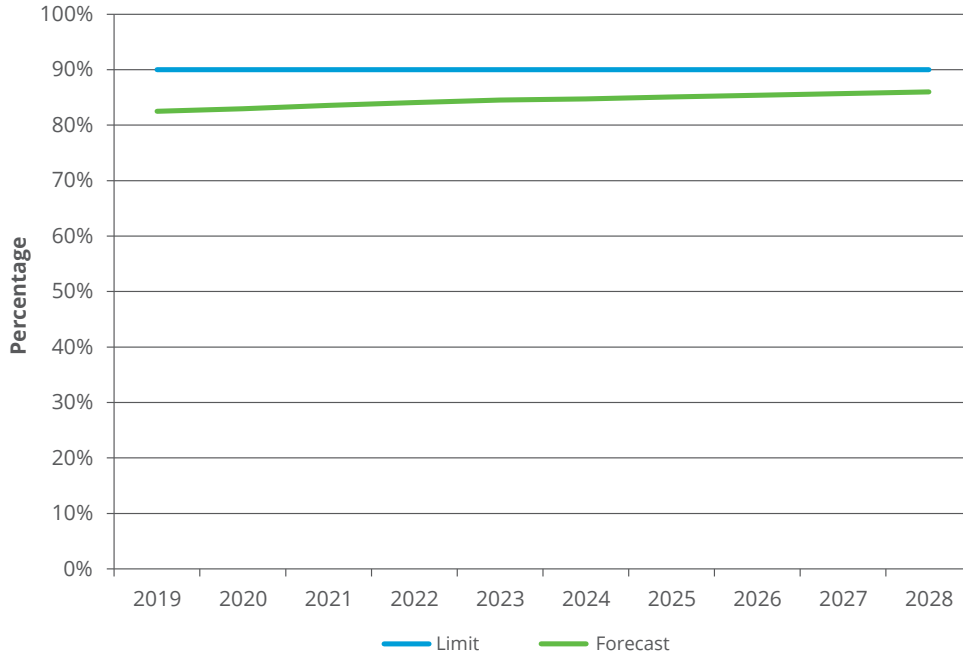
#### Limit on rates (excluding water charges) as a percentage of revenue

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).

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 Council's financial position and the global economic conditions at that time.

## Rates as a % of revenue

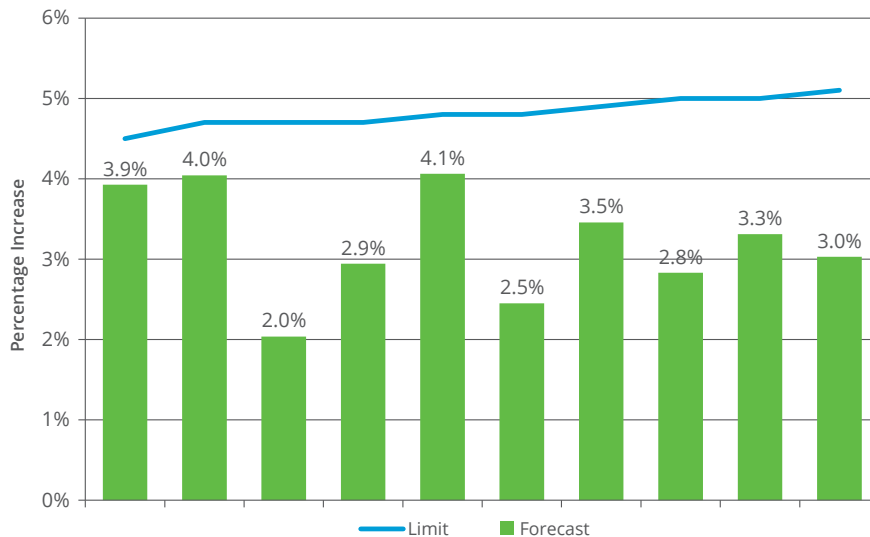


## Limit on rates increases

The limit on rates increases is set at LGCI plus 2.5% for the entire plan.

There may be extraordinary circumstances in which Council may choose to go outside this limit, for example, funding a cleanup from a catastrophic event. These occasions are considered unlikely and therefore have not been provided for in this Plan.

## Rates (increase) affordability

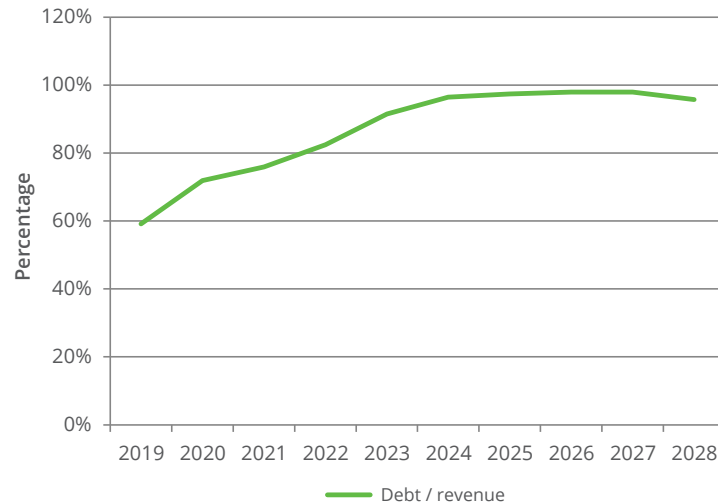


## Limits on borrowing

External debt is forecast to increase by \$107 million to \$167 million by the end of the 2027/28 financial year.

Council also uses internal funding which is not subject to the above limits.

## Debt as a % of revenue



Debt will not exceed 175% of total revenue, and for the 10 year period debt is forecast to remain substantially below this level. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

### Securities for borrowing

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

### Council organisations

The Council-Controlled Trading Organisation (CCTO) Far North Holdings Limited (FNHL) is a wholly owned subsidiary of Council. As Council's commercial entity, FNHL facilitates and creates commercial and infrastructural assets in the District, with the aim of maximising profit for its shareholder - Council. FNHL operates as a commercial profit-oriented entity. Income from investments is paid to Council in the form of a dividend. In the past two years, Council has allowed FNHL to reinvest the net profit (after tax), minus the dividend, in new commercial projects. Future opportunities for this re-investment will be considered by Council based on merit.

While we acknowledge that the amount of return on financial investment is the responsibility of the lender and therefore outside of Council's control, it is a legal requirement to identify targets for the returns received on its investments and equity securities. In keeping with 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 5-year government stock rate. Targeting returns for equity securities is not applicable.

Council went to public consultation on 15 January 2018 regarding additional equity investment of up to \$6 million into Far North Holdings for the purposes of development of an industrial park and further support economic development in the District. Following consultation and valuation of the land, Council made a decision on 28 March 2018 to proceed with a \$5 million additional equity investment in Far North Holdings which will occur in July 2018.

### 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 triennially 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 below have been developed in conjunction with the LTP and can be obtained from our website:

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

# LTP Disclosure Statement

## for the period commencing 1 July 2018

### The purpose of this statement

The purpose of this statement is to disclose Council's planned financial performance to enable an 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](http://www.legislation.govt.nz)).

For the period spanning 2018 to 2028, we expect to meet all of these benchmarks and by doing so, debt ratios will remain low, along with limits on rates revenue, rates increases and borrowing will stay within our self-imposed limits, demonstrating a strong and prudent financial position.

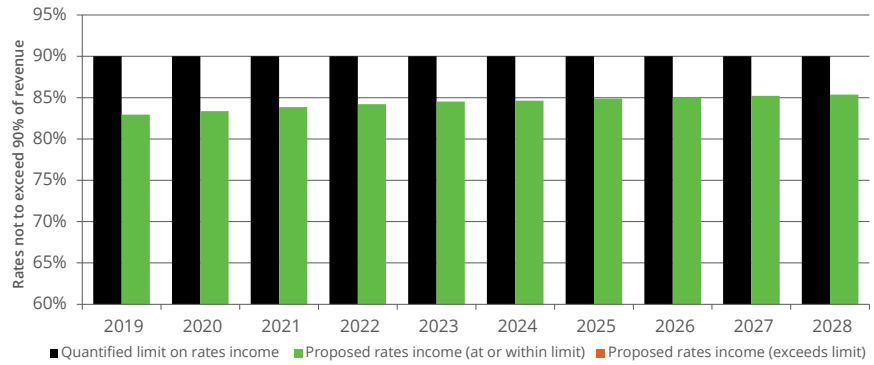
### Rates affordability benchmarks

We meet the rates affordability benchmark if:

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

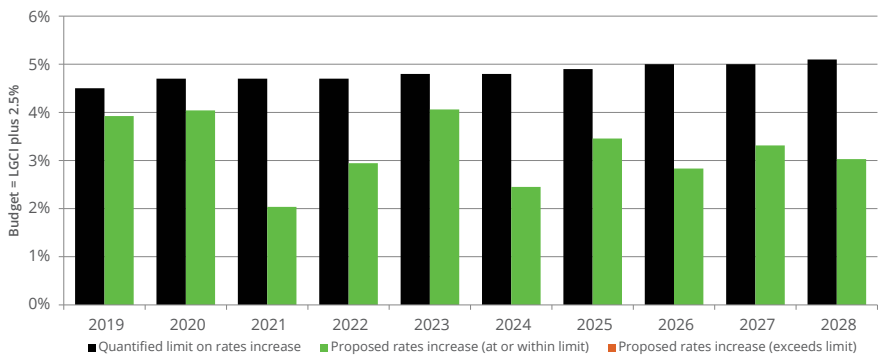
#### Rates (income) affordability

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 subsidies and capital income) will not exceed 90% of total revenue. Council forecasts rates income within this limit for the period of the LTP.



#### Rates (increases) affordability

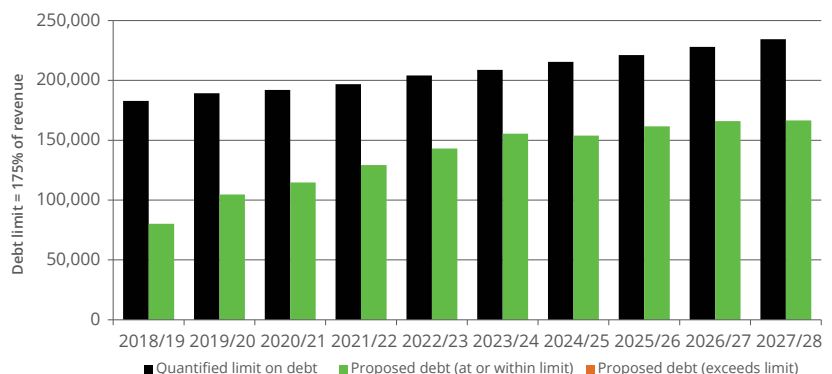
This graph compares planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this LTP. The quantified limit is that the rates increase should not exceed LGCI plus 2.5%. Council forecasts rates increases within this limit in all years of the LTP.



### 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 debt be no higher than 175% of total revenue (excludes subsidies and capital income). Council forecasts external debt levels within this limit for the period of the LTP.

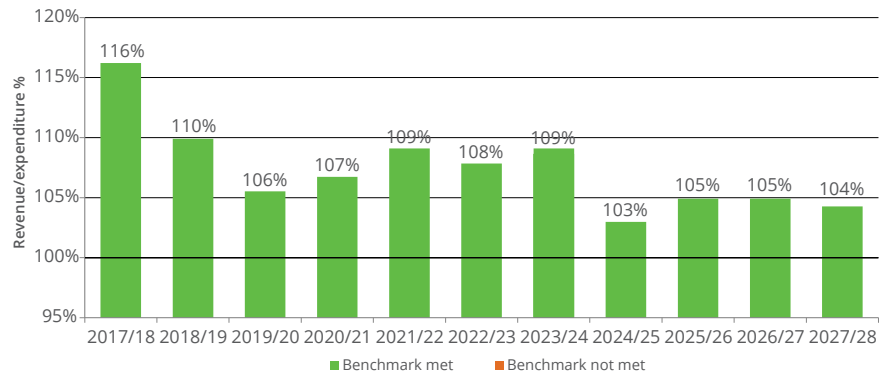




### Balanced budget benchmark

The following 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).

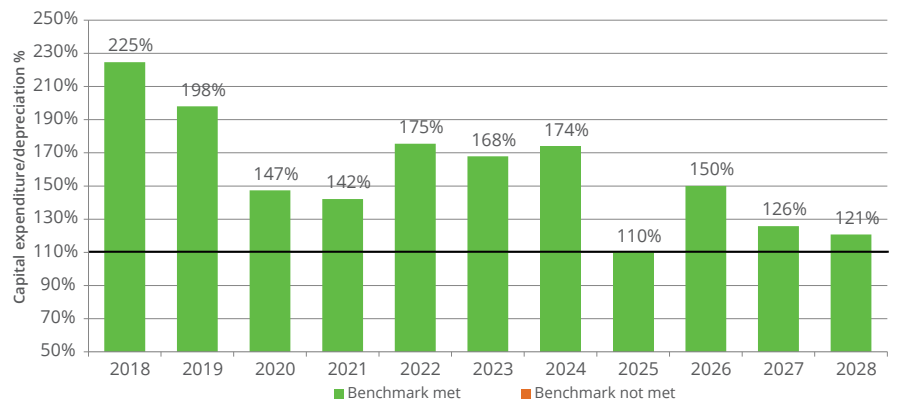
We meet the balanced budget benchmark if planned revenue equals or is greater than planned operating expenses. Council will achieve this benchmark in all years of the LTP.



### Essential services benchmark

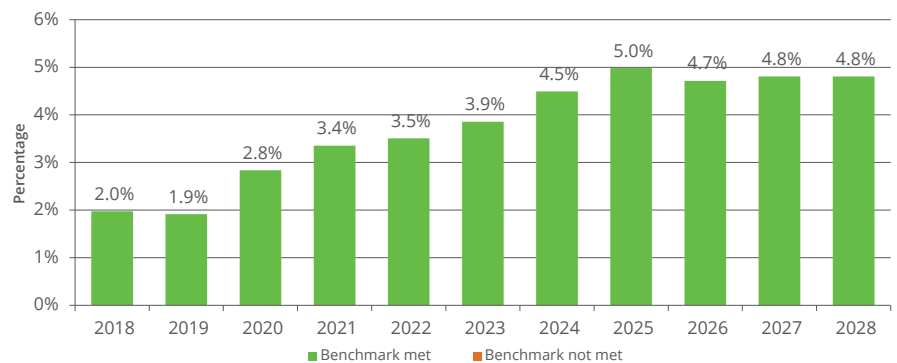
The following graph displays our planned capital expenditure on network services as a proportion of expected depreciation on those same network services.

We meet the essential services benchmark if planned capital expenditure on network services equals or is greater than expected depreciation on network services. 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). Council meets the debt servicing benchmark if planned borrowing costs equal or are less than 10% of planned revenue. Council expects to achieve this benchmark in all years of the LTP.



# Infrastructure strategy for 2018-48

## Infrastructure Strategy on a page

### DISTRICT VISION: HE WHENUA RANGITIRA

#### COMMUNITY OUTCOMES



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Proud, vibrant communities



Prosperous communities supported by a sustainable economy



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

#### KEY INFRASTRUCTURE ISSUES

Statutory changes

Three yearly election cycle

Socio-economic issues (affordability)

Resilience and climate change

Population change

Asset Management

#### INFRASTRUCTURE GOAL

Affordable Council infrastructure meeting the needs of people, communities and the environment - now and into the future

#### HOW TO GET THERE

Manage change: population, climate and levels of service	Strategic asset management	Support economic prosperity and growth	Optimise the way infrastructure is funded
Manage and adapt to climate and population changes with communities.	Better data and information, integrated with national, regional and council strategies, policies, plans and bylaws.	<ul style="list-style-type: none"> <li>An efficient transport network</li> <li>Three waters infrastructure has capacity to support:                             <ul style="list-style-type: none"> <li>Primary production</li> <li>Tourism</li> <li>People</li> <li>Broadband.</li> </ul> </li> </ul>	Advocate for sustainable funding especially for: <ul style="list-style-type: none"> <li>Water supply, and</li> <li>Wastewater</li> </ul>
	Leveraging opportunities and existing initiatives: <ul style="list-style-type: none"> <li>Pou Herenga Tai Twin Coast Cycle Trail</li> <li>Northland Transportation Alliance</li> <li>Northland Forward Together and other shared services</li> <li>Tai Tokerau Northland Economic Action Plan and the Māori economy</li> <li>Twin Coast discovery route.</li> </ul>		Review our funding mechanisms including rates, development contributions and fees and charges.
			Leverage external funding including Government subsidies and partnerships.

#### OUR INFRASTRUCTURE PRIORITIES

##### All Assets

Strengthen asset data collection and management

Integrate asset management and financial systems

Integrate Asset Management planning with the District Strategy, Spatial Plan and new District Plan

Develop required strategies, plans and policies including an Asset Management Policy

Manage demand

##### Transport

Northland Transportation Alliance

Update Plantation Forestry Strategy and strengthen key forestry roads

Strengthening of drainage culverts and bridge

Extend the cycle trail

Develop a District-wide Transport Plan

Cater for increased traffic in our growth areas

##### Water

Better understand irrigation schemes and how they link to water supply schemes

Improve drought resilience

Upgrade Paihia, Kerikeri / Waipapa and Te Kao schemes

Develop and implement Demand Management Plans

##### Wastewater

Complete and implement a Trade Waste Bylaw

Renewal and expansion of the Kerikeri scheme

Focus on compliance

Treatment plant upgrades

Implement a Sludge Strategy

Network modelling

##### Stormwater

Develop and link the Stormwater Strategy to the District Plan and policies, bylaws and standards

Review and update models and catchment plans

Address resilience issues, renewals and improvements

Implement maintenance programmes

##### Community Facilities

Deliver the Te Hiku Sports Hub

Deliver a community and civic hub in Kaikohe (Kaikohe Renaissance)

## Introduction

### Purpose and scope

Council is the steward for approximately \$2.1 billion worth of water, wastewater, stormwater and transport assets with a current total annual operating expenditure of \$65 million. These assets are vital for households, businesses and communities, and represent a major investment by today's communities and future generations.

Roads that make up the Far North transport network are vital lifelines for communities and provide important networks for road freight. The three waters infrastructure (water, wastewater and stormwater) is critical for supporting sustainable urban communities and commercial and industrial businesses. The management of these assets is long term, with the lifespan of much of the infrastructure spanning generations.

This infrastructure strategy:

- identifies our significant infrastructure issues for roading, water, wastewater, stormwater and two main District Facility projects over the next 30 years (2018-2048)
- summarises the main options we have for managing those issues, our strategic response and likely course of action
- the likely cost implications of managing infrastructure over the next 30 years.

We have included two main District Facility projects, alongside the legally required infrastructure asset groups, because of the significant contribution they will make to achieve our community outcomes and infrastructure goal.

Major expenditure decisions will be required over the term of this strategy. These decisions are directly linked to the significant infrastructure issues and the opportunities the district faces. This Strategy will be reviewed every three years as part of the LTP development process (or sooner if required).

### How to read this strategy

**Part 1** gives an overview of the strategic framework and context for the management of Council's infrastructure over the next 30 years.

**Part 2** contains the significant infrastructure issues common to all assets, our strategic response and the significant capital expenditure decisions that arise as a result.

**Part 3** provides the activity analysis, including the significant issues for each asset, current performance, and priorities for action.

**Part 4** contains financial information. Full financial analysis for the first 10 years of this Strategy is provided in the corresponding Financial Strategy.

**Part 5** contains the assumptions we have made that are specific to infrastructure.

### Strategic framework

This Strategy is part of a suite of long, medium and short term strategies, plans and policies that contribute the long term sustainable management of Council's infrastructure. It is a key supporting document for the development of Council's LTP 2018-28, reflecting the district vision, community outcomes and Council's strategic priorities. It sits above the asset management system and asset management plans.

### Vision and mission

This Strategy is anchored within the community vision He Tangata Rangatira: A District of Sustainable Prosperity and Well-being and our mission: Creating great places, supporting our people.

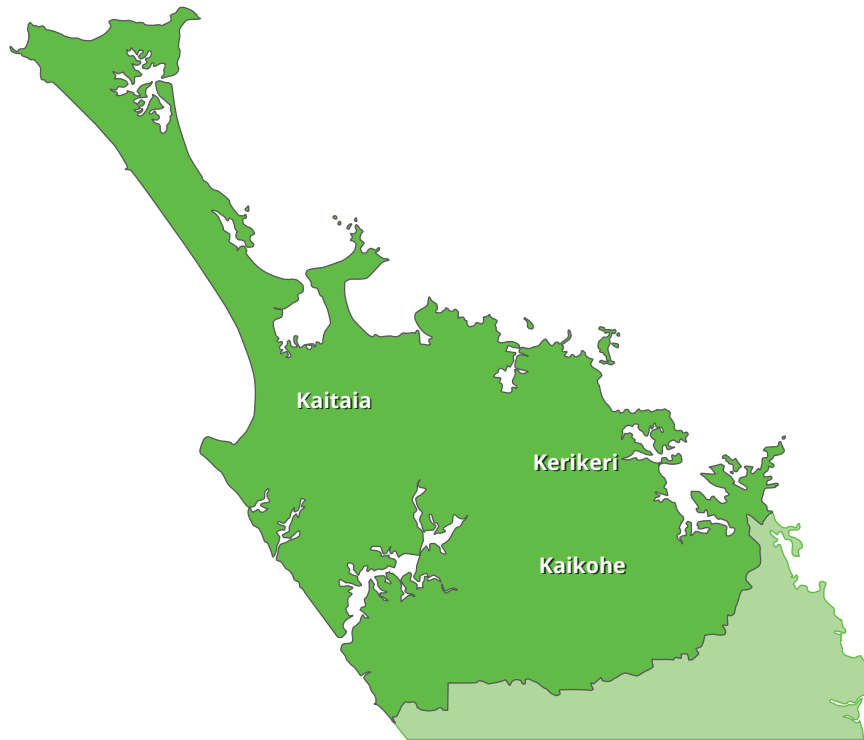
### Community outcomes

As part of the development of the LTP 2018-28, Council amended the community outcomes. These can be found on page 11.

### The place we live in

The Far North District is the northernmost territorial local authority in New Zealand. Compared to other districts, the Far North ranks 14th by land area (i.e. it is the 14th largest district). Figure 1 depicts the Far North District land area.

Figure 1: Far North District land area (Black Line)



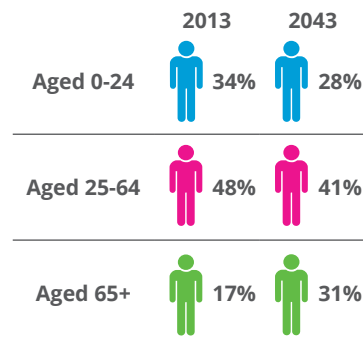
## Our demographics and population

Around half of the population reside in small urban settlements located throughout the district, the largest of which are Kerikeri and Paihia on the east coast, Kaitaia to the north and Kaikohe, located between the east and west coast. The populations within these 'larger' urban areas range from approximately 4,000 to 6,500 people. The rest of the population lives in rural or semi-rural settlements. Our population density is around nine people per km<sup>2</sup>, which is average for a New Zealand district.

Our estimated resident population<sup>1</sup> has increased from approximately 54,000 in 1996 to 62,000 in 2016, a growth rate below the national rate for the last two decades. Most of our population increase has been in urban areas - 85% in and around Kerikeri.

Looking to the future, by 2043, the population of the Far North is projected to increase to approximately 64,000 people, with most growth in and around Kerikeri, followed by Doubtless Bay and Waipapakauri / Awanui; offsetting declining populations in the very north and west of the district.

We will also be older (numbers in percentages).



This will increase the number of residents on fixed incomes.

The District has a high Māori population (approximately 40%) currently, and Māori are projected to become the majority ethnic group by 2033 with a substantially younger population.

We also have one of the highest deprivation rates<sup>2</sup> in the country. The most deprived areas are located on the west coast and the northern tip of the district, north of Pukenui. The least deprived areas include the east coast, including Kerikeri, Paihia and Kapiro. Many of the high-deprivation communities are also projected to experience population decline. When combined with the size of the district, it is a challenge to provide cost-effective and affordable infrastructure to these communities.

<sup>1</sup> Current and historic population reporting has drawn from Statistics New Zealand Subnational population estimates (2017 Release).

<sup>2</sup> Broadly speaking, deprivation can be described as lack of access to benefits considered to be basic necessities in society. The University of Otago in collaboration with the New Zealand Department of Public Health, has undertaken a study to assess and map deprivation throughout New Zealand. [www.otago.ac.nz/wellington/research/hirp/otago020194.html](http://www.otago.ac.nz/wellington/research/hirp/otago020194.html).

A more detailed account of the district demographic setting can be found in Appendix 2.

### Our economy

District and regional employment is vulnerable to a changing economic climate because of the diversity of small business operations. Primary production (agriculture, forestry and fishing), tourism, real estate and health services form the backbone of our economy and are the highest contributors to GDP<sup>3</sup>.

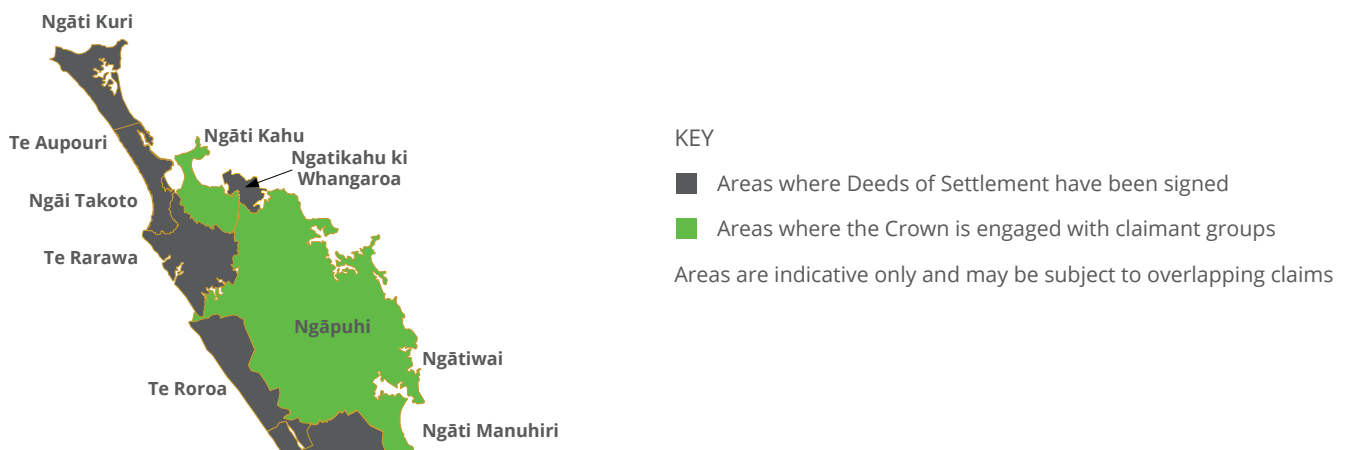
Tourism has become the highest employment industry in the District, and the temporary population influx to the Far North associated with holiday makers and tourists is substantial and predicted to grow. Extending the visitor 'season' and encouraging visitors to see more of the District is a major

opportunity to uplift the economies of our smaller and more isolated communities.

**The Māori Economy:** A number of Treaty of Waitangi claims have been settled in the Far North and the Ngāpuhi settlement process has been invigorated. Current financial and commercial redress amounts equal just over \$103 million within the Far North. As a result of the settlement process, the future Māori contribution to the Far North economy is potentially significant.

Figure 2 shows areas where Deeds of Settlement have been signed and those where the Crown has engaged with Treaty of Waitangi claimants.

Figure 2: Completed Treaty Settlements and current negotiations



Source: Office of Treaty Settlements Quarterly Report, July 2017 – September 2017

### Our environment and heritage

With a lengthy history of Māori and Pakeha settlement, the Far North District has a rich and nationally significant heritage. Key examples include the Hokianga Harbour (Hokianga-nui-a-Kupe) on the west coast which, according to tradition, was the landing place of Kupe, who is regarded as the discoverer of Aotearoa; and on the east coast, the Bay of Islands is home to the Waitangi Treaty House and Okiato, which hosted the nation's first capital.

The coastline of the Far North is one of the District's defining geographic features - it is unique, diverse and extensive. The coast, along with the District's unique biodiversity<sup>4</sup>, and rich heritage, the Far North is an attractive place to live and visit.

We generally have high rainfall during the autumn and winter, with prolonged dry spells during summer. This seasonal rainfall can lead to low flows in our smaller river catchments, and although it doesn't typically affect our groundwater, long

periods without rain affect the amount of water that is available for supplying communities and commercial and industrial activities.

Water quality can also be affected by rainfall and low flows, as well as temperature, surrounding land use and discharges (including those from our infrastructure, such as roads, stormwater and wastewater). High (and intense) rainfall can also cause flooding.

Our air quality is generally good but dust from heavy vehicles travelling on unsealed roads is a problem in rural communities during dry summer periods.

We also have a diverse range of soil and rock, including highly productive soils, but much of our land is prone to erosion which affects our infrastructure.

<sup>3</sup> Council publishes economic data and information for the district on its website.

<sup>4</sup> The Far North is considered a biodiversity hotspot, hosting unique habitats such as coastal dune lakes and harbouring extensive tracts of public conservation land and native forests.

## Climate change and the need for resilience

Climate change will result in core infrastructure located in low-lying coastal areas and floodplains being exposed to increased erosion and more frequent inundation. Investment in critical assets and lifelines, particularly transport infrastructure, will be required to ensure climate-related risks are adequately mitigated. Moreover, responding to climate change will require adaptive management approaches to be developed, the outcome of which may be a reduced level of service in some areas and increased capital investment in others (or both).

Appendix 3 shows the climate change impacts for the District.

## National and regional context for infrastructure

A number of key national initiatives have important links to this Strategy. These are summarised below:

- The Government is focusing on regional economic development and primary industries, including a \$1 billion per annum Regional Development (Provincial Growth) Fund that includes significant investment in regional rail and forestry. There are also other funding mechanisms available, such as the Tourism Infrastructure Fund and the Maintaining the Quality of Great Rides Fund. It will be critical to have the right infrastructure in place to support initiatives. Council intends to leverage Government funding as much as possible.
- The Government Policy Statement for transport sets out the priorities that Government wishes to address when co-funding roads. As we develop this strategy, the Government has announced plans to change its approach to funding, which may affect the assumptions we have made around funding levels and the transport projects we undertake. The draft Government Policy Statement 2018 provides encouraging signals around supporting regional development, rail and mode neutrality, but it is unclear whether current priorities will apply. However, it has been confirmed that previously announced increases in Financial Assistance Rates delivered through subsidy funding will be accelerated.
- Statutory changes: There will be ongoing changes to legislation, policy, plans and standards (such as the Resource Management Act 1991<sup>5</sup>, Regional Policy Statement and Plan, higher environmental and drinking water standards) over the next 30 years that are likely to affect the consents we hold, the standard our infrastructure must meet, and the cost to our communities. Consent renewals may require upgrades to some of our wastewater and stormwater infrastructure, along with the identification of additional alternative water sources.

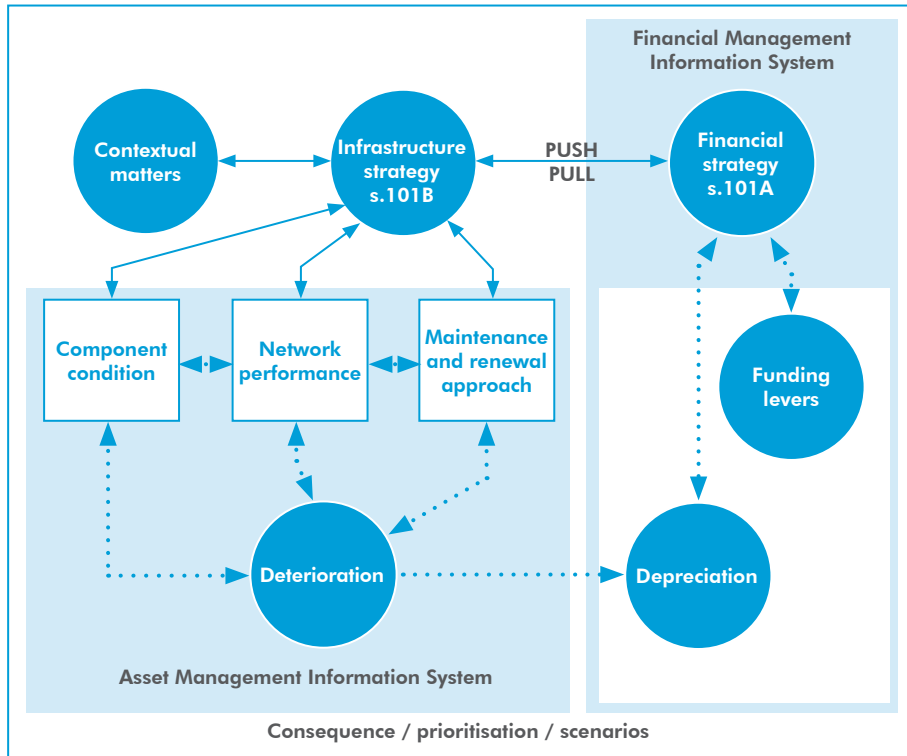
At a regional level there are a number of opportunities:

- **Northland | Forward Together:** the collective plan for all four Northland councils to work together to deliver better outcomes for Northland and its people
- The **Northland Transportation Alliance (NTA)**, established in July 2016, is a collaboration involving Far North District Council, Kaipara District Council, Whangarei District Council, Northland Regional Council and the New Zealand Transport Agency. As a shared services business unit, its aim is to deliver regional transportation services more efficiently through better coordination of work programmes, shared expertise and more effective contract management
- The **Twin Coast Discovery Route** is an 800 km circular route of Northland. The New Zealand Transport Agency (NZTA) is proposing major investments in the Route to substantially increase off peak tourism and spending and to improve transport resilience. They have identified potential State Highway Capital Improvement projects in the Far North District totalling \$18.8 million over years one to four of this Strategy
- The **Tai Tokerau Northland Economic Action Plan** focuses on a group of projects that aim to transform Northland's economy. The Plan relies on local and central Government to support enabling infrastructure, with the top priorities being transport, digital infrastructure and water resources. The action plan is being refreshed during 2017/18 and our infrastructure strategy and asset management plans support the direction it is heading in
- **He Tangata, He Whenua, He Oranga** and specific strategies (including forestry) outline directions for economic development for Māori within the district and region.

<sup>5</sup> Section 31(1)(aa) of the Resource Management Act 1991 recently required councils to ensure there is sufficient development capacity for housing and business land to meet the expected demands of the District.

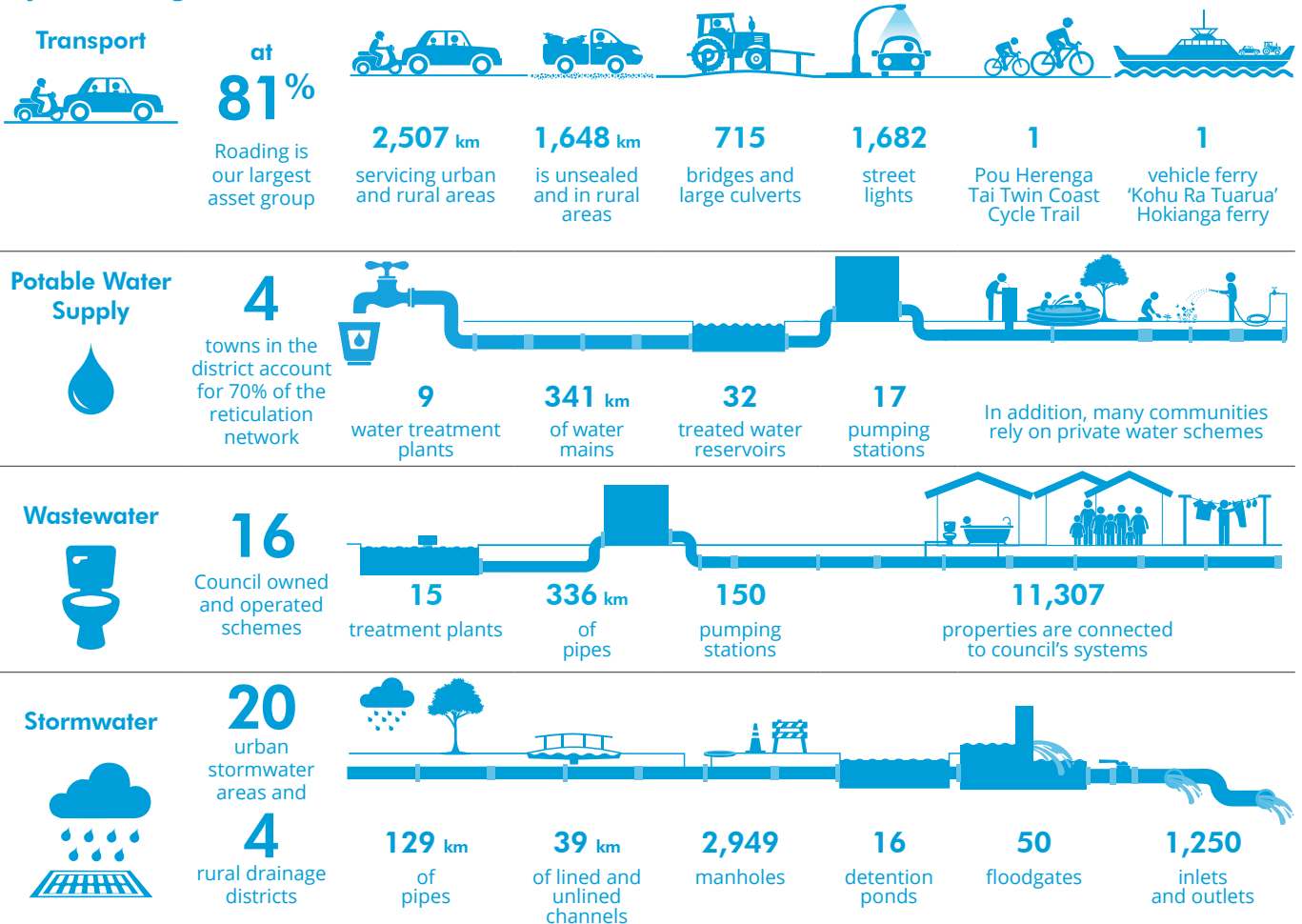
## How it all fits together

The following diagram illustrates how the Infrastructure Strategy fits within the big picture of Council's decision-making framework.



## Council's Strategy

### Key facts at a glance



## Our infrastructure goal

The goal for this strategy is Affordable Council Infrastructure meeting the needs of people, communities and the environment – now and into the future.

## Strategic direction for infrastructure

### Our strategic direction for infrastructure is to:

- **Focus on strategic asset management** – we will improve our asset condition data and information (especially for underground assets), processes, and systems; and their integration with strategic, spatial, land use, resource management and financial planning
- **Manage change (population, climate and levels of service) with communities** – over the lifetime of this strategy levels of service will change; for the short to medium term we generally maintain levels of service with some improvements and our rates increase above inflation over the first 10 years
- **Support economic prosperity and growth** – we will improve the efficiency of the transport network, ensuring our infrastructure has capacity, we manage demand and support the roll out of broadband
- **Optimise the way infrastructure is funded** – we advocate for sustainable funding from Government, especially for water and wastewater, leverage external funding and partnerships, and conduct a comprehensive review of our own funding mechanisms (including rates, fees and charges, and development contributions)

In determining the strategic direction for infrastructure management, we considered the vision, mission, values and expectations (page 1 of the LTP) and community outcomes (page 11), along with:

- Council's strategic priorities
- The place we live in and in particular:
  - our demographics
  - our environment and heritage
  - our economy
  - climate change and the need for resilience.
- The national and regional strategic context
- Our significant infrastructure issues (below).

## Our significant infrastructure issues

In summary, our significant issues are:

<b>Statutory changes</b>	Ongoing changes to legislation and central government policy creates uncertainty around infrastructure investments, impose higher standards and increased costs
<b>Three-yearly election cycle</b>	This can create a challenging environment for strategic, long term infrastructure management and investment
<b>Socio-economic issues (affordability)</b>	The Far North District is subject to social and economic challenges (including significant levels of deprivation) that present constraints for the on-going provision cost effective infrastructure services
<b>Resilience and climate change</b>	Hazards from and the impacts of climate change (including flooding, sea level rise and storm surge, drought, landslides and erosion, overflows and infiltration) will affect the performance of our infrastructure
<b>Population change</b>	Population ageing, low population growth, declining communities, and the impact of tourists affect affordability and will result in changes to the location and types of infrastructure services communities require
<b>Asset Management</b>	A largely age based approach to asset management and the need to strengthen asset condition information, processes and systems increases the risk of sub-optimal investment decisions



## Statutory challenges

**Issue: The ongoing changes to legislation and central government policy create uncertainty around infrastructure investment.**

### Roading

The policy and statutory direction developed at a Government level can result in a challenging environment for infrastructure investment and delivery. The Government's decisions on how much to invest in the transport network and how to raise the revenue to meet that expenditure impact on how much funding is available to invest in Far North roads.

At the time of adoption of the infrastructure strategy and LTP the roading programme and the level of NZTA subsidy has not been confirmed. The government is also in the process of reviewing the Government Policy Statement (GPS) for roading which is likely to impact funding levels. The GPS is expected to be finalised in late 2018.

### Three Waters

The National Policy Statement for Freshwater Management 2014 impacts on, or requires upgrades of, three waters infrastructure. However, the policy statement has been in a state of change since it was first given effect to in 2011 and has resulted in a lot of uncertainty for infrastructure providers and has taken a long time to work through the planning system.

In addition, a number of wastewater treatment plants are lacking investment, resulting in ongoing non-compliance issues. Examples include Taipa, Ahipara, Paihia, Opononi-Omapere and Kerikeri treatment plants.

Increasing treatment and compliance standards will increase the cost of water and wastewater treatment particularly where we have compliance issues today. The issue is compounded by the Havelock North incident, one of the outcomes of which is likely to be an increase in overall standards, include requiring formally qualified staff to operate treatment plants. A number of communities in our District are reliant on private water supplies that are not managed sustainably and levels of service are not monitored very well.

Regulation changes may encourage owners to divest or shut down, which in turn may require Council to get involved. In addition the Health Fluoridation of Water Amendment Bill is soon to be passed. The Bill will allow District Health Boards to require Council's to fluoridate drinking water supplies. On top of the cost implications, fluoridation of drinking water supplies is a highly contentious issue.

## Local Government challenges

**Issue: The three-yearly election cycle can create a challenging environment for infrastructure management and investment because it can result in inconsistent decision-making over time.**

## The impact:

Infrastructure investment has significant long term financial implications and benefits for communities. However, investment decisions can be influenced by changes brought about by three-yearly political cycles, making it difficult to follow a strategic direction and uphold decisions over time. At the same time, it is important to acknowledge that democratically elected people have a right to change priorities.

## Socio-economic Issues

**Issue: The Far North District has social and economic challenges that present constraints for the on-going provision of cost-effective infrastructure services.**

## The impact:

The Far North's significant levels of deprivation make future rate increases for core infrastructure difficult to afford for a large proportion of the Far North community. Many already pay over 5% of their median household income on rates. People's ability to afford infrastructure is particularly challenging in low population communities serviced by small water and wastewater schemes where economies of scale cannot be achieved.

## Resilience and climate change

**Issue: Managing hazards by building resilience into critical assets is an important approach to enabling community resilience. This approach needs to be considered alongside the need to proactively manage the effects of climate change through adaptive management and integrated long-term planning across Council functions.**

## The impacts:

Climate change will result in core infrastructure located in low lying coastal areas and floodplains being exposed to increased erosion and more frequent inundation. Investment in critical assets and lifelines will be required to ensure climate related hazard risks are adequately mitigated, particularly transport infrastructure. Moreover, responding to climate change will require adaptive management approaches to be developed, the outcome of which may be a reduced level of service in some areas and increased capital investment in others (or both).

Stormwater and wastewater networks tend to have significant infrastructure at the low elevation due to the reliance on gravity to convey flows through the piped network. Changes in rainfall extremes can overwhelm these systems, resulting in overflows and flooding.

- Council operates a number of water takes that rely on small surface water sources. These are extremely sensitive to dry weather, and climate change may result in an increased risk of drought related water shortages. Larger schemes will also start to come under pressure in terms of their capacity to service the district, particularly

in areas that are experiencing population growth or are significant tourist destinations (e.g. Kerikeri and Paihia). Increased demand from direct water connections during dry conditions is not just a tourist or growth related issue. Households that rely on roof water collection are also reliant on bulk water tanker supplies at times when water supplies are already under pressure from dry conditions.

## Population change

**Issue: Population decline and population ageing are likely to affect the ability of communities to pay for infrastructure, and may result in changes to the location and types of infrastructure services communities require. This needs to be balanced with summer influxes of tourists and holidaymakers.**

### The impacts:

Population decline coupled with population ageing is expected to have significant affordability issues for core infrastructure, particularly where rates are targeted for specific services. This must be balanced with the need to support the tourism industry. Tourism is an important industry in the Far North, and it contributes to the local economy. Tourism must be supported by infrastructure for the industry to continue to grow. The cost of infrastructure investment to manage tourism growth can be significant, and the infrastructure can be poorly utilised for much of the year, resulting in high costs for permanent residents.

Projections show an increased number of elderly people living in isolated areas throughout the District who will require age friendly transport solutions to access services. In addition, the number of ratepayers contributing towards the transport network is expected to decline in rural areas, reducing the cost-effectiveness of transport investments in these areas.

In urban areas where growth is projected, there is a need to strategically plan and invest in appropriate transport linkages to futureproof the transport network to respond to growth.

## Asset Management

**Issue: A limited strategic approach to asset management can increase the risk of inefficient, reactive investment decisions.**

### The impacts:

A largely age-based approach to asset management, coupled with low confidence in asset condition information (especially for our underground assets) makes it difficult to make optimised strategic decisions around infrastructure investment. The current renewals approach for underground assets and the unsealed road network lacks optimisation around lifecycles and whole of life costs.

## Our strategic response

### Focus on strategic asset management

Focusing on strategic asset management is a key response to the significant infrastructure issues: **Council asset management, statutory and local government challenges.**

Without good data and information, we cannot manage the asset well or plan for the future. At present we have low confidence in underground asset condition, particularly for stormwater. We have plans in place to address this, including gathering more asset information, gaining a better understanding of the potential impacts of climate change and updating modelling and catchment management plans.

As better data and information is gathered, the strategy is then to optimise lifecycle management and improve integration between asset management and financial, strategic, land use and spatial plans. We have a major project to integrate financial and asset management systems in the first three years of this strategy. We also plan to integrate asset management planning and programming with:

- **He Whenua Rangatira - Sustainable District Strategy and Spatial Plan (2018 draft).** This plan will give effect to the District vision by identifying the major challenges and opportunities for our District out to 2050, and the key strategies and actions required to address them. It will include the District-wide Spatial Plan, and as sub-District plans (or blueprints) for the future are developed, levels of service and infrastructure requirements over the medium to long term will be reviewed and incorporated into asset management plans. Improved asset management information, condition assessments and modelling will also inform the Strategy and Spatial Plan, and future revisions of both.
- **Review of the Far North District Plan.** This creates an opportunity to develop strong alignment between land use planning, infrastructure and significant resource management issues. Draft District Plan objectives relevant to this strategy are:
  - urban sustainability: matching the scale, type and design of urban development to existing / planned infrastructure
  - affordable infrastructure: optimising and protecting existing infrastructure. Ensuring new infrastructure is resilient
  - hazard resilience and climate change: recognising and managing climate change hazards for healthy, safe and resilient communities.

We plan to develop and implement an overarching asset management strategy (based on our current maturity) and asset management policy, including priority asset strategies and plans (for example a stormwater strategy and transport plan).

Aligning our planning with national and regional transport objectives, our spatial plan and widening our focus from planning for Kerikeri and Waipapa to the whole transport

network (including the role it plays in contributing to the country's GDP, community well-being and positive tourist experiences) will give us the evidence to support investment from NZTA and other co-funders and achieve positive economic and social benefits cost effectively.

All of the above will enhance our ability to improve on and optimise the lifecycle of our assets, taking account of whole of life costs.

We will keep our standards, bylaws and policies under review and develop new ones as necessary to offset some of the impacts of development on infrastructure and manage demand.

Democratically elected people have the right to make decisions that change investment priorities or work programmes. They need robust information to help them make these decisions.

Focusing on long term strategic asset management within an integrated framework of financial, strategic and land use planning will enable elected members to make better informed evidence based decisions, which will go a long way to improving consistency around long term investment decisions and addressing the challenge of three yearly election cycles.

### Manage change with communities

Managing change with communities is a key response to addressing issues surrounding population change and resilience and climate change. The Far North District is likely to change over the term of this Strategy; populations will change, some will grow and many will decline. The climate is also expected to change, bringing with it potentially big changes to coastlines, low lying areas and water availability.

Managing change is about working with communities to understand what they need, want and are prepared to pay for. A gradual shift in level of service provision can be expected beyond the 10 year LTP horizon, resulting in a gradual change in the quality and reliability of three waters and transport services.

Beyond the 30 year horizon, as the impacts of sea level rise begin to become more acute and populations within already isolated communities continue to decline, the spectrum of levels of service response may need to shift from reduced quality of service through to reduced provision altogether.

Responses to these changes, in the long term, will require adaptive measures that in response to shifts in costs, levels of service or even levels of provision (i.e. withdrawal of services). There remains time to plan and adapt to these changes.

The strategy is to engage with communities early, to enable them to understand the long term environment they face and their options, including how much it will cost them and their great grandchildren.

### Leverage opportunities

Leveraging opportunities and initiatives is a key response to addressing the District's socio-economic issues.

There are a wide range of significant opportunities and initiatives which link to Council's strategic priorities in addition to the significant infrastructure issues identified in this Strategy.

Council's strategy is to leverage or support existing regional opportunities initiatives by:

- investing in the **Pou Herenga Tai Twin Coast Cycle Trail** to enhance tourism opportunities throughout the District;
- investigating in further shared service opportunities by learning from the **Northland Transportation Alliance** and delivering the **Northland | Forward Together plan**
- understanding the role of Council infrastructure in supporting the **Tai Tokerau Northland Economic Action Plan** and the development of the **Māori Economy**
- fully integrating strategic asset management with the **Far North District Plan Review, Sustainable District Strategy and Spatial Plan**
- maximising revised **bylaws** and **policies** and managing demand to accommodate the effects of development on infrastructure.

### Support economic growth

Supporting economic growth is a key response to addressing the District's socio-economic issues and initiatives to enable increased economic growth are fundamental to unlocking the Far North's potential.

The District is rich in natural resources, is a major tourism destination and there are several major opportunities presenting themselves over the coming decades which could substantially enhance the Far North economy.

Core infrastructure will play a major role in the drive for economic growth. Council owned transport infrastructure is vital for connecting economies and visitors with communities, and for servicing the transportation needs of the primary production sector. Three waters infrastructure is essential for many tourism businesses, particularly the hospitality sector.

Productivity growth is also an important factor to consider. Productivity is an economy's ability to produce goods and services. Productivity growth is about creating more value by making better use of resources: producing goods and services for less effort, or producing more goods and services with the same effort or resources.

Productivity growth generally correlates with income growth, and is a catalyst for improving living standards. With shifts in labour force participation as a result of population ageing, productivity growth will be an important factor for offsetting the effects of demographic change.

Initiatives to enhance productivity growth also have the potential to diversify the labour market, which could bring younger workers back into the District. Environmental impacts must be managed.

Council's strategy is to support economic growth by:

- Investing in the capacity and efficiency of the transport network to enable High Productivity Motor Vehicles<sup>6</sup> and 50Max<sup>7</sup>
- Supporting the rollout of broadband to help small Far North markets be more competitive
- Continuing to investigate the role Council can play in the delivery of investment into irrigation schemes at strategic locations, particularly in and around Kaikohe
- Ensuring our three waters infrastructure has sufficient capacity to support growth in the tourism sector.

### Optimise the way infrastructure is funded

Optimising the way infrastructure is funded is a key response to addressing the Districts' socio-economic issues.

At present, rates are the primary means of funding infrastructure. Rates increases above inflation will be required year on year to meet the rising costs of providing infrastructure. Put simply, it is not possible to maintain the levels of service people have come to expect, nor those service levels that are required to be met by law, without sufficient capital and operating expenditure.

Over the 30 year period covered by this Strategy a shift in the way infrastructure is funded is likely to be required to maintain sustainable levels of rates and deliver the ongoing investment in infrastructure required to support communities and our economy, meet legal requirements and manage a changing climate and population structure.

We will work proactively to take advantage of the non-rate based funding mechanisms available to ensure infrastructure is funded as equitably and sustainably as possible. We will:

- **Advocate for more sustainable funding from Government and fully utilise available subsidies and external funding**

Our strategy is to obtain as much government funding as possible by:

- adopting a robust business case approach to secure NZTA funding
- continuing to work with the Government to establish long term and recurring subsidy mechanisms for water and wastewater schemes located in high deprivation areas

- taking advantage of funding for economic development e.g. the Tourism Infrastructure Fund, the Maintaining the Quality of Great Rides Fund and the Regional Development (Provincial Growth) Fund.

Subsidies from Central Government via the NZTA provide a significant source of funding for our transportation activities. From 2018/19 subsidies will represent 66% of the gross cost of both operating and capital costs across the transport group, which now includes footpaths. This is an acceleration from the previously assumed 1% increase each year from 62% in 2018/19 to a cap of 66%. A review of Funding Assistance Rate (FAR) occurs one year before each National Land Transport Programme (NLTP).

Historically, Government subsidies have been obtained for water and wastewater capital projects. Recent (over the last five years) examples include major subsidies for Opuia wastewater reticulation, Awanui wastewater reticulation, an upgraded Kerikeri wastewater scheme and a new water treatment plant at Rawene. These subsidies are no longer available for new projects. We will advocate for their reintroduction for new projects and for the introduction of funding to cover future renewals.

We will also seek partnerships and use appropriate governance and delivery vehicles (as we have at Te Ahu and for the Te Hiku Sports Hub) to reduce the impact to ratepayers.

### Development Contributions

Development contributions (DCs) are a means of collecting growth charges to fund growth-related assets. In the absence of DCs, Council is left with two broad options in respect to dealing with growth related impacts on its services:

- fund these through rates; or
- elect not to service future developments where there is insufficient capacity to do so.

The former option affects the affordability of core infrastructure for existing ratepayer; the latter affects development growth, particularly in urban areas, unless developers are willing to enter into agreements with Council to fund growth assets.

Our strategy is to use the output from network models and population forecasts to estimate the cost and timing of growth related investments so they can be funded through DCs.

### Fees and Charges

We plan to carry out a comprehensive review of our fees and charges, and will look at introducing fees for trade waste. We will also ensure our charging regime for septage reflects the true cost of the impact of septage disposal on the treatment capacity of the plants.

<sup>6</sup> The vehicle configuration allows freight operators to carry increased payloads on parts of the network where bridges have been upgraded to carry heavier weights.

<sup>7</sup> This is a new generation of truck that allows for more efficient transport of freight.

We have never levied charges for the processing of trade waste and our Trade Waste Bylaw (controlling trade waste discharges into the public sewer to protect the public sewer from damage from erosive / toxic substances) will introduce fees for the further treatment required to deal with these substances and maintenance to the treatment plants, and conveying and disposing of trade waste. A number of Council wastewater treatment plants receive septage from septic tanks. The current charging regime for septage does not reflect the true cost of the impact of septage disposal on the treatment capacity of the plants, nor the removal and disposal costs of the associated sludge.

### Review how infrastructure is rated

Council has a complicated mixture of general rates, ward rates, sewerage and water rates and other targeted rates that generate most of the income it needs to meet its operating costs.

New rates and changes to existing rates that have previously been adopted with the best of intentions have had unforeseen consequences on individual properties or

communities within the District, with small communities connected to small schemes in high deprivation areas having to pay disproportionately higher rates compared to those connected to larger schemes.

Our targeted transport and urban stormwater rates have not been utilised as intended and need to be reviewed. We expect the review to commence in 2018.

### Significant infrastructure decisions

In this strategy, significant capital expenditure decisions have been identified based on the significant issues and significance criteria set out in Council's Significance and Engagement Policy. The policy can be found on Council website: [www.fndc.govt.nz/your-council/councils-policies](http://www.fndc.govt.nz/your-council/councils-policies) and on page 188 of the LTP.

We have highlighted our significant infrastructure issues for each class of activity and the principal options for managing those issues and the implications of those options below. Where dollars are referred to they are uninflated.

## Transport

Issue	Options	Implications
Lack of strategic transport planning resulting in adhoc development of the transportation network	Do nothing	Growth will continue putting pressure on the transport network <span style="color: #0070C0;">■</span> = Most likely scenario Doing nothing will only push out decisions to the future The cost of purchasing land to secure corridor will increase
	Developing a Strategic Transport Plan for the Far North District, providing for future transport infrastructure, including securing corridors and sites for future arterial roads and transport facilities	The transport network will be future proofed Transport corridors will be secured and designated Growth may slow because of undeveloped urban zoned land availability Assist securing NZTA funding
	Influence land use patterns	Does not address the implications of growth pressure and will have minimal impact over the next 10 to 20 years as there is significant undeveloped urban zoned land in Kerikeri that requires servicing

### Commentary and anticipated response:

The Strategic Transport Plan is expected to account for the entire District's changing populations. It will identify areas of investment and projects that improve capacity and support growth of the District.

Planning, modelling and route designation is planned for 2018/19 through to 2022/23.

The timing and nature of projects will depend on the results of planning, modelling and reassessing growth scenarios.

■ = Most likely scenario

Issue	Options	Implications
Maintenance and renewal of forestry routes	Do nothing	Dust issues not dealt with, health impacts Roads deteriorate Dealing with high forestry industry usage on roads would be reactive Ongoing high levels of maintenance
	Rely on non-pavement solutions	Development of bylaws and land based rules to limit the roads that can be used to transport logs and when May still be inadequate to deal with dust and require high levels of maintenance and reactive renewals
	Strengthen and maintain key forestry routes throughout the term of this strategy	Priority roads will be strengthened, improving resilience against forestry traffic Depending on roads, dust mitigation may be reduced Roads will be safer for residents

#### Commentary and anticipated response:

Forestry is a major contributor to the local economy, although the heavy traffic significantly affects the transport network. With the prospect of future investment in forestry, it will be necessary to strengthen key forestry routes, in conjunction with non-asset based improvements such as better land use provisions, bylaws to limit which roads can be used for forestry traffic, and alternate ways of off-setting the costs of transport funding. Increased development will cost \$44 million across the 2018 to 2031 period. Planned road strengthening and maintenance for forestry traffic will be an ongoing cost.

#### Priority Roads

- |   |                                 |
|---|---------------------------------|
| 1. Diggers Valley Road (in 3 stages)    | 5. Ngapipito Road (in 2 stages) |
| 2. Matawaia-Maromaku Road (in 2 stages) | 6. Pipiwai Road (in 2 stages)   |
| 3. Iwitaua Road                         | 7. Tapuhi Road                  |
| 4. West Coast Road                      | 8. Gammons Road                 |

Issue	Options	Implications
Freight productivity negatively affected by bridge capacity	Do nothing	Limited freight movement as now Potentially more roads closed Would make the Far North as part of Northland less competitive Increased production may not be achievable by the transport industry
	Renew without strengthening	As above
	Strengthen key structures to enable HPMV and 50MAX vehicles as part of the bridge renewals programme	Upgrading infrastructure and making accessible to these classes of vehicles will align or drive freight movement with increased productivity, e.g. avocados Will play our part in the movement of freight through the rest of Northland to markets

#### Commentary and anticipated response:

Council has a significant network of bridges (approximately 715 bridges throughout the District that have a total value of \$144 million) and renewals of several structures will be required each year.

There are 59 bridges needing significant structural work and 111 bridges needing scour issues attended to. There is \$1 million per year for the next 30 years allocated through maintenance budgets to address this.

Upgrading bridges to allow for higher efficiency freight vehicles as part of the renewal programme is cost effective and will create a more efficient freight network that is likely to improve opportunities for productivity growth enable the district to be able to better compete with other areas. This is particularly important given Far North District Council's large geographic area.

■ = Most likely scenario

Issue	Options	Implications
Relieving congestion and capacity issues in and around Kerikeri	Do nothing	Heavy vehicles continue to use Kerikeri township Lack of strategic connection to growing areas limits efficient movement of people and vehicles Continued safety concerns
	Secure corridors and complete improvements	Reduced congestion Diversion of heavy goods vehicles Safety improved Better access to business land and homes Increase in rates

**Commentary and anticipated response:**

Kerikeri and Waipapa are expected to account for most of the District's modest population growth over the next 30 years. Research suggests that the road network in and around Kerikeri will need investment over the next 20 years to improve its capacity and to support growth. Improvements are likely to be staged to match growth.

Issue	Options	Implications
Maintaining and developing the Twin Coast Cycle Trail	Do nothing or down scale	Loss of a popular part of the trail between Opuia and Taumarere Would limit potential growth Less opportunity for localised economic gains No increase in costs to ratepayer Adverse impact on some businesses
	Maintain the current trail and complete replacement route	Popular section of the trail maintained Would limit potential growth Additional costs
	Maintain, complete replacement and deliver on the strategic business case to significantly develop the Twin Coast Cycle Trail over the next 12 years and beyond	Would provide greater opportunity for tourism growth and a catalyst for local economic development Depending on routes can link through communities and provide a viable alternative to driving Will need infrastructure support depending on distances; such as toilets and rest areas Additional costs

**Commentary and anticipated response:**

Continue the development of the Twin Coast Cycle Trail to integrate with NZTA Twin Coast Discovery to deliver on the District's strategic priority of making walking and cycling a viable means of transport and an enjoyable form of recreation. An extended network provides both a catalyst and more opportunity for tourism growth. Longer stays in the District provide greater opportunity for localised economic growth.

Delivery of the Opuia to Taumarere section will cost \$4.6 million in years three and four and increased development will cost \$45 million spread over years 2021 to 2033. We assume we will get external funding.

## Wastewater

■ = Most likely scenario

Issue	Options	Implications
Capacity of existing wastewater reticulation to serve communities	Reactive approach	<ul style="list-style-type: none"> <li>Could limit development potential</li> <li>Could result in lower levels of service</li> <li>Public health would be impacted by increased risk of overflows</li> </ul>
	Manage demand and improve the network capacity of trunk mains and pumping stations to support increased demand if it should occur	<ul style="list-style-type: none"> <li>There will be an increased cost to those already serviced</li> <li>Develop demand management plans for all wastewater schemes and include anticipated capital improvements into future Long Term Planning</li> <li>Work can be staged to match growth</li> <li>Less risk to public health</li> <li>Levels of service can be maintained</li> </ul>

**Commentary and Anticipated Response:**

Develop demand management plans for all wastewater schemes and include any anticipated capital improvements into future Long Term Planning and Asset Management Plans.

Issue	Options	Implications
Added demand due to development will necessitate an upgrade to the Whatuwhiwi wastewater treatment plant and reticulation	Do nothing and developer provides own infrastructure	<ul style="list-style-type: none"> <li>Limit on development potential</li> <li>Could result in lower levels of service</li> <li>Developer pays</li> </ul>
	Upgrade the wastewater treatment plants to service growth as required	<ul style="list-style-type: none"> <li>Cost to those in the rateable area of around \$7 million (spread over the period of the infrastructure strategy)</li> <li>Can be staged to match growth</li> <li>Less risk to public health</li> <li>Levels of service can be maintained</li> </ul>

**Commentary and anticipated response:**

Pressure on the wastewater treatment plant from a major development is anticipated at Whatuwhiwi Peninsular. Unless the development provides its own infrastructure this may result in major increases in flows into the wastewater treatment plant, resulting in the need to upgrade the system. The situation will be kept under review as local hapū are concerned about the potential costs of upgrading to meet demand under the current rating system and the developer is concerned about the costs to the development.

Issue	Options	Implications
Long term capacity of the new wastewater treatment plant at Kerikeri	No change or smaller decentralised systems	<ul style="list-style-type: none"> <li>Not considered as Council has already committed to a centralised new treatment plant</li> <li>If no upgrade, growth will need to be constrained once capacity of new treatment plant reached</li> </ul>
	Upgrade the wastewater treatment plant to service growth as required	<ul style="list-style-type: none"> <li>Will allow residential zoned land to be developed</li> <li>Review of District Plan may create new reticulated areas</li> <li>Growth related investment will currently be met by those in the rateable area</li> <li>May trigger the need to reinstate the Development Contributions Policy</li> </ul>

**Commentary and anticipated response:**

Council is currently investing more than \$27 million in a new treatment plant and expanded reticulated network in Kerikeri. The treatment plant will have sufficient capacity to treat existing connections and some growth. It will be completed in 2018/19. The plant will require an upgrade within the life of this strategy to cater for anticipated growth within vacant residentially zoned land within Kerikeri.

Council expects to invest a further \$6 million from 2038 to 2048, but timing will depend on population growth and net migration rates for the Kerikeri area.



■ = Most likely scenario

Issue	Options	Implications
Growth in residential, industrial and commercial activity in Waipapa and Kerikeri surrounds	Do nothing	Inhibit growth and take up of zoned land Greater risk of overflows and associated public health risks
	Expand the Kerikeri wastewater scheme, reticulation, and service area to include residential, industrial and commercial land in Waipapa	Ability to develop commercial, industrial and residentially zoned land in Waipapa is improved Efficiency of the land use in Waipapa is improved Need to expand the service area
	Develop a new scheme and reticulation to service the Waipapa area	Ability to develop commercial, industrial and residentially zoned land in Waipapa is improved Efficiency of the land use in Waipapa is improved Land disposal options available Another system to manage

**Commentary and anticipated response:**

Waipapa is a major service hub for the District, comprising significant tracts of commercial and industrial development. The industrial zoned land is currently not serviced by reticulated wastewater and the water supply in those areas lacks pressure to comply with fire flow requirements. The development potential of the area is therefore limited, despite there being major demand for commercial and industrial land in the vicinity.

Expected cost is \$10-\$15 million (\$25k per section; potentially 450 properties) and is likely to be required around year 12 of the strategy.

**Potable water**

Issue	Options	Implications
Manage peak demand associated with growth and around Kerikeri	Limit growth impacts	Unlikely to address growth related demand in Kerikeri
	Do nothing	Impacts on community potentially limits the supply to urban zoned land throughout Kerikeri
	New water treatment plant and water source at Kerikeri at a cost of \$15 million in 2030-2035	Provides security of supply to water users and improved capacity for growth

**Commentary and anticipated response:**

Council is monitoring demand and limiting water use to urban activities i.e. not for lifestyle blocks or irrigation. Expansion of the scheme will be determined by urban growth not rural growth. If a larger area is reticulated, this will impact on the need for a new plant to occur sooner. The current raw water source for the existing plant is limited. Therefore any new plant will require the development of a new source also.

■ = Most likely scenario

Issue	Options	Implications
Failure of private water supply schemes to meet legislative standards	Do nothing	Private scheme owners may approach Council for assistance to either improve water standards or take over their scheme  Potential poor health outcomes as a result of water being supplied not to standard
	Council assists with finding alternatives or takes over private water schemes	Improve public health outcomes  Potential rates increases

**Commentary and anticipated response:**

The Havelock North Inquiry focused on Local Government as the primary suppliers of water. In Northland there are a large number of privately-owned water supply schemes, and as a result of the Havelock inquiry it is likely any legislative requirements for higher water standards will be imposed not just on Council but also the owners of these schemes, many of whom are members of the community they serve. This may mean that the private scheme owner becomes liable for any issues (public health or otherwise) relating to their scheme. It is possible that the financial risks and requirements for running these schemes will become excessive and the owners will find themselves in a position to either invest more of their own funds or look to divest their scheme to ensure consumers continue to receive potable water. Some owners may turn to Council to take over their scheme, and it is possible that Council will be obliged (through legislation) to do so. It is reasonable to expect that Council may need to become involved with the future management of some of these schemes. Council's response is to identify each private scheme and assess the potential risk to Council in its current state. A watching brief on the situation will be kept and a plan of action developed as we learn more. In Te Kao Council has chosen to support rain water tanks. Funding has been included in the LTP to enable customers of the Mawson Avenue, Waipapa, private water scheme (which will close from 1 July 2018) to connect to Council's Kerikeri water scheme.

**Stormwater**

Issue	Options	Implications
Improve assets to increase resilience to extreme events	No change or managed retreat	Would have an impact on communities and businesses as there is limited knowledge about the condition of current assets  Does not ensure additional resilience. Levels of service will decrease over time  Will have additional costs to mitigate issues as they arise at a future time  May mean retreating from assets because no longer able to be upgraded or are damaged and significant cost to replace
	Council investment within a strategic context	Levels of service may be impacted through anticipated increase in extreme events that then affect affordability  Critical assets can be expected to perform better if investment is made  Community resilience to extreme events will need to increase  Because of uncertainty about weather patterns and increase extreme events, there is always risk that investment is not enough  Investment in stormwater will be reassessed as our knowledge and data reliability changes

**Commentary and anticipated response:**

Develop a stormwater strategy and update our stormwater catchment plans and modelling. Invest in the network year on year to improve resilience of critical stormwater networks and assets to enable better preparedness and resilience to adverse weather events. The total amount for the 30 years of this strategy will be \$25.8 million. Council plans to invest \$14.9 million into the stormwater network over years one to 10 of the LTP 2018-28. \$658,000 is for renewals; the remainder is for level of service improvements (upgrade the stormwater network in Kaikohe, reactive work following storm events, minor upgrades and new drains in smaller centres). For 2028 to 2048, Council will continue investment at around \$0.6 million, giving an additional amount of \$12 million.

## District Facilities – main projects

■ = Most likely scenario

Issue	Options	Implications
Planning for a community hub (incorporating community spaces, library, the Memorial Hall, and Council's offices) for Kaikohe	Status quo	<p>Maintaining or renewing current assets will not meet communities expectations for levels of service as current facilities do not match expectations</p> <p>There will continue to be no opportunity to add additional facilities or services</p> <p>Will not attract investment outside of ratepayers in Kaikohe</p>
	Community hub for Kaikohe	<p>Because we want to include the community, including Māori, through transferring ownership and leadership to the community, the timeframe may be longer than a Council only project</p> <p>This initiative will provide an opportunity to include facilities important to the community and to realise shared spaces and services</p> <p>Even at the increased level of Council expenditure, we think third party funding - investment(s), sponsorship, grants or gifts - to realise a true community hub will be required</p>
	Civic centre on our current site	<p>Will provide better facilities that could include library and further community spaces</p> <p>Opportunity will be lost to add further community facilities such as shared spaces, dedicated performance area, cultural centre</p> <p>Reduced footprint of facility will likely reduce cost to around \$6.6 million</p>

**Commentary and anticipated response:**

Council signalled in the 2012-22 LTP that it was considering a community hub for Kaikohe, similar to the Te Ahu project in Kaitaia. Council also indicated that until the business case for this concept was further developed, major upgrades to the Kaikohe Library, Kaikohe Memorial Hall, and Council's administration offices were put on hold. We are therefore keen to continue to develop the story that starts with the community, including Māori, and transfers ownership and leadership to the community. Timing of capital works reflects this.

This may include sites not currently owned by Council and could entail a phased build - \$11.8 million.

Council will explore alternative private / public partnership models to facilitate the project's completion and we will actively pursue these before we commit significant funding as part of the delivery of the LTP.

Costs and timing may change as scope, location and the services are refined and partners are secured.

■ = Most likely scenario

Issue	Options	Implications
<p>Funding a community pool as part of the Te Hiku Sports Hub</p> <p>Note that options were considered and a decision made in 2015-25 LTP, no change has been made to that decision</p>	<p>No change to funding plan. Community to raise two thirds of the expected cost of \$8.38 million. Council would then set a targeted differential rate for the remaining 33.3%</p>	<p>Government commitment has gone some way to ensure the success of the community fundraising</p> <p>There is now less dependence on other funders and localised fundraising events</p> <p>Council has funded a Kaitaia Sports Infrastructure Plan to aid in applications to external funders</p> <p>Given the potential level of external investment, Council will set an appropriate targeted rate that will not exceed 33.3% but could be lower</p>

#### Commentary and anticipated response:

Te Hiku Sports Hub is a \$12 million project and is at the top of Northland Regional Council's Regional Sports Facility Plan priority list. For the community pool:

- Government have pledged to contribute \$2.8 million or half the community cost of the project.
- \$2.8 million of the community contribution is still to be raised. Potential funders require an independent 'Kaitaia Sports Infrastructure Plan' (which is being delivered this year and is Council funded). The objective of this report is to confirm to potential funders that the demand justifies the sports hub and that the facility is located in the right place in Kaitaia. The aim is to approach funders in the next funding rounds (early 2018).
- NRC have consulted on and agreed to implement a regional sporting facilities rate. Projects they have in mind include the Te Hiku Sports Hub and Swimming Pool facility, and a decision should be made in July 2018. Council will work with the Te Hiku Sports Hub, Community Board, NRC and other funders to ensure a Council targeted rate is struck at the right level.

## Activity analysis

### Transport

#### We are here

Transportation forms Council's largest asset group with roading and footpaths and other assets accounting for 81% of Council's core assets. Key transport assets include 2,508 km of roads (34% sealed and 66% unsealed), 715 bridges, two dams, more than 1,682 street lights, the Pou Herenga Tai Twin Coast Cycle Trail and cycle networks, and one Council-owned ferry.

NZTA manages the State Highway network including SH 1, SH 10, SH 11, SH 12 and SH 15.

#### Asset performance

Generally we have good information and the transport network is in reasonable condition. When compared to NZTA peer groups the roughness of our roads is as good if not slightly better.

The unsealed network, however, is an ongoing issue. There are considerable concerns around the possible health implications of dust generated by traffic, and pressure to mitigate this through sealing or the application of dust suppression measures. Some roads on the unsealed network are being adversely affected by the forestry industry and will require strategic maintenance to improve them.

Our expenditure on maintenance is high, suggesting that more targeted maintenance and programming of renewals is needed to get better value for money across the assets we own.

### Key issues

- **Reactive maintenance and renewal:** A mode of reactivity to failure has left our network exposed from a 'treating worst first' scenario. This has added considerable cost in terms of the unsealed network and drainage assets, and places Council under pressure to address and problem-solve as assets are generally beyond repair or in need of emergency works to keep the level of service desired for the asset type.
- **Logging and dairy freight:** Logging and dairy truck movements on selected routes pose problems both for residents and businesses moving the goods. The volume of traffic associated with these activities cause accelerated damage to pavements and surfaces, dust which poses health issues for residents and damage or failures of other parts of the asset. The need to move freight efficiently and support economic growth results in additional work to manage the damage caused and alleviate the problems faced by residents.
- **Network capacity:** Currently the network is not fully open to HPMV (High Productivity Motor Vehicles) and 50 Max (50 max is a new generation of truck that allows for more efficient transport of freight). Both these classes of vehicle offer significant savings to the freight industry. Not being able to access the whole network under the new regulations affects the efficiency of transport within the region and fails to align the region with the GPS on economic growth and productivity.
- **Tourism:** Visitors and tourists access the District along the State Highway network, the Twin Coast Discovery Route, and the local road network has many vantage points and

tourist attractions that are key to economic sustainability within the communities. In several areas the local roads are not of a standard suitable for a positive visitor experience and require upgrading. The shared path network is also crucial in the promotion of regional growth, with activities such as cycling and walking being recognised as a district-wide attraction, growth in these areas will enable the region to undertake diverse economic initiatives that benefit local communities.

- Our 87 km cycle trail from Opuā to Horeke, the Pou Herenga Tai Twin Coast Cycle Trail, is currently complete, but we have been given notice to vacate the Opuā to Kawakawa / Taumarere section. We also have plans for a 12 year programme of extensions starting in 2022.
- **Climatic conditions:** Resilience of the transport network is subjected to pressures from severe weather events, the terrain and soil types that vary greatly across the District, leaving the transport network vulnerable to disruption from flooding and slips. Residents and commercial users are affected during these events, and access to markets and essential services such as fire and ambulance can be disrupted for days at a time, in turn reducing the productivity of the region and the safety and well-being of our communities.
- **Bridge and structures maintenance and renewal:** Allied with the vulnerability to weather events and restrictions on HPMV and 50 Max, is the need to maintain our 715 bridges, 111 of which require remedial action to remedy scour and 15 that need strengthening or replacement.
- **Safety:** Road safety is a national and local priority. The Far North District rates among the worst areas in the country for personal risk. Areas where improvement is needed have been identified.

### Where we want to be

There are a number of strategic priorities for this group of assets that we aim to achieve within the life of this strategy. These are:

#### Sealed roads

**Priority 1:** Develop and implement a review and prioritisation process for reviewing the forward work programmes of the NTA councils.

**Priority 2:** Prioritise optimal programme of water table maintenance work and determine the effect of this work on the sealed road network.

#### Unsealed roads

**Priority 3:** Further segmentation of the unsealed network into sub-classifications to ensure roads are maintained to their intended purpose and use.

**Priority 4:** Capture 12 months of unsealed roughness data to see how roughness changes over the year. The data can be used to develop roughness levels of service for the unsealed network and a pro-active grading programme.

**Priority 5:** Undertake testing on major routes to understand the substrata and prioritise heavy metalling programmes.

**Priority 6:** Develop a forward works programme to address heavy metalling and road surfacing.

#### Drainage

**Priority 7:** Record condition data on drainage assets, and in particular surface water tables, so that this can be used to develop programmes of work.

**Priority 8:** Develop a programme of culvert upgrades.

#### Structures

**Priority 9:** Develop a programme, in conjunction with the Transport Agency Highways and Network Operations Group, for structural upgrades on State Highway detour routes. This should include assessments for suitability for HPMV and 50Max.

**Priority 10:** Carry out a full assessment on key bridges that have current 50Max restrictions to determine whether these restrictions are necessary.

**Priority 11:** Include retaining walls in the annual bridge inspection programme and condition rate them.

#### Walking and cycling

**Priority 12:** Carry out regular footpath and shared path condition rating through a three year rolling programme.

#### Network and asset management

**Priority 13:** Investigate and develop opportunities for greater use of shared services through the NTA.

**Priority 14:** Develop a regional Transportation Asset Management Plan by combining individual AMPs for Whangarei District Council, Kaipara District Council and Far North District Council into one document. This would include setting rules about how to condition rate various assets and how to develop programmes of work.

**Priority 15:** Improve Road Assessment and Maintenance Management (RAMM) data quality for inputting into the One Network Roding Classification performance tool.

### Stormwater

#### We are here

Council maintains and manages stormwater schemes within 26 defined urban areas in the Far North. The stormwater management systems include approximately 129 km of pipes (predominantly concrete) and approximately 39 km of open drains and overland flow paths.

## Asset performance

Generally the stormwater network can be considered fit for purpose. However, there are some large-scale river-generated flooding issues at Waipapa, Kaitaia, Kaeo and Moerewa that require a combined response from us and Northland Regional Council.

## Key issues

- Condition information is limited and much of it is out of date.
- Catchment management plans, including catchment modelling, was completed in 2010, but the plans have not been integrated into the broader asset management framework, and they now need updating.
- Lack of planned maintenance is the leading cause of failures. This is because maintenance is reactionary and based on complaints.
- Overland flow paths are poorly regulated or documented, resulting in localised flooding as a result of development in these areas. There is also a lack of clarity around who is responsible for some stormwater assets.
- Development (i.e. buildings and structures) over underground assets has been poorly regulated resulting in difficulty maintaining some assets and risks to the assets and nearby buildings.

## Where we want to be

There are a number of strategic priorities for this group of assets that we aim to achieve within the life of this strategy. These are:

**Priority 1:** Develop a stormwater strategy (with clear criteria for investment), policies, standards and bylaws that integrate with other Council plans.

**Priority 2:** Develop and implement a planned maintenance programme and inspection register (including condition assessments).

**Priority 3:** Complete investigations, business cases and prioritisation of the capital program, including a review of issues at Ahipara and Moerewa.

**Priority 4:** Review and update (where necessary) the network models and catchment management plans and identify secondary flow paths using the regional LiDAR survey (due to be completed in 2020).

**Priority 5:** Review and upgrade assessments on the effects of climate change.

**Priority 6:** Address resilience issues (\$25.8 million) and renewals and improvements (\$14.9 million over the first 10 years roughly evenly split), including upgrades in Kaikohe, work following storm events, minor upgrades and new drains in smaller centres.

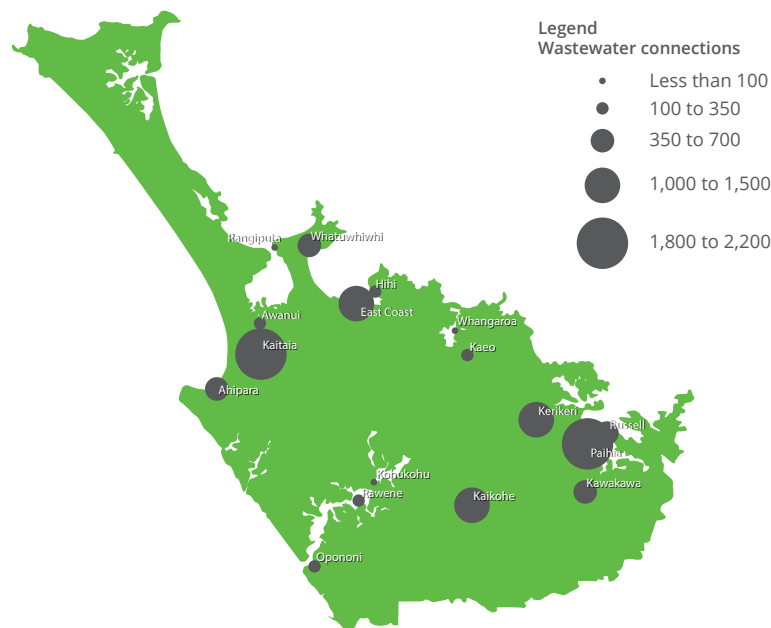
## Wastewater

### We are here

There are 16 Council owned and operated wastewater schemes (with 15 treatment plants) within the District that provide wastewater collection, treatment and disposal services for domestic, commercial and industrial customers. There is also one non-operating scheme. The 16 schemes combined include 403 km of pipelines and 150 major pumping stations.

The following figure shows the location of Council wastewater networks and the approximate number of connections for each scheme.

Figure 3: Location of wastewater networks and approximate number of connections



## Asset performance

Generally the network is performing adequately, but there are significant challenges in meeting consent compliance and anticipated future consent standards.

### Key issues

- A number of wastewater treatment plants are not capable of complying with the treatment quality standards required by the discharge resource consents. Ongoing compliance issues are occurring at Paihia, Kerikeri, Opononi, Ahipara, Taipa and Kaeo wastewater treatment plants.
- Unacceptable risk of failure of the Hihi treatment plant in the near term.
- Stormwater infiltration into the reticulation is becoming a big issue for Kawakawa, Kaitaia and Kaikohe.
- Condition information for individual underground assets is limited.
- Limited network capacity and treatment plant capacity is affecting development in the key growth area of Kerikeri
- Disposal of sludge from wastewater treatment plants is not effectively managed.

### Where we want to be

There are a number of strategic priorities for this group of assets that we aim to achieve within the life of this strategy. These are:

**Priority 1:** Reduce the volume and frequency of wet weather overflows in all wastewater schemes with a particular emphasis on Kaitaia.

**Priority 2:** Expand the Kerikeri reticulated area to service the central urban area and upgrade the treatment plant to meet new resource consent effluent discharge limits.

**Priority 3:** Ensure all treatment plants comply with current and future consent conditions with immediate focus on

renewing the East Coast consent and reducing the ammonia levels in the effluent discharge from the Paihia wastewater treatment plant.

**Priority 4:** Implement the Sludge Management Strategy. Pond desludging will progress in line with this new strategy. Ponds that contain high levels of sludge include Kaitaia, Kaikohe, Kawakawa, Kaeo and Rawene.

**Priority 5:** Upgrade the treatment plant at Hihi.

The 2015/16 WaterNZ benchmarking showed Council's wastewater schemes were among the least affordable of the 50 Councils surveyed. To avoid worsening this situation, wherever possible capital investment will only be sought:

- where the assets are at the end of their useful lives
- when improved levels of service are required
- where the investment will deliver a significant saving in operational or maintenance costs.

This will be demonstrated in business case options prior to the commitment to capital investment.

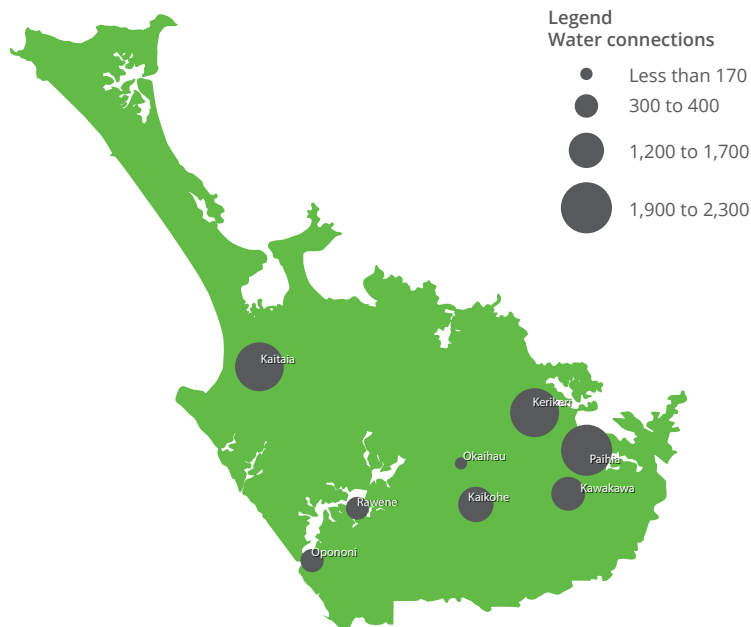
## Water Supply

### We are here

Council-owned water supply assets include eight systems that deliver potable water for domestic, commercial and industrial use. Four major towns in the District account for 70% of the reticulation network. Sources of raw water include surface water (five schemes), underground water via bores (two schemes), and one scheme using both surface and underground water sources. Key assets across the eight schemes include nine treatment plants, 32 reservoirs, 341 km of water mains and 17 pumping stations.

Figure 4 depicts the location of Council water schemes and approximate number of connections.

Figure 4 Location and approximate number of connections for Council water schemes



## Asset performance

Water supply schemes are performing well in terms of both quality and quantity. Bacteriological and protozoal water quality standards are met consistently, apart from where users are connected to raw water supplies before the treatment plants. The majority of the reticulation meets fire flow standards; however increasing main size is required in some locations.

## Key issues

- Limited raw water sources, and / or contingency supply during severely dry weather poses a risk to meeting summer demand for some schemes (e.g. Opononi, Rawene and Kaitaia).
- Condition information for individual underground assets is limited.
- Boundary backflow prevention is good for low risk residential dwellings. Limited regulation of medium and high risk sites for boundary backflow is resulting in a significant risk that could harm people's health.
- Treatment capacities at larger schemes (Paihia and Kaitaia) are approaching their limits.
- The Havelock North inquiry may result in changes having to be made. This may include requirements for qualified staff to be operating water schemes and will almost certainly require raw water supplies to be treated.
- Increasing standards may result in more private water schemes being abandoned and / or require Council's involvement. The timing and cost implications of this are unknown.

## Where we want to be

There are a number of strategic priorities for this group of assets that we aim to achieve within the life of this strategy. These are:

**Priority 1:** Continue to provide safe drinking water that meets New Zealand standards, with a focus on providing potable water to the Omanaia and Okahu Road communities.

**Priority 2:** Continue to maintain a high level of service by improving drought resilience to all schemes with a focus on improving raw water security for Kaitaia, Rawene and Opononi.

**Priority 3:** Manage expenditure to ensure water schemes are affordable.

**Priority 4:** Expand and relocate the Paihia water treatment plant.

**Priority 5:** Find affordable solutions for small communities to ensure access to potable water.

In support of these goals, the strategy for the coming years is to maintain a high quality service to current customers. It is

not generally intended to extend the reticulated network beyond current service area boundaries, as there is little demand across the District outside of Kerikeri. By maintaining the status quo with our reticulated systems, along with the introduction of increased water conservation measures, with the exception of Kerikeri, Paihia, Kaitaia and Rawene, Council expects to be able to continue to operate water treatment plants without major treatment plant upgrades.

Works are currently underway to construct a replacement water treatment plant to supply Rawene and Omanaia, which will result in the Omanaia community having access to potable water.

The combined effect of global warming, stricter resource consent conditions and increasing community expectations is resulting in reduced drought resilience for most schemes. This is most apparent in Kaitaia, Rawene, and Opononi. Solutions are likely to involve a combination of improved infrastructure, water conservation and better management of the existing resources.

As development occurs in Kerikeri, there will be pressure on Council to extend the reticulation. Reticulation extensions are considered on a case-by-case basis, with priority given to denser urban development and not to lifestyle blocks which should be self-sufficient. Since 2005, the Kerikeri water treatment plant has seen a steady annual increase in water demands. Assuming future growth is similar to past growth, the existing treatment plant is projected to reach capacity by the mid 2030's. However, if any expansion of the current rateable area is considered, there will be a need to respond faster to the demand.

The Paihia treatment plant operates well when the source water, the Waitangi River, is clean. As this catchment is heavily modified by the time it reaches the intake, turbid water is a common occurrence during rain events and this severely compromises the plant's water production capacity. Other factors affecting the resilience of the Paihia supply are peak summer demands and its location on the Waitangi river bank makes it susceptible to flood damage that could result in loss of production for an extended period of time.

The 2015/16 WaterNZ benchmarking showed Council's water supplies were the least affordable of the 50 Councils surveyed. Typically, these costs were approximately triple that of the majority of councils surveyed. To avoid worsening this situation, wherever possible capital investment will only be sought:

- where the assets are at the end of their useful lives
- when improved levels of service are required
- where the investment will deliver a significant saving in operational or maintenance costs.

This will be demonstrated in the assessment of options prior to the commitment of capital investment.



## District Facilities

### Where we are now

There are two major flagship projects within the Far North:

- **Te Hiku Sports Hub:** This will become a landmark asset, providing a major contribution to the District's sporting, recreation and social needs. The development of the first stage of the project is underway, and comprises of a multi-use sports hub. The second stage is to include an \$8 million indoor pool, co-funded by Council, community fundraising and a recently announced \$2.8 million contribution from the Government. The build is anticipated to start in 2020/21. Regional funding via a regional recreational fund may also be available.
- **Kaikohe community and civic hub.** For this project, Council is planning a community hub (incorporating community spaces, library, the existing Memorial Hall, and Council's offices) for Kaikohe, similar to the Te Ahu Centre in Kaitaia, in partnership with the community, key stakeholders, and private and public investment. We have budgeted \$11.8 million over several years from 2018 to 2021.

### Asset performance

The Te Hiku Sports Hub is a new facility.

The current Council facilities (Council headquarters, library and Memorial Hall) are not fit for purpose in their current state, as they are inefficient, cannot accommodate the majority of Council staff, and fail to deliver on the community's expectations and needs.

### Key issues

- **Te Hiku Pool:** Securing the community funding for the pool, managing construction and costs, and the timing of the build.
- **Kaikohe Renaissance:** Scope, location, funding, delivery, partnership, management and ownership options need to be developed to achieve agreed objectives. The pace of the community, our partners and construction capacity may affect timing.

### Where we want to be

There are a number of strategic priorities for this group of assets that we aim to achieve within the life of this strategy. For our two flagship projects these are:

**Priority 1:** Complete the Te Hiku Sports Hub, delivering value to the community and people of all ages and abilities enjoy and benefit from it.

**Priority 2:** Complete the Kaikohe Renaissance project in partnership with the community and key stakeholders and have it serve as a catalyst for the economic and social regeneration of Kaikohe.

## Critical assets

### Where we are now

Critical assets are those which have large and long term consequences when they fail. Council is a member of the Northland Lifelines Group, whose role is to help lifeline utilities to coordinate recovery and restore services as quickly as possible following a disaster.

The priority of the Group (in descending order of importance) is:

- electricity
- communication
- transport
- fuel (diesel moves to top priority if there is widespread electricity failure)
- water
- wastewater.

We have identified most arterial roads as critical roads. In addition, a number of other roads are classified as a priority if they provide access to key sites such as hospitals and airports, and where the sites require good road access for many people and generally cannot be rerouted easily. All wastewater and water treatment plants, including reservoirs, are also identified as being critical assets.

### Where we want to be

**Priority 1:** Identify all critical assets owned by Council.

**Priority 2:** Have contingency plans for critical assets in the Far North District (where Council is responsible for the asset).

## Infrastructure financials

### Summary of significant expenditure

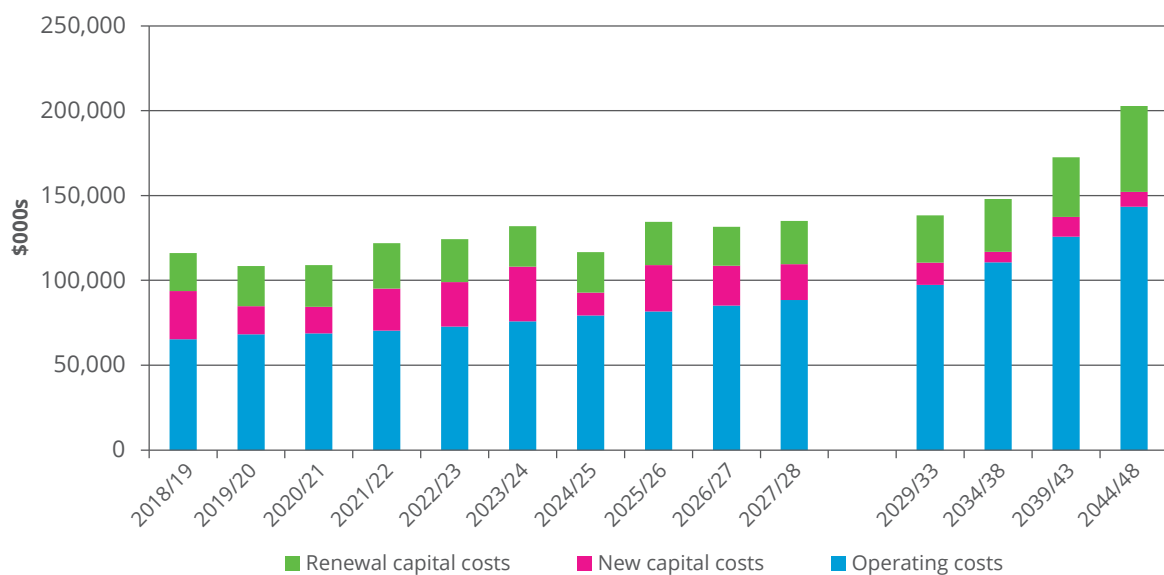
Significant projects contained in this section are those that are of high significance under Council's significance and engagement policy, of community interest (lighting, ferry replacement) or directly relate to addressing our significant infrastructure issues (e.g. strengthening the transport network to better accommodate forestry, addressing climate change risks for stormwater). Projects between years one and 10 are those identified as projects in the LTP 2018-28. Beyond year 10, projects have been set out as a most likely scenario arising from the previous section.

The table on the next page summarises Council's significant projects (inflation adjusted and including subsidy where available).

Project	Description	Timing	Estimated cost	Purpose
<b>Transport networks</b>				
Responding to growth in the District	Implementation of initiatives from the District-wide transport plan	Years 3-10	\$38.2 million	LOS
Minor lighting improvements	Infill and water lighting improvements across the District	Years 1 - 10	\$9 million	LOS
Dust seals	Sealing of critical risk roads that pose a threat to public health through dust generation	Years 1-10	\$11 million	LOS
Unsealed road metalling	Pavement rehabilitation and strengthening of unsealed roads	Years 1-10	\$43 million	Renewal
Tourism byway sealing to major attractions	Twin Coast Discovery Highway – tourism byway sealing to major attractions Motuti Road, Ruapekapeka Road, Pungaere and Waiare Roads	Years 1-5	\$2.7 million	LOS
Twin Coast Cycle Trail	Permanent route Taumarere to Opuia	Years 3-4	\$4.64 million	LOS
Develop the Twin Coast Cycle Trail to support tourism growth	Develop the Twin Coast Cycle Trail in line with strategic case	Years 4-15	\$45.0 million	LOS
Improve freight productivity	Strengthen and maintain key forestry routes and bridges to enable HPMV and 50MAX vehicles throughout the term of this strategy	Years 1-30	\$30 million minor improvements	LOS
Hokianga ferry (Kohu Ra Tuarua)	Equipment renewals	Years 1-7	\$1.13 million	Renewal
<b>Wastewater network</b>				
Kaikohe wastewater upgrade	It is anticipated a higher quality of treated effluent will be required as a result of the renewing of the discharge consent in 2021. Until the consent is granted, the extent of works and final costs cannot be accurately determined	Years 5-6	\$3.6 million	LOS
Kaitaia wastewater upgrade	Untreated overflows from the wastewater reticulation occur on average once every three weeks. \$13.4 million has been budgeted during 18-21 to improve this situation. It is anticipated a higher quality effluent discharged from the treatment plant will be required after 2021 when the existing consent expires	Years 1-4 and Years 6-8	\$13.4 million	LOS
Kerikeri wastewater upgrade	Complete current project to expand the area serviced by wastewater and build a new treatment plant to cater for the higher flows (phase 1)	Year 1	\$13.8 million	LOS
Supporting growth in and around Kerikeri / Waipapa	New wastewater scheme (phase 2)	Year 12 (Phase 2)	\$18.1 million	LOS
Supporting growth in and around Kerikeri / Waipapa	Expand the Kerikeri wastewater scheme and / or Waipapa scheme to service all residential, commercial and industrial land within Waipapa (phase 3 of above project)	Year 22 (Phase 3)	\$23.7 million	LOS
Opononi wastewater treatment plant upgrade	It is anticipated a higher quality of treated effluent will be required as a result of the renewing of the discharge consent in 2019. Until the consent is granted, the extent of works and final costs cannot be accurately determined	Years 4-5	\$1 million	LOS
Hihi wastewater treatment	The main concrete structure is in poor condition and requires replacement. There is an unacceptable risk of failure	Years 1-2	\$1.9 million	Renewal
Sludge management	Sludge accumulation in the waste stabilisation ponds is adversely affecting their performance requiring removal of the sludge	Years 1 - 6	\$5.8 million	OPEX

Project	Description	Timing	Estimated cost	Purpose
<b>Water supply network</b>				
Te Kao water	Rainwater Tanks - to be potentially funded through interest free loan to residents on an opt in basis i.e. not mandatory	Year 1	\$0 capex	Not applicable
Mawson Avenue water	Extend Kerikeri water supply area to include existing Mawson Avenue customers currently connected to a private supply	Year 1	\$0.5 million	LOS
Paihia water	Construction of a replacement water treatment plant to be both flood resilient and cater for increased demand	Years 4-5	\$7.4 million	Renewal
Manage peak demand associated with growth in and around Kerikeri	New water treatment plant and water source at Kerikeri to provide sufficient capacity to manage peak demand	Years 8-10	\$17.1 million	LOS
<b>Stormwater network</b>				
Investing in critical urban stormwater systems in response to climate change (stormwater minor works)	Invest in the network year on year to improve resilience of critical stormwater networks and assets (\$600k per annum uninflated for 30 years)	Years 1-30	\$26.4 million	LOS
Kaikohe upgrade	Kaikohe Stormwater Lines	Years 2-6	\$2.83 million	LOS
Kaitaia upgrade	Kaitaia stormwater upgrade	Years 2-7	\$1.18 million	LOS
Minor upgrades	Minor works and new drains in our smaller centres (Kawakawa / Moerewa / Kohukohu / Opononi and Paihia)	Years 1-7	\$1.75 million	LOS
<b>District Facilities</b>				
Kaikohe Renaissance	Civic Centre / community hub within Kaikohe	Years 1-4	\$11.8 million	LOS
Te Hiku Sports Hub and pool	Community sports facility	Years 3-4	\$9.03 million	LOS

### Annual operating and capital expenditure for 30 years



## Asset Lives

**Potable Water:** Average for all water assets is approximately 62 years.

- Water pipes average lifespan is 70 years
- Water treatment plants average lifespan is 30 years.

**Wastewater:** Average for all wastewater assets is 60 years.

- Pipes average life span is 76 years
- Pump stations average lifespan is 35 years
- Treatment plants average lifespan is 35 years.

**Stormwater:** The average life span of all pipes is 92 years.

**Transport:** The average of sealed roads is 30 years; unsealed 25 years.

- Sealed roads have two main components: a pavement structure and a sealed surfacing. Council designs pavement structures to achieve a 30 year life; applying surfacing to the structure at the time of construction, then waterproofing at year 2, resurfacing again after year 12 to optimise the lifecycle of the road.
- Unsealed roads also have a pavement structure and a surfacing treatment, but the structure has a lesser design life to achieve a 25 year life. The surfacing is a sacrificial

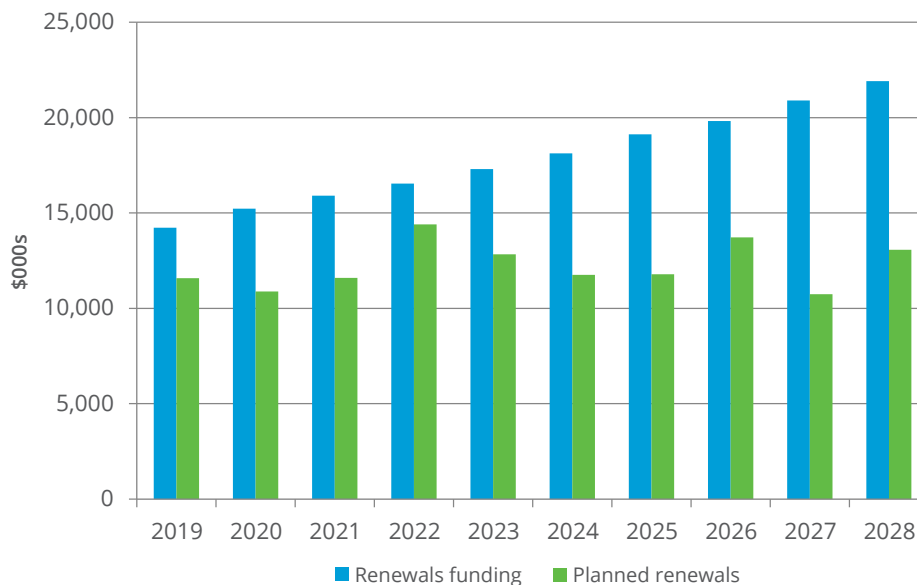
treatment that consists of a bound granular material usually made up of aggregate that is smaller (GAP30) than the pavement structure. Accepted industry research suggests that this surfacing loses approximately 20-25mm of aggregate per year when normal maintenance practices are undertaken. The surfacing component of an unsealed road is generally applied at 75mm thickness and is expected to last 3-5 years with the correct maintenance practices.

The life expectancies for both sealed and unsealed roads can vary, and in the Far North District are affected by the types and volumes of traffic that use the road. Heavy forestry use accelerates failure whilst lower overall traffic use extends lifecycles. The approach Council is taking through collaboration within the NTA should see overtime a better outcome of the lifecycle management of the district roads.

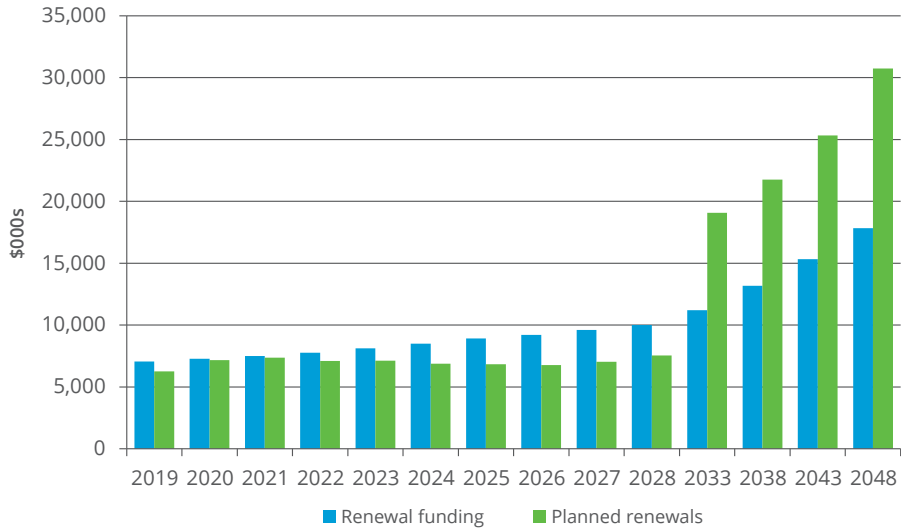
## Planned renewals

Depreciation is based on a flat line rate over the whole asset life. The following graphs are for the next 30 years, so with assets that were installed in the in the last 30 years they will not be showing as due for replacement, albeit they are being depreciated. Therefore it appears that Council is over depreciating, this is not the case however as over the long term lifespan of the asset the depreciation and renewals spend balances out.

## Total planned renewals and funding

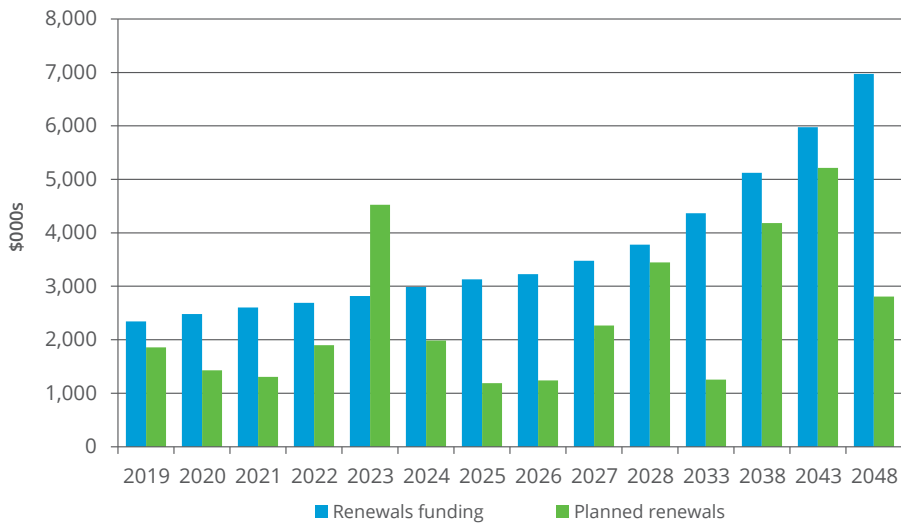


### Transport – Renewal funding against planned renewals



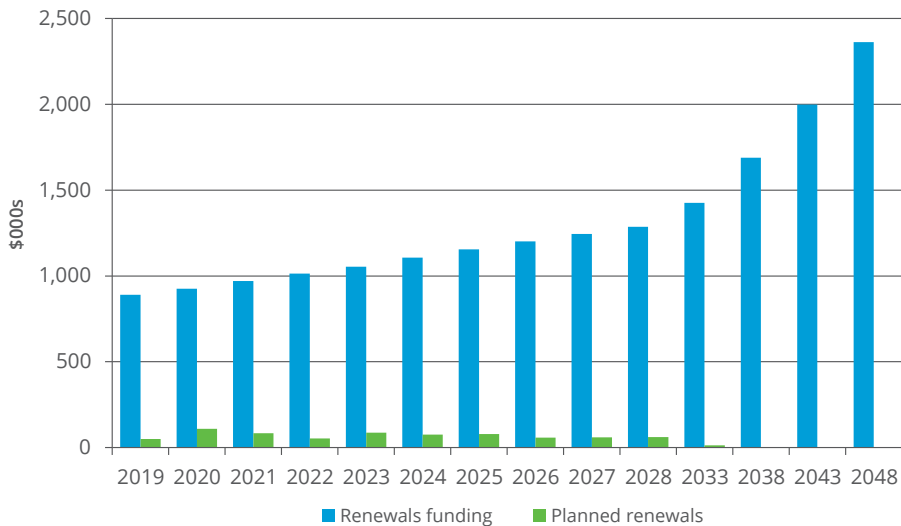
For 30 year – Depreciation against renewals

### Water – Renewal funding against planned renewals



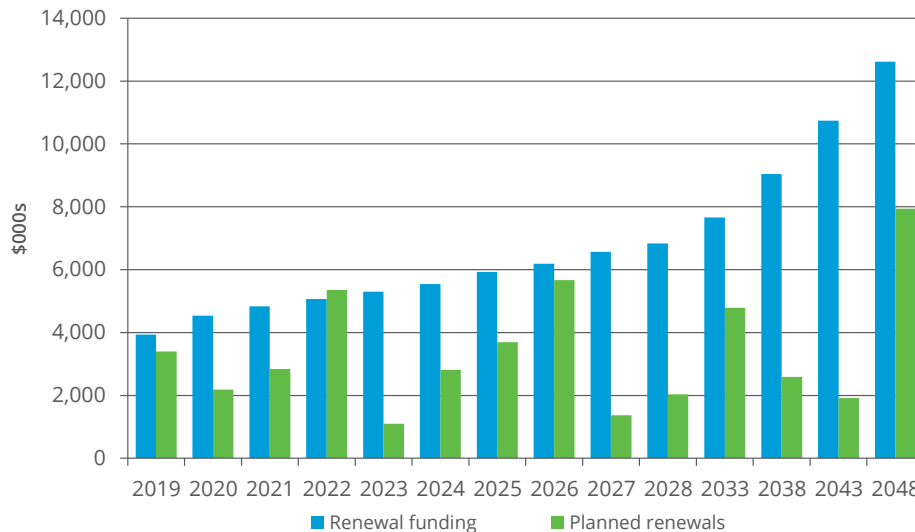
For 30 year – Depreciation against renewals

### Stormwater – Renewal funding against planned renewals



For 30 year – Depreciation against renewals

## Wastewater – Renewal funding against planned renewals



For 30 year – Depreciation against renewals

## Significant assumptions

We have made assumptions in preparing this Strategy and our significant infrastructure decisions as below.

Assumption	Description	Level of Certainty
Climate change will occur	<p>Climate change projections will be generally in line with the IPCC predictions and Northland specific effects will include, by 2100:</p> <ul style="list-style-type: none"> <li>seasonal rainfall patterns will change - with eastern areas experiencing up to 20% less rainfall in spring and up to 10% increase in summer and autumn</li> <li>it is expected drought frequency will increase by 10%</li> <li>mean annual flows in rivers will decrease</li> <li>sea levels are expected to rise by anywhere from 20 cm to 1m</li> <li>the frequency of storm events may decrease, although there is some uncertainty with this projection.</li> </ul>	<p><b>Medium</b></p> <p>Potential impact – There is a degree of certainty about the potential impacts of climate change. However, the timing for those impacts remains uncertain, particularly the magnitude of sea level rise.</p> <p>The impact of the uncertainty around the timing of climate change impact is considered to be minimal provided Council asset management approach is agile enough to take into account new information as it comes in, in respect of climate change impacts.</p>
Growth or decline in demand will occur in line with StatsNZ medium projections	<p>Population change will follow Statistics New Zealand Medium projections. Growth will be isolated to larger urban areas and the immediate surrounds of Doubtless Bay, Kerikeri and Paihia. All other areas will experience minimal or negative growth. The population structure of the Far North will change substantially over the next 30 years, with the over 65 age group becoming a dominant feature of the population structure. The deprivation levels throughout the district will remain unchanged compared to current levels.</p>	<p><b>Medium</b></p> <p>Potential impact - There is a risk the population projections could follow high or low population projection scenarios. High scenario will result in demand increasing more rapidly than expected.</p> <p>Underestimating growth may result in insufficient capacity, affecting levels of service. Overestimating growth will result in oversupply, increasing costs.</p>

Assumption	Description	Level of Certainty
Levels of service will adapt in response to change as anticipated in the strategy	<p>Levels of service will remain generally unchanged for the 10 year period covered by the LTP 2018-28.</p> <p>The need to supply cost effective infrastructure in light of the constraints presented by climate change, demographic change and the socio-economic challenges the district faces could lead to changing service levels.</p>	<p><b>Low</b></p> <p>Potential impact - Changing levels of service will be a key response to managing a number of the significant infrastructure issues identified in the Strategy.</p>
Asset age is an effective proxy for the condition of an asset	<p>Council is in the process of reviewing its asset management practices and systems, and currently holds limited condition information for assets, particularly underground assets. If the condition of an asset is unknown, its age is used to determine whether there is a need for renewals.</p>	<p><b>Low</b></p>

## Appendices

1. Council's strategic priorities
2. Demographics
3. Climate change
4. Our three year priorities

### Appendix 1: Council's strategic priorities

#### Better data and information

Great decision-making and planning needs the best data and evidence available. To understand where we want to go, we need to know where we are and how we got here. Our systems and processes will be improved and will produce meaningful, robust data so that we are armed with the best information to make the best decisions for our communities.

#### Affordable core infrastructure

Our responsibility is to provide infrastructure that is compliant, reliable and sustainable. Our infrastructure will contribute positively to the well-being of the community. Priority will be given to need, affordability and sustainability to ensure the future well-being of our communities.

#### Empowering communities

To best serve our communities, their voices must be heard. Our communities will be empowered to participate and engage with Council in a manner that best meets their needs. Relationships with tāngata whenua will be empowered to create meaningful dialogue and genuine participation.

#### Improved Council capabilities and performance

Our people are the backbone of the organisation. Investing in Council capabilities through training and skill development lifts performance. Recruiting the best and enhancing Council culture strengthens the organisation.

#### Address affordability

Our approach is balanced, equitable and fair. We understand the needs of the District and actively seek partnerships and affordable methods to ensure they are met in a way that contributes positively to our communities.

#### Civic leadership and advocacy

Our community is best served by capable and credible leaders that openly collaborate and work towards shared common goals. Our leaders demonstrate good governance by adding value to the organisation for the benefit of our communities.

### Appendix 2: Demographics

#### Population

The current population is estimated to be around 62,000<sup>8</sup>. Estimated resident population<sup>9</sup> has grown between approximately 54,000 in 1996 to 62,000 in 2016. This growth equates to a population growth rate of 0.6% per annum over a 20 year period. National population growth over the same period was around 1.2% per annum. Figure 1 depicts population change between 1996 to 2016.

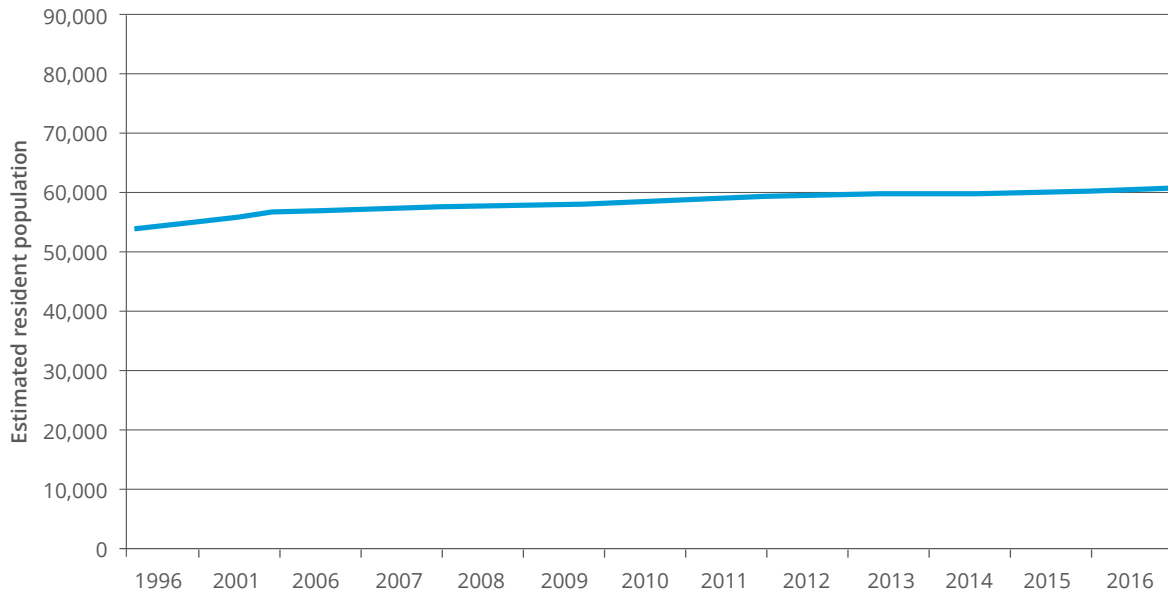
<sup>8</sup> Statistics New Zealand 2013-base area unit population projections (released 2017).

<sup>9</sup> Current and historic population reporting has drawn from Statistics New Zealand Subnational population estimates (2017 Release).

Growth has been largely isolated to the larger urban communities located on the east coast of the Far North District. Around 85% of population increase that occurred between 1996 and 2016 took place in and around Kerikeri. At the same time, most of the communities located along the

west coast experienced population decline. In other words, population growth within the district is not uniform across all communities, with the general pattern being slow population decline across most smaller communities and relatively high population increases within the larger settlements.

Figure 1. Estimated resident population change in the Far North District between 1996 to 2016



Source: Population data taken from Statistics New Zealand Subnational population estimates (2017 release)

## Key population characteristics

Approximately 40% of the Far North's resident population is Māori. The Māori population, which was reported at 22,110 following the 2013 census, ranks 5th in size out of the 67 districts in New Zealand. The Far North's population is older when compared to the national population; 20% of the population is aged 65 and over, compared to the national average of 15% (StatsNZ, 2016). The Far North District is also reported by Statistics New Zealand as having a lower average working age population consisting of 15 to 65 year old individuals.

## Deprivation

Broadly speaking, deprivation can be described as lack of access to benefits considered to be basic necessities in society. The University of Otago in collaboration with the New Zealand Department of Public Health, has undertaken a study to assess and map deprivation throughout New Zealand<sup>10</sup> (NZDep). In this study, the Far North was divided into a number of areas to give a measure of the deprivation at a smaller-local scale, referred to as area units.

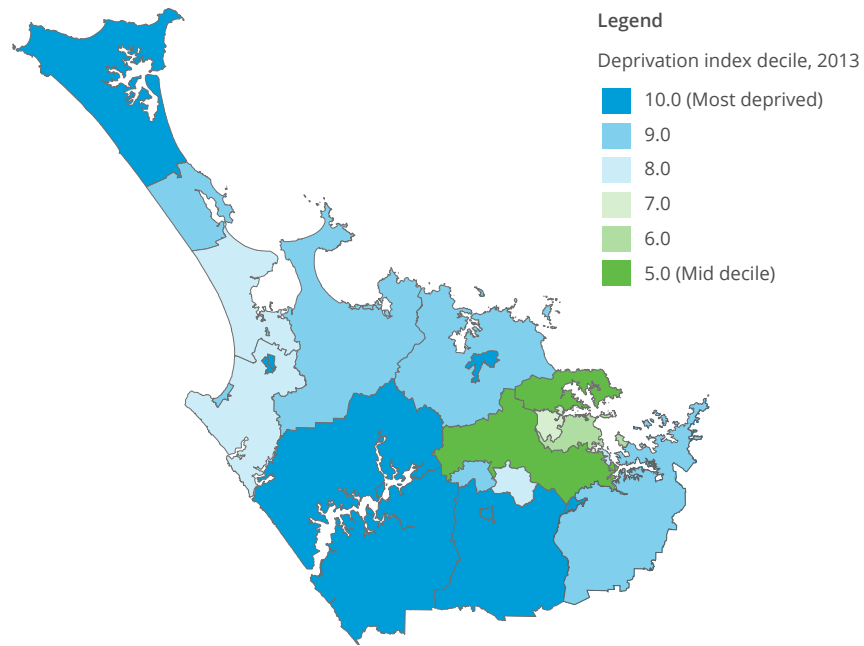
The NZDep work provided a means of comparing deprivation within the Far North to the rest of the country using a decile system. The decile system is where the entire scale, from most to least deprived, is divided into 10 groups. The scale is defined as a decile 10 being communities within the 10% of most deprived areas in the country and decile 1 being those within the 10% of least deprived.

NZDep identifies that the Far North has one of the highest deprivation rates in the country. Figure 2 depicts deprivation deciles against census area units and indicates that the most deprived areas within the Far North are located on the west coast and the northern tip of the district, north of Pukenui. The least deprived areas include east coast areas units including Kerikeri, Paihia and Kapiro.

<sup>10</sup> Atkinson J, Salmond C, Crampton P. 2014. NZDep2013 Index of Deprivation. Wellington: Department of Public Health, University of Otago, Wellington. Available online: [www.otago.ac.nz/wellington/research/hirp/otago020194.html](http://www.otago.ac.nz/wellington/research/hirp/otago020194.html).

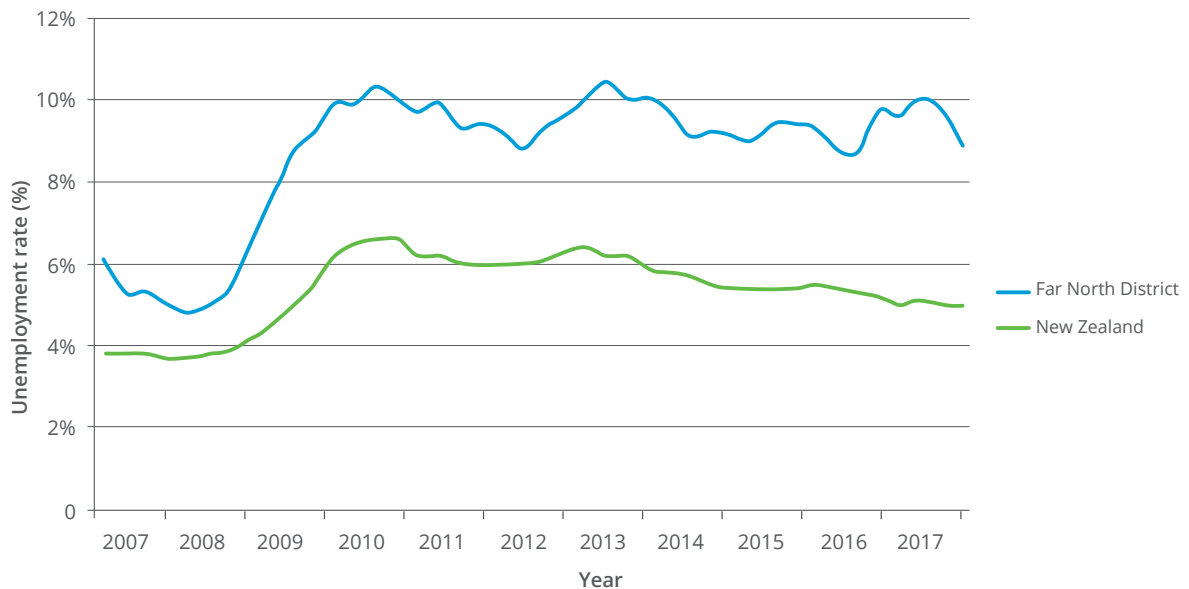


Figure 2. New Zealand deprivation index represented as deciles over Census 2013 area units



Unemployment in the district has also been disproportionately higher in the Far North compared to the rest of the country. Figure 3 compares national unemployment and the unemployment rate in the Far North over the last decade.

Figure 3. Far North unemployment rate compared against the national unemployment rate between 2007 to 2017



Source: Infometrics

### Tourism

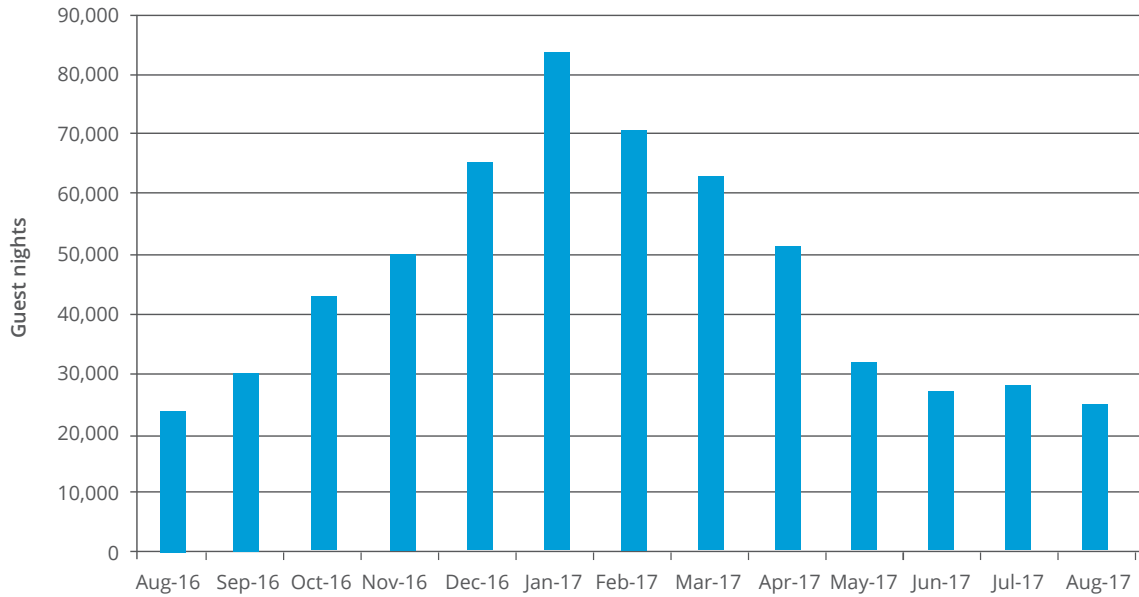
The tourism sector makes up 8.5% of the District Gross Domestic Product and is the highest employment industry in the district, employing 15% of the Far North labour force (Infometrics, 2017). The industry is therefore an important economic for the Far North. The temporary population influx into the Far North associated with tourism can be substantial.

Statistics New Zealand Accommodation Survey is a monthly survey that provides information about short-term commercial

accommodation activity at national, regional and within territorial authority boundaries. This can be used as an indicator of the temporary tourist population. Figure 4 depicts the monthly guest nights<sup>11</sup> within the Far North as reported by the survey. The survey data indicates that between December 2016 to March 2017 guest nights exceed 60,000 per month, peaking at over 80,000 guest nights per month in December. The total guest nights for the year ending August 2017 was 1,331,536.

<sup>11</sup> Guest night: equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report provision of 30 guest nights of accommodation.

Figure 4. Monthly guest nights in the Far North District between August 2016 and August 2017



Data based on Statistics New Zealand Accommodation Survey

### Projected demographic changes

#### Projected population growth

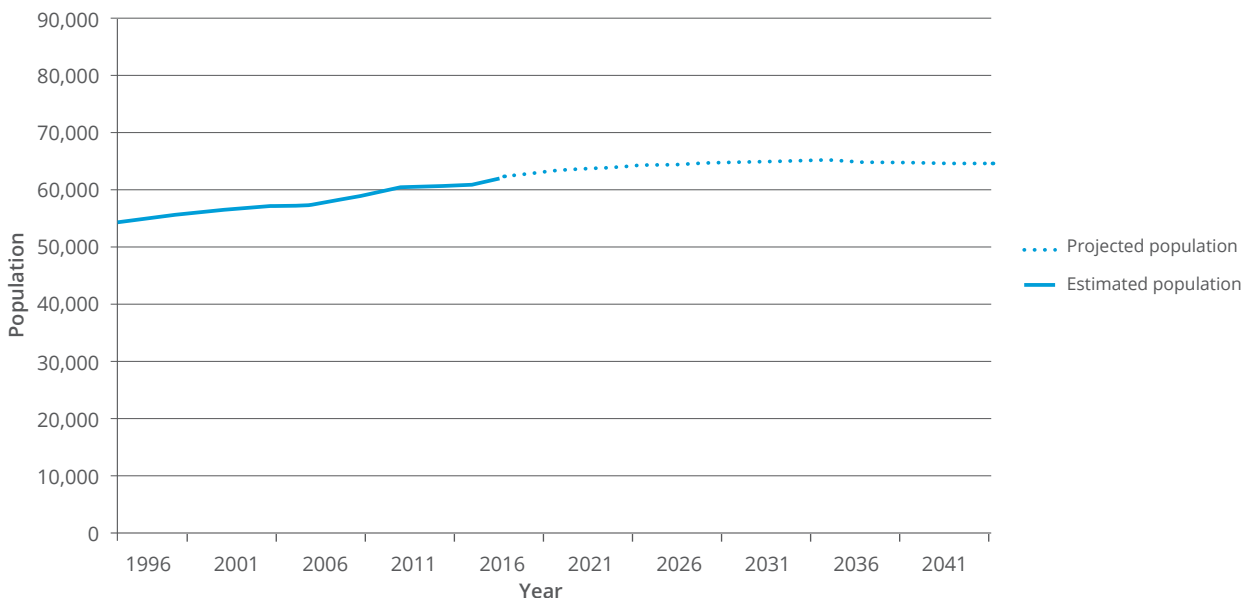
Future demographic changes outlined in this section draw from Statistics New Zealand national and subnational population projections (2016 release) and consider medium growth assumption contained in those projections<sup>12</sup>.

The population of the Far North is projected to increase from around 62,000 in 2017 to approximately 64,000 people in 2043. Historic growth and projected growth is depicted in Figure 5. The projected growth rate between 2016 to 2043 is equivalent to approximately 0.1% growth per annum over the 27 year period covered by the projections. At this rate the Far

North's population will grow significantly slower than the rest of the nation, which is estimated to have 0.6% growth per year over the same period.

Although there will be some population growth within the District, this growth will not be uniform across the district. Figure 6 depicts the percentage population increase or decline throughout area units within the Far North District. As can be observed, a number of areas are projected to experience decline, particularly those situated within the west coast (Hokianga Area), with most growth occurring within east coast communities in and around Kerikeri, Paihia and Doubtless Bay.

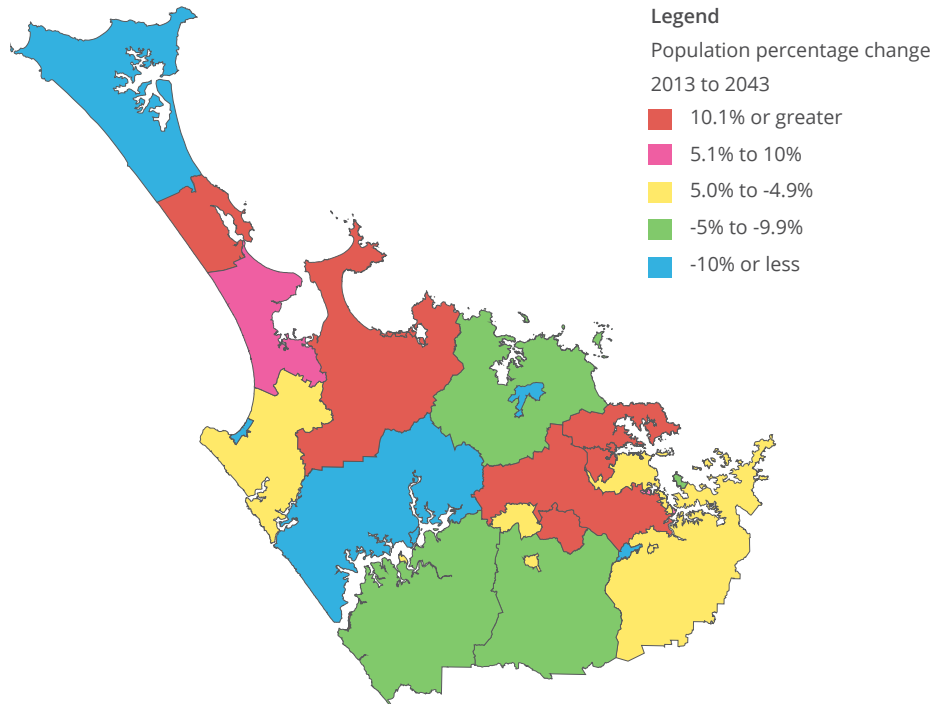
Figure 5. Estimated population (1996 to 2016) and projected population (2016 to 2043)



Source: Statistics New Zealand. Projections based on Statistics New Zealand median projections (2016 release)

<sup>12</sup> [www.stats.govt.nz/browse\\_for\\_stats/population/estimates\\_and\\_projections/](http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/).

Figure 6. Projected population change between 2013 to 2043 within Far North area units



Source: Statistics New Zealand. Projections based on Statistics New Zealand median projections (2016 release)

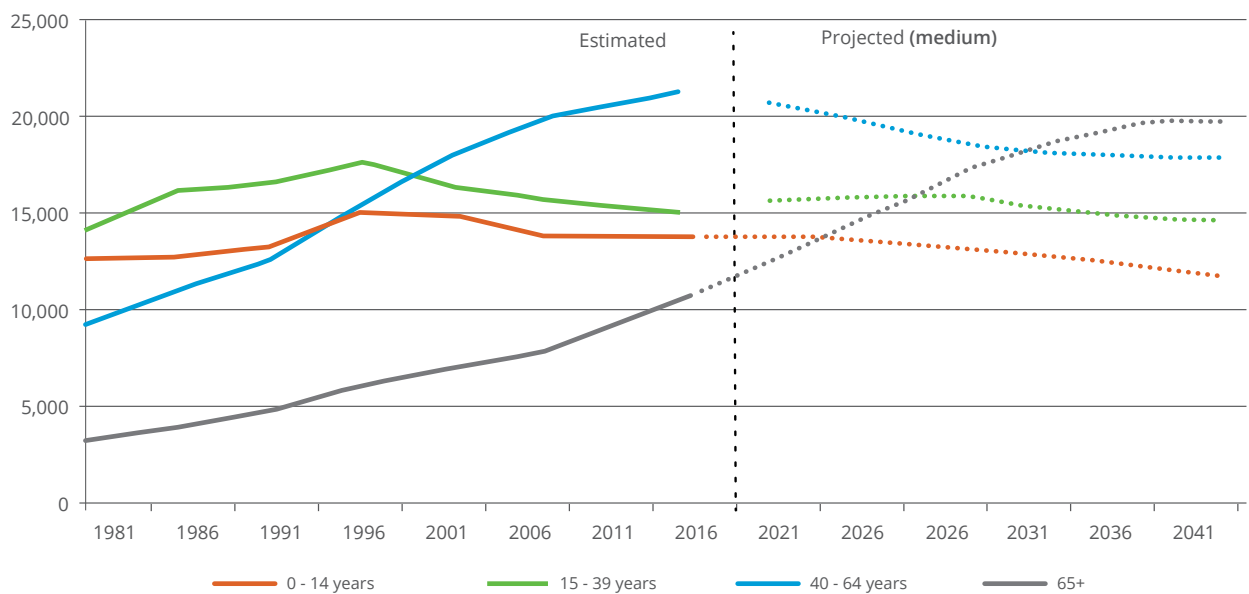
### Population ageing

The age structure in the Far North is projected to change significantly over the next 30 to 40 years. When compared to today's population, the population of individuals aged 0-64 is projected to decline while the population of 65+ individuals is expected to increase significantly. The 65+ population is projected to increase from 20% (which is already disproportionately higher compared to the national figure of

14%) to 30% by 2043. Historic and projected populations of broad age groups are depicted in Figure 7.

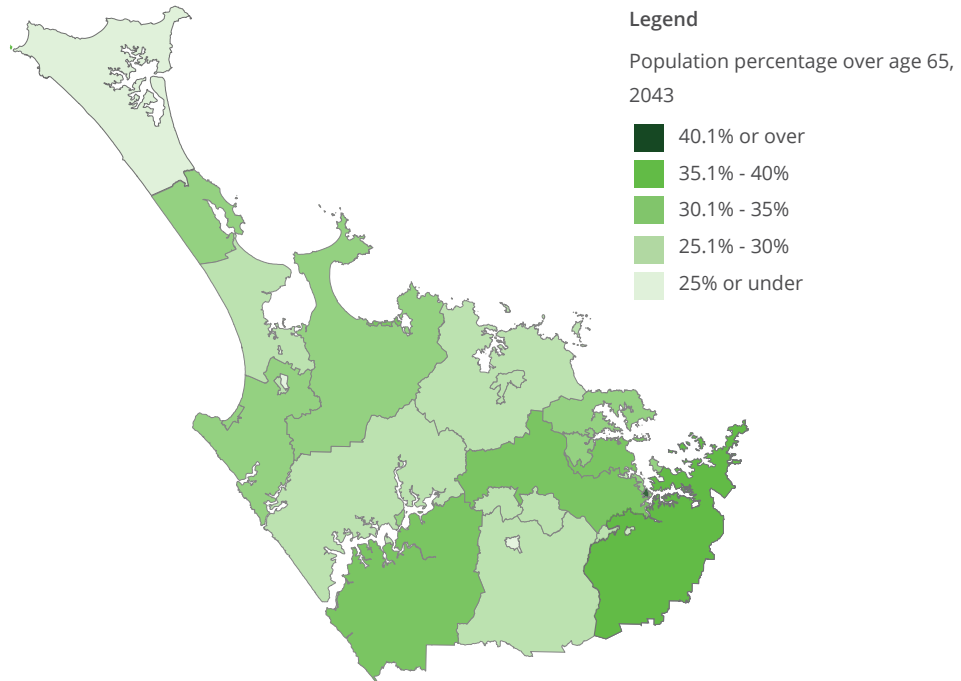
An important characteristic of population aging in the Far North is that it will not be uniform across the District. Figure 8 depicts the projected percentage of people aged 65 and over throughout Far North area units.

Figure 7. Population by broad age group in the Far North



Source: Statistics New Zealand

Figure 8. Distribution and proportion of people aged 65 and over throughout Far North District area units



Source: Statistics New Zealand. Projections based on Statistics New Zealand median projections (2016 release)

## Appendix 3: Climate change

### Overview

The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report<sup>13</sup> sets out that the prospect of global warming. Broadly, global warming will result in rising sea levels and marked changes in weather patterns.

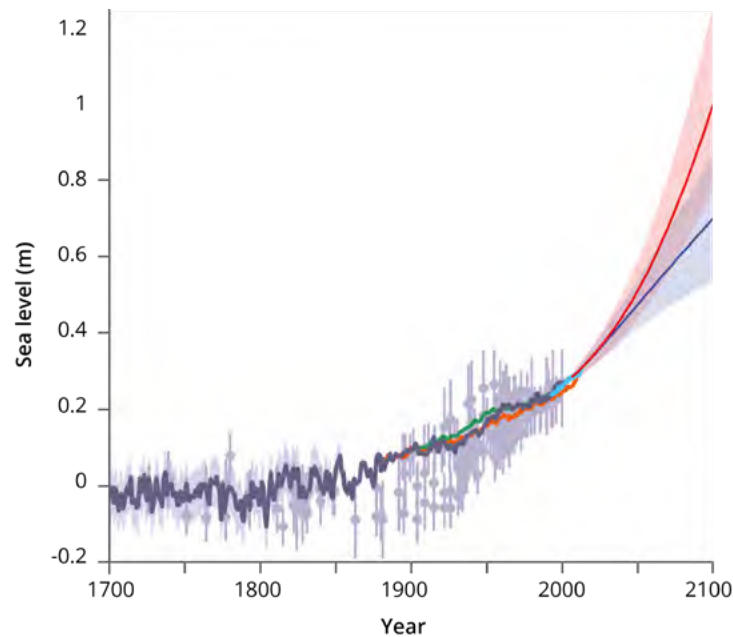
The key effects of global warming relevant to infrastructure provision can broadly be summarised as follows:

- increased coastal erosion caused by storms and sea level rise
- coastal inundation caused by storms or gradual persistent inundation from high tides due to sea level rise
- increased frequency of high rainfall intensity events and flooding
- increased magnitude of storm events
- increased drought frequency
- groundwater contamination by seawater in coastal areas as a result of rising sea level.

The IPCC points out that the changing climate brought about by global warming is already affecting the frequency of many extreme weather and climate events globally; and that global average sea level has already risen about 20 centimetres since the beginning of the 20th century. These effects are expected to increase in magnitude and severity with time. Figure 1, for example, depicts global sea levels rise since the 18th Century and projected sea level rise up to 2100. Depending on the greenhouse gas emission scenario, sea levels are projected to rise anywhere from 20 cm to 100 cm over the next 80 years. An important point to make is that, whilst global projections go out to 2100, sea levels are projected to continue to rise well beyond that point.

<sup>13</sup> [www.ipcc.ch/report/ar5/syr/](http://www.ipcc.ch/report/ar5/syr/).

Figure 1. Global sea levels and projected levels based on high emission (red) and low emission (blue) scenarios



Source: IPCC Fifth Assessment Report (2014)

The implications of global warming and the associated impacts on the climate for Northland are set out in detail in a recent report prepared by the National Institute of Water and Atmospheric Research (NIWA)<sup>14</sup>. In summary, the document sets out that, by 2090:

- seasonal rainfall patterns will change - with eastern areas experiencing up to 20% less rainfall in spring and up to 10% increase in summer and autumn
- conversely, it is expected drought frequency will increase by 10%
- mean annual flows in rivers will decrease
- sea levels are expected to rise by anywhere from 20cm to 1m (depending on various carbon emission scenarios)
- the frequency of storm events may actually decrease, although there is some uncertainty with this projection.

Coastal flooding occurs along the coast when the sea overtops low-lying land. The frequency, intensity and duration of coastal flooding are expected to increase significantly with rising sea levels. As an example, the Parliamentary Commissioner for the Environment (PCE) in a recent report<sup>16</sup> estimated that 1 in 100 year coastal flooding events in Auckland will increase in frequency to 1 in 4 year events with sea level rise of 30cm and daily events with a 100 cm rise. It can be expected that the Far North will be affected similarly. In other words, the effects of extreme flooding events that currently occur at a low frequency may be a substantially more frequent occurrence by 2100.

In addition to flooding, erosion is expected to be accelerated. Erosion occurs when waves remove sand and other sediment from coastal areas. The effect of rising seas will, generally, result in accelerated erosion of areas already eroding, and possible erosion in areas not presently eroding.

## Sea level rise and coastal hazards

Sea levels are projected to rise by up to 1m over the next 80 years. Ministry for the Environment Guidance<sup>15</sup> recommends Councils plan for 0.5m rise by 2100 and 1cm per year thereafter. The obvious effect of rising sea levels is that localities situated lower than sea level are anticipated to be affected as a result of inundation. However, rising seas are also expected to exacerbate coastal flooding and erosion events, affecting a far greater number of properties located near the coast than just those situated near sea level.

## Risk exposure

The risk exposure to the Far North District associated with sea level rise was estimated as part of a national risk assessment of coastal low-lying areas undertaken by NIWA<sup>17</sup>. In that study, NIWA assessed properties and roads located in low-lying areas. In urban and semi urban areas where high accuracy elevation information is available, it was estimated that a total of 2,194 buildings and over 100 km of roads were located 3m or less above sea level and would be exposed to coastal hazard risk by 2100. That assessment only covered a small portion of the district where high accuracy elevation data was available.

<sup>14</sup> NIWA (2016) Climate change projections and Implications for Northland.

<sup>15</sup> Climate change effects and impacts assessment: A guidance manual for local government in New Zealand.

<sup>16</sup> Parliamentary Commissioner for the Environment (2015). Preparing New Zealand for rising seas: Certainty and Uncertainty estimates.

<sup>17</sup> NIWA (2015). National and regional risk exposure in low-lying coastal areas.

More recent work undertaken by Council considered the actual coastal flood hazard data produced by Northland Regional Council. That assessment considered NRC 2065 Coastal Flood Hazard Zone<sup>18</sup> maps against property titles and buildings. The assessment found that a total of 1,592 individual properties would be affected by 1 in 50 year flood events by 2065.

The risk exposure to other assets and Council-owned infrastructure is yet to be ascertained. This is a significant gap in Council's decision-making in terms of its renewals policy, land use planning and new capital projects.

## Weather patterns

Because a warmer climate can hold more moisture in the atmosphere, the magnitude and frequency of storm events is predicted to increase as a result of global warming. However, there remains some uncertainty in respect of how this phenomenon will affect the Northland Region because the predictive models for precipitation are erratic across the regions of the North Island. It can be expected, however, that the frequency and magnitude of ex-tropical cyclones will increase.

In addition to increased potential for storm events, more dry days and increased temperatures are predicted. As a result, drought frequency is predicted to increase and river flows will decrease. This will have implications for the security of Council water supplies.

## Risk exposure

The Far North District Council operates seven water supply schemes throughout the district. The majority of these schemes draw water from river supplies with limited storage. The resource consents authorising these takes generally include minimum downstream flow requirements; that is, the taking of water must not result in river flow being reduced beyond a certain limit. The Far North District Council Water Shortage Management Plan (June 2016) identifies that the water supply schemes in the South Hokianga are already facing a high risk exposure to breaching those limits. For example, the water takes for the Rawene and Opononi-Omapere water supply schemes breached the downstream flow limits in four out of the five years between 2010 and 2015. Careful management, including managing demand and potentially reducing levels of service, and potentially new water supplied, will be necessary in the future to counteract the impact of climate change on water supplies.

The predicted changes in storm patterns may increase the frequency and magnitude of storm-related damage and flooding. This would have particular implications for urban areas situated on flood-prone land (for example Kaitaia and Kaeo) and communities that rely on transport networks in low-lying or slip-prone areas.

## Appendix 4: Our year one to three priorities

### All assets

Asset management information system, practices and processes.

Council has asset management systems for its assets (AssetFinda and RAMM). Other systems options are being investigated to improve the asset management processes.

### Asset management policy

A key step to focus on in year 1 of the Infrastructure Strategy is developing and implementing a sound policy around renewing and replacing existing assets that is consistent with best practice. An important aspect of providing cost effective infrastructure is considering the asset lifecycle to make decisions about the best time to renew the asset; that is, understanding the most cost effective time to replace the asset taking into account how maintenance and operational costs change throughout the asset's lifecycle. Sound policy to guide the renewals approach will enable a better renewals approach and provide more certainty around financial forecasting.

### Collection of condition data

Data is the foundation to supporting good planning and investment decisions. Good data enables Council to understand network capacity, performance and the timing and cost of future investment requirements. Good data will also enable development of, futureproof renewals approaches (i.e. climate change resilience and growth) and whole of life management approaches that consider the optimal balance between renewals and maintenance.

## Transport

### Adopt NTA objectives

The business plan that supports forming of the NTA and that was approved and adopted by councils, details the priorities that will focus the direction of the shared services business unit. A refocus project is underway within the NTA to better achieve the priorities listed:

- more engaged, capable workforce delivering superior asset management. (weight 30%)
- improved regional strategy, planning and procurement. (weight 30%)
- improved transport / customer outcomes, enabling investment and social opportunities. (weight 25%)
- transport infrastructure is more affordable. (weight 15%).

<sup>18</sup> Coastal Flood Hazard Zone 1 area areas susceptible to coastal inundation in a 1-in-50 year storm event, taking into account predicted sea-level rise over the next 50 years.

## Implement 2018-21 Asset Management Plan

Council has developed through the new Program Business Case (PBC) process with NZTA an asset management plan for 2018-21 in a bid to secure the appropriate levels of external funding for its transport network. Council has budgeted local share funding for years one to three of this strategy to complete the actions set out in this strategy for each asset type.

### Develop a District Wide Transport Plan

A district wide transport plan developed through the NZTA PBC model is needed to determine the solutions to the districts growth and demand. This will explore all the options that the district needs to ensure the network remains resilient and fit for purpose for the future. This will include revisiting the Kerikeri Waipapa Strategic Road Network Plan. Undertaking traffic modelling and various other asset management processes will enable Council to consider funding options for growth related investments as well as other solutions such as development contributions.

### Implement bridge strategy

Council owns 715 bridges throughout the district which have a total value of \$144 million. There is a backlog of maintenance and renewals for these critical assets combined with demands of forestry and freight. Council has developed a program to address this backlog and to limit the risk of future maintenance and renewals backlogs developing. Council has recognised that delivering this program is essential in providing a safe, economical and effective road network throughout the district.

### Complete NTA Unsealed Roads Strategy

Unsealed roads are the largest portion of our network. They have significant contribution to GDP through plantation forestry. An unsealed roads management strategy is under development by the NTA. Completion of this is critical to understanding the investment needs for this asset and to be able to deliver a value for money network that is fit for purpose.

## Water

### Demand management planning

Demand management is about changing people's behaviour around water use and is a key non-asset based solution to addressing water supply issues and security issues. Demand management plans set out how Council will achieve water use reductions by influencing demand on the supply. Council is underway developing a water demand management plan for the Opononi and Omapere water supply scheme and has prioritised the Rawene and Kaitaia scheme to be next. Council recognises that good water demand management practices are important for paving the way to shifting people's expectations around future levels of service.

## Linkage of irrigation to water supply schemes (TTNEAP)

The Tai Tokerau Economic Action Plan highlighted that water irrigation schemes could result in major improvements to the Far North's economy through realising the productive potential of the Far North's versatile soils. A recent study<sup>19</sup> commissioned by Northland Regional Council explored the feasibility and benefits of mid-north and Far North irrigation schemes and noted there are likely synergies and interest between current District Council projects and potential irrigation schemes. Future iterations of the LTP, Infrastructure Strategy and asset management plans will be developed taking into account opportunities presented by irrigation schemes and the role Council could play given our interests as a supplier of fresh water throughout the district.

## Stormwater

### Link Stormwater strategy to the District Plan

Council is developing an initial stormwater strategy to assist council to prioritise its investment and manage water on a catchment basis. We will look at the rationale and definition for areas of benefit and rating, catchment management planning and network modelling, and link to the new district plan.

We are initially investing in level of service upgrades to existing networks and condition assessments and updating our modelling with climate change impacts to support our planning.

## Wastewater

### Focus on compliance

A number of wastewater treatment plants throughout the District require investment to improve resource consent compliance. Council has included budget in the 2018-28 LTP to improve compliance through plant upgrades and operational changes, including sludge management. Non-asset based solutions will also be developed in order to improve compliance, costs and investment certainty. In particular Council will be focusing on developing a regime of proactive consenting to ensure alignment between resource consent requirements and asset renewals. Council will also be exploring opportunities to change resource consent conditions to reduce costs and / or improve resource consent compliance.

### Implement Sludge Strategy

Council is developing a district wide sludge strategy in order to provide direction for the most cost effective means of managing the sludge generated by the district 17 wastewater schemes. Council plans to budget \$2 million over years two and three to allow for the implementation of the Sludge Strategy.

<sup>19</sup> Scoping of irrigation scheme options in Northland. Prepared for NRC (2017).

### Trade waste bylaw

Over 2016 and 2017 Council reviewed its trade waste bylaw. The bylaw is a tool for regulating and charging for the discharge of trade waste into Council's wastewater network. Council will be prioritising the implementation of the bylaw, and associated charges, to off-set the costs of converting, treating and disposing of non-residential wastewater.

### Network modelling

Network models are a tool that enables robust assessments of network performance in addition to renewal / upgrade requirements in response to changes to levels of service and changes in demand (both growth and decline). Network models are vital for good decision-making across the business. These tools can inform land use decisions, including plan changes, assist with the development of non-rate based funding mechanisms (for examples DCs). While there are network models for the water and wastewater schemes, most are dated and simplistic and require significant updating, improvement and calibration before they can be relied upon for robust outcomes.

## Variations to sanitary assessments and waste minimisation

In accordance with schedule 10 (6) of the Local Government Act, a 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. Council's assessment was last completed in 2015.

Following are the variations to that assessment:

### Water and other sanitary services

- The focus for resolving water capacity issues in Opononi has moved from Waimamaku River to a lower cost bore option.
- The 2015 assessment noted advised that a decision on the Kerikeri wastewater treatment plant issue was to be decided later that same year. The decision, adopted in the 2015-25 LTP, was to build a new treatment plant. The project is now underway with funding for final stages included in this LTP.
- The resolution of issues with wastewater overflows in Kaitaia has progressed beyond investigation to budget provision for mitigation works in this LTP following consultation with the community.
- The way the effectiveness of water supply schemes are measured has changed. The A – E grading are now voluntary and have been substantially replaced by having approved Water Safety Plans and achieving compliance with the drinking water standards. The level of individual scheme compliance has improved since the development of the last sanitary services assessment. While the way compliance is measured has changed, the basic objective of providing safe potable water has not.

### Solid waste management

Council adopted its current Waste Management and Minimisation Plan (WMMP) in 2017. There are no significant variations between the WMMP and this LTP.



# Council Activities

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*Maitai Bay, Karikari Peninsula.  
Photographer: David Kirkland. Courtesy of Northland Inc.*

# Introduction

Council's work is grouped into 10 activities in this LTP:

Activity number	Group of Activities	Activity
1	Roading and Footpaths	Roading Footpaths
2	Water Supply	Water Supply
3	Wastewater	Wastewater
4	Stormwater	Stormwater
5	Solid Waste Management	Solid Waste Management
6	District Facilities	Cemeteries Civic and community buildings Housing for the elderly Recreation Town maintenance, toilets and carparks
7	Customer Services	i-SITES Libraries
8	Environmental Management	Animal control Environmental health Monitoring and enforcement District Licensing Committee Parking enforcement Resource consents Building consents
9	Strategic Planning and Policy	Strategic planning Community development Māori engagement, relationships and development Environmental policy
10	Governance and Strategic Administration	Governance and Strategic Administration

The information provided about each of the 10 groups of activities includes what we do, why we do it, how it relates to the community outcomes, the money we have budgeted for the activity in the next year, levels of service (what Council will provide and to what extent) and performance measures and targets for 2018-28 (how you will be able to tell whether we have done what we said we would do). Any significant negative effects arising from the activity are also noted.

Performance measures and targets will be used to report Council's achievements back to the community in Annual Reports for 2018/19, 2019/20 and 2020/21.

## Mandatory measures

All councils are required to report against mandatory and highly-prescribed non-financial performance measures for roading and footpaths, waste and drainage, and water activities. We have included these measures in the level of service section for each group of activities and have shaded them so they can be easily identified.

### What governs what we do

Building Act 2004  
Burial and Cremation Act 1964  
Civil Defence Emergency Management Act 2002  
Consumers Guarantee Act 1993  
Dog Control Act 1996  
Fire Services Act 1975  
Food Act 2014  
Food Hygiene Regulations 1974  
Health Act 1956  
Impounding Act 1955  
Land Transport Management Act 1998  
Litter Act 1979

Local Government Act 2002  
Local Government Rating Act 2002  
Maritime Transport Act 1994  
Reserve Act 1977  
Resource Management Act 1991  
Sale and Supply of Alcohol Act 2012  
Sale and Supply of Alcohol Regulations  
Māori Land Act / Te Ture Whenua Māori Act 1993  
Waste Minimisation Act 2008  
Other relevant Acts, regulations, rules, bylaws, policies and strategies

# Prospective funding impact statement

## Whole of Council

	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	52,603	55,541	56,920	57,678	59,259
Targeted rates	30,813	31,149	33,274	34,353	35,481
Subsidies and grants for operating purposes	7,624	9,396	9,710	9,931	10,043
Fees, charges, and targeted rates for water supply	15,677	15,749	15,910	15,624	15,671
Interest and dividends from investments	563	1,052	1,058	1,064	1,064
Local authority fuel tax, fines, infringement fees, and other receipts	971	977	980	983	986
<b>Total operating funding</b>	<b>108,250</b>	<b>113,865</b>	<b>117,853</b>	<b>119,633</b>	<b>122,503</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	77,540	86,708	86,792	85,981	87,167
Finance costs	3,531	2,594	3,794	4,594	5,037
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>81,071</b>	<b>89,301</b>	<b>90,586</b>	<b>90,575</b>	<b>92,204</b>
<b>Surplus (deficit) of operating funding</b>	<b>27,180</b>	<b>24,563</b>	<b>27,266</b>	<b>29,058</b>	<b>30,299</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	23,032	21,566	15,941	17,392	21,108
Development, financial and other contributions	5,025	-	-	2,977	3,043
Increase (decrease) in debt	19,066	18,235	24,886	10,064	14,617
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	86	-	-	-
<b>Total sources of capital funding</b>	<b>47,124</b>	<b>39,886</b>	<b>40,828</b>	<b>30,432</b>	<b>38,768</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	35,526	32,725	25,223	27,951	38,305
- to replace existing assets	33,163	29,754	33,181	32,101	34,899
Increase (decrease) in reserves	5,614	(4,029)	9,690	(561)	(4,137)
Increase (decrease) in investments	-	6,000	-	-	-
<b>Total applications of capital funding</b>	<b>74,303</b>	<b>64,449</b>	<b>68,094</b>	<b>59,491</b>	<b>69,067</b>
<b>Surplus (deficit) of capital funding</b>	<b>(27,180)</b>	<b>(24,563)</b>	<b>(27,266)</b>	<b>(29,058)</b>	<b>(30,299)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	
<b>Sources of operational funding</b>						
61,791	62,805	64,909	67,072	69,099	71,129	General rates, uniform annual general charges, rates penalties
36,796	38,199	39,587	40,383	41,914	43,247	Targeted rates
10,273	10,519	10,770	11,039	11,325	11,631	Subsidies and grants for operating purposes
15,967	16,210	16,491	16,813	17,120	17,471	Fees, charges, and targeted rates for water supply
1,064	1,088	1,088	1,088	1,088	1,088	Interest and dividends from investments
989	992	996	999	1,003	1,007	Local authority fuel tax, fines, infringement fees, and other receipts
<b>126,880</b>	<b>129,814</b>	<b>133,840</b>	<b>137,394</b>	<b>141,550</b>	<b>145,572</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
89,499	90,249	92,296	94,847	97,197	99,565	Payments to staff and suppliers
5,680	6,854	7,447	7,373	7,737	7,946	Finance costs
-	-	-	-	-	-	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>95,179</b>	<b>97,104</b>	<b>99,743</b>	<b>102,220</b>	<b>104,934</b>	<b>107,511</b>	<b>Total applications of operating funds</b>
<b>31,701</b>	<b>32,710</b>	<b>34,097</b>	<b>35,173</b>	<b>36,616</b>	<b>38,061</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
20,437	22,719	15,655	19,067	19,411	19,773	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
13,804	12,351	(1,569)	7,685	4,336	660	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>34,241</b>	<b>35,070</b>	<b>14,086</b>	<b>26,752</b>	<b>23,747</b>	<b>20,432</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
28,683	35,961	16,091	29,773	26,223	22,763	- to improve the level of service
39,396	33,617	36,370	31,868	31,457	36,803	- to replace existing assets
(2,137)	(1,798)	(4,279)	285	2,682	(1,072)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>65,942</b>	<b>67,780</b>	<b>48,183</b>	<b>61,926</b>	<b>60,362</b>	<b>58,493</b>	<b>Total applications of capital funding</b>
<b>(31,701)</b>	<b>(32,710)</b>	<b>(34,097)</b>	<b>(35,173)</b>	<b>(36,616)</b>	<b>(38,061)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

# Capital works programme

## Roading and Footpaths

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Footpaths, new - District-wide	467,689	459,000	469,080	479,385	489,915
Hupara Road seal extension	256,401	-	-	-	-
Lighting improvements	15,000	12,750	13,030	-	-
Low cost / low risk improvements <sup>1</sup>	1,600,000	2,172,600	2,595,576	3,403,634	2,395,140
Low cost / low risk improvements - Waipapa <sup>1</sup>	730,000	1,500,420	1,585,490	372,855	-
Panguru Road raising / flood mitigation	-	204,000	-	-	-
Pou Herenga Tai (Twin Coast Cycle Trail) extension	-	-	-	3,750,000	3,750,000
Pou Herenga Tai (Twin Coast Cycle Trail) Opuā to Taumarere replacement	-	-	2,293,280	2,343,660	-
Road safety	1,138,333	1,161,100	1,186,599	-	-
Ring road Butler Road to Clarke Street, Kerikeri	-	-	-	127,836	1,306,440
Road strategy initiatives, District-wide	-	-	104,240	5,193,338	5,307,413
Unsubsidised roading capital sealing	1,000,000	1,020,000	1,042,400	1,065,300	1,088,700
<b>Total new works</b>	<b>5,207,423</b>	<b>6,529,870</b>	<b>9,289,695</b>	<b>16,736,008</b>	<b>14,337,608</b>
<b>Renewals</b>					
Cycleway network renewals	33,619	-	-	-	28,056
Drainage renewals	1,605,000	1,637,100	1,673,052	1,709,807	1,747,364
Ferry renewals	290,000	336,600	252,782	40,268	160,355
Footpath renewals - District wide	540,550	493,168	469,080	479,386	492,268
Low cost/low risk improvements	3,200,000	3,570,000	3,335,680	3,408,960	3,483,840
Stock effluent disposal stations	50,000	51,000	52,120	53,265	54,435
Sealed road pavement	2,830,000	3,682,200	2,199,464	2,247,783	2,297,157
Sealed road resurfacing	2,980,000	4,467,600	5,944,286	4,793,850	5,236,647
Structure components <sup>2</sup>	1,210,000	1,193,400	1,310,818	1,557,682	1,472,695
Traffic services renewals	500,000	510,000	521,200	532,650	544,350
Unsealed road metalling	3,883,000	3,960,660	4,047,639	4,136,560	4,227,422
<b>Total renewals</b>	<b>17,122,169</b>	<b>19,901,728</b>	<b>19,806,121</b>	<b>18,960,211</b>	<b>19,744,589</b>
<b>Total capital works</b>	<b>22,329,592</b>	<b>26,431,598</b>	<b>29,095,816</b>	<b>35,696,219</b>	<b>34,082,197</b>
<b>Total 10 years capital works - Roothing and Footpaths</b>	<b>310,901,225</b>				

<sup>1</sup> Low cost / low risk improvements is an NZTA category of works costing less than \$1 million, including traffic management, bridge approach sealing, lighting improvements, traffic signage and markings, guard railing and some walking and cycling facilities.

<sup>2</sup> Structures component replacement is an NZTA category of works relating to replacing the components of bridges, retaining structures, guard rails, tunnels, stock access structures, some footpaths and pedestrian assets.

2023/24	2024/25	2025/26	2026/27	2027/28	
<b>New works</b>					
501,165	513,180	525,510	538,650	552,645	Footpaths, new - District-wide
-	-	-	-	-	Hupara Road seal extension
-	-	-	-	-	Lighting improvements
2,450,140	2,508,880	2,569,160	2,633,400	2,701,820	Low cost / low risk improvements <sup>1</sup>
-	-	-	-	-	Low cost / low risk improvements - Waipapa <sup>1</sup>
-	-	-	-	-	Panguru Road raising / flood mitigation
3,750,000	3,750,000	3,750,000	3,750,000	3,750,000	Pou Herenga Tai (Twin Coast Cycle Trail) extension
-	-	-	-	-	Pou Herenga Tai (Twin Coast Cycle Trail) Opua to Taumarere replacement
-	-	-	-	-	Road safety
-	-	-	-	-	Ring road Butler Road to Clarke Street, Kerikeri
10,969,945	114,040	5,556,333	5,456,333	5,456,333	Road strategy initiatives, District-wide
1,113,700	1,140,400	1,167,800	1,197,000	1,228,100	Unsubsidised roading capital sealing
<b>18,784,950</b>	<b>8,026,500</b>	<b>13,568,803</b>	<b>13,575,383</b>	<b>13,688,898</b>	<b>Total new works</b>
<b>Renewals</b>					
89,479	-	-	100,629	411,935	Cycleway network renewals
1,787,489	1,830,342	1,874,319	1,921,185	1,971,101	Drainage renewals
-	46,469	-	-	-	Ferry renewals
501,166	513,180	549,053	538,650	552,646	Footpath renewals - District wide
3,563,840	3,649,280	3,736,960	3,830,400	3,929,920	Low cost/low risk improvements
55,685	57,020	58,390	59,850	61,405	Stock effluent disposal stations
2,349,907	2,406,244	2,464,058	2,525,670	2,591,291	Sealed road pavement
3,964,772	3,717,704	3,036,280	3,219,930	3,303,589	Sealed road resurfacing
1,670,550	1,664,131	1,751,700	1,795,500	1,842,150	Structure components <sup>2</sup>
556,850	570,200	583,900	598,500	614,050	Traffic services renewals
4,324,497	4,428,173	4,534,567	4,647,951	4,768,712	Unsealed road metalling
<b>18,864,235</b>	<b>18,882,743</b>	<b>18,589,227</b>	<b>19,238,265</b>	<b>20,046,799</b>	<b>Total renewals</b>
<b>37,649,185</b>	<b>26,909,243</b>	<b>32,158,030</b>	<b>32,813,648</b>	<b>33,735,697</b>	<b>Total capital works</b>
				<b>310,901,225</b>	<b>Total 10 years capital works - Roading and Footpaths</b>

## Water Supply

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Bulk water tanker supply, Kerikeri	-	-	-	42,612	34,838
Chlorinator, District-wide	39,000	22,440	22,933	-	-
Clarifier, Kaitaia	20,000	-	16,678	-	-
Fire flow upgrades	40,000	726,240	123,003	388,835	507,334
Improved storage resilience, Kerikeri	20,000	-	-	-	-
Mains upgrades	42,500	122,400	364,840	106,530	-
Mains water pressure, Paihia	-	-	-	-	19,597
Minor capital works	300,000	306,000	312,720	319,590	326,610
New water source, Opononi	50,000	888,420	-	-	-
Reservoir works	-	81,600	-	628,527	580,277
Resource consents	55,302	10,200	-	-	-
Reticulation upgrade, Mawson Avenue, Kerikeri	500,000	-	-	-	-
Specified works, Okaihau	15,000	-	-	-	-
Stream intake improvements, Kerikeri	-	-	-	11,718	186,168
Structural works, Kawakawa	161,337	-	-	-	-
Sweetwater borefield, Kaitaia	-	-	-	1,065,300	1,088,700
Treated water extension, Okahu Road, Kaitaia	-	-	-	60,722	128,467
Treatment plant upgrades	175,000	178,500	46,908	85,224	-
Water intake improvements, Awanui	130,000	-	-	-	-
Water source upgrade, Waiotemarama, Opononi	-	94,758	-	-	-
Water supply scheme, Rawene / Omanaia	2,886,494	-	-	-	-
<b>Total new works</b>	<b>4,434,633</b>	<b>2,430,558</b>	<b>887,082</b>	<b>2,709,058</b>	<b>2,871,991</b>
<b>Renewals</b>					
Mains replacements	85,000	-	-	-	-
Resource consent renewals	11,000	58,140	-	-	-
Reticulation renewals	1,048,088	924,120	632,737	809,632	694,593
Scheduled renewals	344,118	292,376	368,372	383,935	912,992
Structural renewals, pipe bridges	-	-	271,024	-	-
Structural works, Kawakawa	28,636	-	-	-	-
Supplementary source, Okaihau	15,000	-	-	-	-
Te Marie Avenue, Kaitaia	40,000	-	-	-	-
Telemetry renewals, District-wide	113,225	160,140	12,509	-	-
Treatment plant renewals	245,000	45,900	145,936	-	-
Water source renewals	231,000	53,550	93,816	1,175,026	6,314,460
<b>Total renewals</b>	<b>2,161,067</b>	<b>1,534,226</b>	<b>1,524,394</b>	<b>2,368,593</b>	<b>7,922,045</b>
<b>Total capital works</b>	<b>6,595,700</b>	<b>3,964,784</b>	<b>2,411,476</b>	<b>5,077,651</b>	<b>10,794,036</b>
<b>Total 10 year capital works - Water Supply</b>	<b>59,711,852</b>				



2023/24	2024/25	2025/26	2026/27	2027/28	
<b>New works</b>					
507,847	-	-	-	-	Bulk water tanker supply, Kerikeri
-	-	-	-	-	Chlorinator, District-wide
-	-	-	-	-	Clarifier, Kaitaia
206,035	171,060	-	-	-	Fire flow upgrades
-	-	-	-	-	Improved storage resilience, Kerikeri
278,425	-	-	-	-	Mains upgrades
-	-	-	-	-	Mains water pressure, Paihia
334,110	342,120	350,340	359,100	368,430	Minor capital works
-	-	-	-	-	New water source, Opononi
514,529	-	-	598,500	-	Reservoir works
-	-	-	-	-	Resource consents
-	-	-	-	-	Reticulation upgrade, Mawson Avenue, Kerikeri
-	-	-	-	-	Specified works, Okaihau
-	-	-	-	-	Stream intake improvements, Kerikeri
-	-	-	-	-	Structural works, Kawakawa
1,705,075	-	-	-	-	Sweetwater borefield, Kaitaia
-	-	-	-	-	Treated water extension, Okahu Road, Kaitaia
-	-	5,021,540	5,985,000	6,140,500	Treatment plant upgrades
-	-	-	-	-	Water intake improvements, Awanui
-	-	-	-	-	Water source upgrade, Waiotemarama, Opononi
-	-	-	-	-	Water supply scheme, Rawene / Omanaia
<b>3,546,021</b>	<b>513,180</b>	<b>5,371,880</b>	<b>6,942,600</b>	<b>6,508,930</b>	<b>Total new works</b>
<b>Renewals</b>					
-	-	-	-	-	Mains replacements
-	-	-	-	-	Resource consent renewals
378,660	598,710	350,340	359,100	644,756	Reticulation renewals
1,366,303	538,065	387,783	1,161,936	2,188,804	Scheduled renewals
-	-	-	-	-	Structural renewals, pipe bridges
-	-	-	-	-	Structural works, Kawakawa
-	-	-	-	-	Supplementary source, Okaihau
-	-	-	-	-	Te Marie Avenue, Kaitaia
-	-	-	-	-	Telemetry renewals, District-wide
11,137	-	-	-	-	Treatment plant renewals
-	-	-	-	-	Water source renewals
<b>1,756,100</b>	<b>1,136,775</b>	<b>738,123</b>	<b>1,521,036</b>	<b>2,833,560</b>	<b>Total renewals</b>
<b>5,302,121</b>	<b>1,649,955</b>	<b>6,110,003</b>	<b>8,463,636</b>	<b>9,342,490</b>	<b>Total capital works</b>
				<b>59,711,852</b>	<b>Total 10 year capital works - Water Supply</b>

## Wastewater

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Algae reduction system, Kaitaia	-	-	-	-	54,435
Disposal field, Kerikeri	-	306,000	-	-	-
Inflow infiltration works, District-wide	-	-	-	106,530	108,870
Low pressure sewer installation SH 10, Kaitaia	-	-	-	127,836	-
Low pressure sewer installation, Rangikapiti Road, Kaitaia	-	-	-	127,836	-
Mains upgrades	-	-	416,960	-	-
Manhole sealing, Kaeo	-	-	-	-	23,951
Minor capital works	450,000	517,029	469,080	479,385	489,915
Odour control	60,000	-	31,272	-	-
Overflow improvements, Kaitaia	100,000	255,000	2,606,000	3,728,550	-
Pump station upgrades	-	149,975	104,240	837,326	321,167
Resource consents	15,423	40,800	20,848	-	-
Reticulation upgrades	175,000	102,000	416,960	-	-
Scheme improvements	-	-	-	-	132,821
Septage screening, Kaitaia	-	-	168,869	-	-
Sludge management/disposal	750,000	2,040,000	781,800	-	-
Sludge treatment facility, Kaikohe	-	-	-	-	362,537
Telemetry upgrades, District-wide	24,555	-	-	-	-
Treatment plants	14,752,977	28,152	91,314	569,510	1,514,000
Upgrades to meet resource consent, East Coast	-	685,799	-	-	-
Wastewater pipe, Taipa Bridge	90,000	-	-	-	-
<b>Total new works</b>	<b>16,417,955</b>	<b>4,124,755</b>	<b>5,107,343</b>	<b>5,976,973</b>	<b>3,007,696</b>
<b>Renewals</b>					
Pump station renewals	347,000	132,600	737,307	296,154	193,789
Resource consent renewals	61,000	124,440	179,292	144,881	165,483
Reticulation renewals	-	-	26,060	-	-
Reticulation renewals	230,000	514,080	-	-	66,411
Scheduled renewals	133,289	1,109,535	325,344	2,184,337	601,029
Sludge management renewals	-	-	-	82,446	-
Telemetry renewals, District-wide	216,000	226,440	363,798	251,411	265,643
Treatment plant and enabling, Kerikeri	2,507,771	-	-	-	-
Treatment plant renewals	683,000	1,416,996	62,544	500,691	-
<b>Total renewals</b>	<b>4,178,060</b>	<b>3,524,091</b>	<b>1,694,345</b>	<b>3,459,920</b>	<b>1,292,355</b>
<b>Total capital works</b>	<b>20,596,015</b>	<b>7,648,846</b>	<b>6,801,688</b>	<b>9,436,893</b>	<b>4,300,051</b>
<b>Total 10 year capital works - Wastewater</b>	<b>87,762,621</b>				

2023/24	2024/25	2025/26	2026/27	2027/28	
<b>New works</b>					
928,826	-	-	-	-	Algae reduction system, Kaitaia
-	-	-	-	-	Disposal field, Kerikeri
111,370	114,040	-	-	-	Inflow infiltration works, District-wide
-	-	-	-	-	Low pressure sewer installation SH 10, Kaitaia
-	-	-	-	-	Low pressure sewer installation, Rangikapiti Road, Kaitaia
420,979	1,596,560	-	-	-	Mains upgrades
-	-	-	-	-	Manhole sealing, Kaeo
501,165	513,180	525,510	538,650	552,645	Minor capital works
-	-	-	-	-	Odour control
2,227,400	2,280,800	1,926,870	-	-	Overflow improvements, Kaitaia
339,679	74,126	-	-	-	Pump station upgrades
-	-	-	-	-	Resource consents
-	-	583,900	-	-	Reticulation upgrades
3,509,269	143,690	5,839,000	-	-	Scheme improvements
-	-	-	-	-	Septage screening, Kaitaia
-	-	-	-	-	Sludge management/disposal
-	-	-	-	-	Sludge treatment facility, Kaikohe
-	-	-	-	-	Telemetry upgrades, District-wide
1,313,739	298,784	230,641	2,456,843	-	Treatment plants
-	-	-	-	-	Upgrades to meet resource consent, East Coast
-	-	-	-	-	Wastewater pipe, Taipa Bridge
<b>9,352,427</b>	<b>5,021,180</b>	<b>9,105,921</b>	<b>2,995,493</b>	<b>552,645</b>	<b>Total new works</b>
<b>Renewals</b>					
-	148,252	122,619	-	-	Pump station renewals
182,647	88,951	-	-	-	Resource consent renewals
-	-	-	-	-	Reticulation renewals
350,816	-	-	-	270,182	Reticulation renewals
914,663	1,809,927	4,111,718	1,366,541	1,936,687	Scheduled renewals
-	-	-	-	-	Sludge management renewals
280,652	297,644	-	-	-	Telemetry renewals, District-wide
-	-	-	-	-	Treatment plant and enabling, Kerikeri
70,163	-	-	-	-	Treatment plant renewals
<b>1,798,941</b>	<b>2,344,774</b>	<b>4,234,337</b>	<b>1,366,541</b>	<b>2,206,869</b>	<b>Total renewals</b>
<b>11,151,368</b>	<b>7,365,954</b>	<b>13,340,258</b>	<b>4,362,034</b>	<b>2,759,514</b>	<b>Total capital works</b>
				<b>87,762,621</b>	<b>Total 10 year capital works - Wastewater</b>

## Stormwater

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Drainage	-	-	198,056	213,060	-
Flood mitigation, Kawakawa	-	-	-	106,530	-
Minor works	600,000	612,000	781,800	639,180	653,220
Stormwater floodgates	30,000	30,600	-	-	-
Stormwater improvements	50,000	357,000	234,540	268,953	489,915
Stormwater improvements Taipa bridge	400,000	-	-	-	-
Stormwater lines	160,000	954,720	625,440	-	1,197,570
Stormwater outlets	-	-	-	-	-
<b>Total new works</b>	<b>1,240,000</b>	<b>1,954,320</b>	<b>1,839,836</b>	<b>1,227,723</b>	<b>2,340,705</b>
<b>Renewals</b>					
Floodgate renewals	50,000	51,000	52,120	53,265	54,435
Stormwater line renewals, Opononi	-	51,000	-	-	-
Stormwater outlet renewals, Russell	-	-	-	-	54,435
<b>Total renewals</b>	<b>50,000</b>	<b>102,000</b>	<b>52,120</b>	<b>53,265</b>	<b>108,870</b>
<b>Total capital works</b>	<b>1,290,000</b>	<b>2,056,320</b>	<b>1,891,956</b>	<b>1,280,988</b>	<b>2,449,575</b>
<b>Total 10 year capital works - Stormwater</b>	<b>14,927,122</b>				

## Solid Waste Management

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Recycling stations	-	61,200	28,008	587,397	338,722
Transfer station improvements	75,000	76,500	78,180	79,899	81,654
Transfer station scrap shed, Te Hiku ward	41,986	-	-	-	-
Weighbridge, Kaitaia	30,000	-	-	-	-
<b>Total new works</b>	<b>146,986</b>	<b>137,700</b>	<b>106,188</b>	<b>667,296</b>	<b>420,376</b>
<b>Renewals</b>					
Illegal dumping mitigation	-	-	6,479	-	-
Landfill renewals	181,671	816	38,846	-	-
Recycling centre renewals	-	1,561	-	-	18,794
Transfer station renewals	64,532	439,380	117,992	433,109	234,301
Weighbridge renewals, Kaitaia	-	100,122	-	-	-
<b>Total renewals</b>	<b>246,203</b>	<b>541,879</b>	<b>163,317</b>	<b>433,109</b>	<b>253,095</b>
<b>Total capital works</b>	<b>393,189</b>	<b>679,579</b>	<b>269,505</b>	<b>1,100,405</b>	<b>673,471</b>
<b>Total 10 year capital works - Solid Waste Management</b>	<b>4,894,372</b>				

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
-	-	-	-	-	Drainage
-	-	-	-	-	Flood mitigation, Kawakawa
668,220	684,240	700,680	718,200	736,860	Minor works
-	-	-	-	-	Stormwater floodgates
33,411	91,232	291,950	-	-	Stormwater improvements
-	-	-	-	-	Stormwater improvements Taipa bridge
979,486	563,510	70,068	-	-	Stormwater lines
128,076	-	-	-	-	Stormwater outlets
<b>1,809,193</b>	<b>1,338,982</b>	<b>1,062,698</b>	<b>718,200</b>	<b>736,860</b>	<b>Total new works</b>
					<b>Renewals</b>
55,685	57,020	58,390	59,850	61,405	Floodgate renewals
-	-	-	-	-	Stormwater line renewals, Opononi
-	-	-	-	-	Stormwater outlet renewals, Russell
55,685	57,020	58,390	59,850	61,405	<b>Total renewals</b>
<b>1,864,878</b>	<b>1,396,002</b>	<b>1,121,088</b>	<b>778,050</b>	<b>798,265</b>	<b>Total capital works</b>
				<b>14,927,122</b>	<b>Total 10 year capital works - Stormwater</b>

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
-	-	-	-	-	Recycling stations
83,529	85,530	87,585	89,775	92,109	Transfer station improvements
-	-	-	-	-	Transfer station scrap shed, Te Hiku ward
-	-	-	-	-	Weighbridge, Kaitaia
<b>83,529</b>	<b>85,530</b>	<b>87,585</b>	<b>89,775</b>	<b>92,109</b>	<b>Total new works</b>
					<b>Renewals</b>
-	-	-	-	-	Illegal dumping mitigation
1,559	16,422	9,576	4,070	-	Landfill renewals
13,782	456	6,541	3,950	2,303	Recycling centre renewals
427,365	175,515	234,130	90,949	327,079	Transfer station renewals
-	16,422	9,576	-	-	Weighbridge renewals, Kaitaia
<b>442,706</b>	<b>208,815</b>	<b>259,823</b>	<b>98,969</b>	<b>329,382</b>	<b>Total renewals</b>
<b>526,235</b>	<b>294,345</b>	<b>347,408</b>	<b>188,744</b>	<b>421,491</b>	<b>Total capital works</b>
				<b>4,894,372</b>	<b>Total 10 year capital works - Solid Waste Management</b>

## District Facilities

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Accessible carparks, District-wide	31,089	16,860	17,673	18,513	19,449
Airport terminal, Kaitaia	-	-	-	-	-
Amenity lighting, District-wide	48,000	50,574	53,019	55,539	58,350
Boardwalk extension, Mangonui	-	-	-	576,357	-
Boat ramp, Opononi	-	-	-	-	467,584
BOI sports amenities land purchase and development, Kerikeri	-	3,134,283	-	-	-
Campervan parking improvements, Kaikohe	-	-	-	11,438	12,306
Carpark, Chapel Street, Russell	-	21,903	-	-	-
Carpark, Cherry Park House, Kerikeri	-	-	-	-	50,380
Cemetery parking improvements, Russell	20,972	-	-	-	-
Cross wind runway, Kaitaia Airport	-	110,160	-	-	-
Disability access improvements, District-wide	187,335	106,764	111,929	129,609	25,932
Dog park, Samaree Place, Kerikeri	-	-	-	-	30,763
Garden upgrade and link to cycleway, Kaikohe	-	-	-	-	29,988
Land purchase, Station Road, Kaikohe	-	-	-	68,630	-
Land purchase, tennis courts, Ohaeawai	-	-	-	-	123,056
Lindvart park pavilion, Kaikohe	50,000	100,000	248,224	248,224	248,225
Maritime facilities, District-wide	595,963	44,952	159,054	1,117,159	3,851,492
Park extension, Hundertwasser	162,473	-	-	-	-
Parks and reserves, District-wide	-	-	-	23,175	23,990
Playground improvements, Centennial Park, Kaitaia	53,686	-	-	-	-
Playground shade sail, Awanui	-	-	-	-	35,986
Playgrounds, new	-	-	-	-	-
Public toilets	-	399,304	173,483	82,161	92,292
Public toilets, TIF contributions	394,000	-	-	-	-
Rail tunnel upgrade, Okaihau	-	-	-	-	58,448
Recycling bins, Kaikohe	-	-	-	-	-
Safety rail, Mangonui	153,450	-	-	-	-
Skatepark improvements, Kerikeri	-	-	-	117,373	-
Sports park carpark, ablution block and consent, Kerikeri	-	-	702,902	718,263	-
Sportsfields, Pukenui	135,089	57,645	-	-	-
Sportsfields, Whatuwhiwhi	-	-	-	-	127,487
Streetscape upgrade, Kaikohe	-	54,760	574,248	-	-
Te Hiku sports hub - netball courts	-	-	273,259	-	-
Te Hiku sports hub - swimming pool	-	-	4,466,150	4,564,265	-
Te Hiku sports hub development	-	-	559,623	55,853	-
Town beautification, District-wide	-	153,000	156,360	159,795	163,305
Waipapa Landing carpark seal	-	-	-	52,819	-
Walking track upgrades, District-wide	100,000	102,000	104,240	106,530	108,870
Walkway upgrade, Opuā - Paihia waterfront	-	-	-	22,876	11,995
<b>Total new works</b>	<b>1,932,057</b>	<b>4,352,205</b>	<b>7,600,164</b>	<b>8,128,579</b>	<b>5,539,898</b>
<b>Renewals</b>					
Airport renewals, Kaikohe	-	-	31,272	-	-
Airport renewals, Kaitaia	128,311	140,990	100,074	31,977	24,491
Amenity lighting renewals, District-wide	45,000	45,900	46,908	47,938	48,991
Bins, benches, bollards, signs and tables renewals, District-wide	210,000	214,200	218,904	223,713	228,627

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
20,415	21,444	22,446	23,610	24,846	Accessible carparks, District-wide
-	571,879	-	-	-	Airport terminal, Kaitaia
61,239	64,335	67,335	70,824	74,547	Amenity lighting, District-wide
-	-	-	786,899	-	Boardwalk extension, Mangonui
544,358	-	-	-	662,648	Boat ramp, Opononi
-	-	-	-	-	BOI sports amenities land purchase and development, Kerikeri
13,264	-	-	-	-	Campervan parking improvements, Kaikohe
-	-	-	-	-	Carpark, Chapel Street, Russell
-	-	-	-	-	Carpark, Cherry Park House, Kerikeri
-	-	-	-	-	Cemetery parking improvements, Russell
-	-	-	-	-	Cross wind runway, Kaitaia Airport
27,218	28,594	-	-	-	Disability access improvements, District-wide
32,256	-	-	-	-	Dog park, Samaree Place, Kerikeri
-	-	-	-	-	Garden upgrade and link to cycleway, Kaikohe
-	-	-	-	-	Land purchase, Station Road, Kaikohe
-	-	-	-	-	Land purchase, tennis courts, Ohaeawai
-	-	-	-	-	Lindvart park pavilion, Kaikohe
1,138,239	57,188	134,669	771,160	66,265	Maritime facilities, District-wide
-	-	-	-	-	Park extension, Hundertwasser
25,176	-	110,215	-	-	Parks and reserves, District-wide
-	-	-	-	-	Playground improvements, Centennial Park, Kaitaia
-	-	-	-	-	Playground shade sail, Awanui
124,294	-	-	-	-	Playgrounds, new
-	-	-	-	98,898	Public toilets
-	-	-	-	-	Public toilets, TIF contributions
-	-	-	-	-	Rail tunnel upgrade, Okaihau
12,271	-	-	-	-	Recycling bins, Kaikohe
-	-	-	-	-	Safety rail, Mangonui
-	-	-	-	-	Skatepark improvements, Kerikeri
-	-	-	-	-	Sports park carpark, ablution block and consent, Kerikeri
-	-	-	-	-	Sportsfields, Pukenui
-	-	-	-	-	Sportsfields, Whatuwhiwhi
-	-	-	-	-	Streetscape upgrade, Kaikohe
-	-	-	-	-	Te Hiku sports hub - netball courts
-	-	-	-	-	Te Hiku sports hub - swimming pool
-	-	-	-	-	Te Hiku sports hub development
167,055	171,060	175,170	179,550	184,215	Town beautification, District-wide
-	-	-	-	-	Waipapa Landing carpark seal
111,370	114,040	-	-	-	Walking track upgrades, District-wide
12,588	13,212	-	-	-	Walkway upgrade, Opuā - Paihia waterfront
<b>2,289,743</b>	<b>1,041,752</b>	<b>509,835</b>	<b>1,832,043</b>	<b>1,111,419</b>	<b>Total new works</b>
					<b>Renewals</b>
-	-	-	-	-	Airport renewals, Kaikohe
115,612	345,528	570,081	61,472	18,827	Airport renewals, Kaitaia
50,117	51,318	52,551	53,865	55,264	Amenity lighting renewals, District-wide
233,877	239,484	245,238	251,370	257,901	Bins, benches, bollards, signs and tables renewals, District-wide

## District Facilities continued

	2018/19	2019/20	2020/21	2021/22	2022/23
Building renewals, District-wide	23,330	243,449	209,598	207,166	1,159,619
Caravan dump renewals, District-wide	-	-	-	-	-
Carpark and boardwalk renewals, Mangonui	12,789	-	-	-	-
Carpark renewals, District-wide	3,280	80,467	-	120,831	958,213
Cemetery renewals, District-wide	27,862	21,161	20,778	6,390	33,177
Community building renewals, District-wide	46,898	-	-	-	220,270
Community centre renewals, Western	-	-	-	-	-
Hall renewals, District-wide	150,000	628,740	1,087,104	1,590,676	1,399,826
Housing for the Elderly renewals, District-wide	278,020	449,697	321,320	581,000	544,439
Lindvart park renewals, Kaikohe	50,000	547,822	496,821	496,821	496,821
Maritime renewals, District-wide	148,600	542,232	308,551	1,938,100	1,001,713
Motorcamp renewals	-	-	-	-	-
Parks and reserves renewals, District-wide	1,139,732	1,016,508	907,983	1,110,198	995,984
Public toilet renewals, District-wide	160,110	299,022	426,253	505,919	150,043
Scheduled renewals, Cherry Park House, Kerikeri	11,018	-	-	113,808	-
Skateboard ramp, Kerikeri	42,400	-	-	-	-
Sports complex renewals, Awanui	-	-	-	-	-
Sportsfields and courts renewals, Maromaku / Towai	371,370	-	-	-	-
Swimming pool renewals	-	-	-	-	-
Swingbridge renewal and repair, Broadwood	100,000	-	-	-	-
Tennis court and playground renewals, Kerikeri	-	-	58,463	-	-
<b>Total renewals</b>	<b>2,948,720</b>	<b>4,230,188</b>	<b>4,234,029</b>	<b>6,974,537</b>	<b>7,262,214</b>
<b>Total capital works</b>	<b>4,880,777</b>	<b>8,582,393</b>	<b>11,834,193</b>	<b>15,103,116</b>	<b>12,802,112</b>
<b>Total 10 year capital works - District Facilities</b>	<b>94,527,811</b>				

## Customer Services

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Library eBooks	26,163	27,329	28,626	29,955	31,412
Library eResources	16,000	26,520	27,102	27,698	28,306
Library technology upgrades	-	-	-	42,612	65,322
Mobile libraries	-	20,400	-	-	-
<b>Total new works</b>	<b>42,163</b>	<b>74,249</b>	<b>55,728</b>	<b>100,265</b>	<b>125,040</b>
<b>Renewals</b>					
Building renewals, Kerikeri	-	-	-	-	-
Civic buildings, Kaitaia	-	106,762	-	-	-
Civil Defence renewals	22,610	36,917	43,770	30,968	24,616
Information centre renewals	9,266	17,371	3,586	4,224	13,168
Library eBooks	16,400	16,728	17,095	17,471	17,855
Library relocation to Hundertwasser, Kawakawa	-	193,800	-	-	-
Library technology renewals	9,345	1,927	6,818	2,300	84,004
Old information centre renewals, Kaitaia	-	-	-	-	-
Old library renewals, Kaitaia	-	-	-	-	-
Pioneer House renewals, Kaitaia	-	-	-	1,809	-
Scheduled library renewals	323,785	858,449	365,905	431,928	279,252
Service centre renewals	85,000	86,031	-	-	2,024
<b>Total renewals</b>	<b>466,406</b>	<b>1,317,985</b>	<b>437,174</b>	<b>488,700</b>	<b>420,919</b>
<b>Total capital works</b>	<b>508,569</b>	<b>1,392,234</b>	<b>492,902</b>	<b>588,965</b>	<b>545,959</b>
<b>Total 10 years capital works - Customer Services</b>	<b>7,473,924</b>				



2023/24	2024/25	2025/26	2026/27	2027/28	
26,327	226,203	37,297	18,785	-	Building renewals, District-wide
-	-	9,224	-	7,485	Caravan dump renewals, District-wide
-	-	-	-	-	Carpark and boardwalk renewals, Mangonui
530,488	297,125	16,909	-	5,322	Carpark renewals, District-wide
140,373	32,603	37,980	20,564	59,703	Cemetery renewals, District-wide
-	89,474	-	-	-	Community building renewals, District-wide
-	-	39,061	-	-	Community centre renewals, Western
3,053,751	1,286,584	645,362	1,176,478	1,830,279	Hall renewals, District-wide
264,400	227,469	433,942	470,244	296,595	Housing for the Elderly renewals, District-wide
316,373	49,756	111,490	284,350	284,349	Lindvart park renewals, Kaikohe
947,203	2,782,327	570,938	3,962,669	530,293	Maritime renewals, District-wide
-	-	375,507	77,721	6,472	Motorcamp renewals
2,514,095	2,080,555	1,290,179	419,290	1,400,638	Parks and reserves renewals, District-wide
336,925	161,885	82,197	33,986	272,657	Public toilet renewals, District-wide
270,478	19,584	-	-	5,442	Scheduled renewals, Cherry Park House, Kerikeri
-	-	-	-	-	Skateboard ramp, Kerikeri
-	1,466,860	-	-	-	Sports complex renewals, Awanui
-	-	-	-	-	Sportsfields and courts renewals, Maromaku / Towai
-	-	-	3,677	-	Swimming pool renewals
-	-	-	-	-	Swingbridge renewal and repair, Broadwood
-	-	-	-	-	Tennis court and playground renewals, Kerikeri
<b>8,800,019</b>	<b>9,356,755</b>	<b>4,517,956</b>	<b>6,834,471</b>	<b>5,031,227</b>	<b>Total renewals</b>
<b>11,089,762</b>	<b>10,398,507</b>	<b>5,027,791</b>	<b>8,666,514</b>	<b>6,142,646</b>	<b>Total capital works</b>
			<b>94,527,811</b>		<b>Total 10 year capital works - District Facilities</b>

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
32,935	34,568	36,355	38,237	40,249	Library eBooks
28,956	29,650	30,363	31,122	31,931	Library eResources
33,411	-	-	-	-	Library technology upgrades
-	-	-	-	-	Mobile libraries
<b>95,302</b>	<b>64,218</b>	<b>66,718</b>	<b>69,359</b>	<b>72,180</b>	<b>Total new works</b>
					<b>Renewals</b>
-	180,428	-	-	-	Building renewals, Kerikeri
-	-	-	-	-	Civic buildings, Kaitaia
18,955	11,905	7,303	11,599	45,037	Civil Defence renewals
7,895	33,458	28,456	33,494	13,982	Information centre renewals
18,265	18,703	19,152	19,631	20,141	Library eBooks
-	-	-	-	-	Library relocation to Hundertwasser, Kawakawa
15,288	2,462	2,206	7,830	2,651	Library technology renewals
82,968	-	-	-	-	Old information centre renewals, Kaitaia
-	481,096	-	-	21,811	Old library renewals, Kaitaia
-	854,603	-	2,033	-	Pioneer House renewals, Kaitaia
255,672	436,731	262,105	273,816	295,975	Scheduled library renewals
89,584	-	-	-	2,283	Service centre renewals
<b>488,627</b>	<b>2,019,386</b>	<b>319,222</b>	<b>348,403</b>	<b>401,880</b>	<b>Total renewals</b>
<b>583,929</b>	<b>2,083,604</b>	<b>385,940</b>	<b>417,762</b>	<b>474,060</b>	<b>Total capital works</b>
			<b>7,473,924</b>		<b>Total 10 years capital works - Customer Services</b>

## Environmental Management

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
Animal control, Kaikohe	678,263	-	-	-	-
<b>Total new works</b>	<b>678,263</b>	-	-	-	-
<b>Renewals</b>					
Animal control renewals, Kaikohe	-	-	-	-	-
Animal control renewals, Kaitaia	-	-	-	26,512	-
Building renewals, Kerikeri	1,978	-	-	6,211	-
Monitoring renewals	11,236	-	-	-	-
<b>Total renewals</b>	<b>13,214</b>	-	-	<b>32,723</b>	-
<b>Total capital works</b>	<b>691,477</b>	-	-	<b>32,723</b>	-
<b>Total 10 year capital works - Environmental Management</b>	<b>1,339,136</b>				

## Governance and Strategic Administration

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>New works</b>					
ICT security	36,000	-	-	-	39,193
IT upgrades	1,308,000	425,595	65,150	-	-
Kaikohe community and civic hub	1,000,000	5,000,000	3,000,000	2,758,684	-
Online services	259,768	193,864	-	-	-
Proctor Library HVAC	20,627	-	-	-	-
Property file digitisation	1,115	-	-	-	-
<b>Total new works</b>	<b>2,625,510</b>	<b>5,619,459</b>	<b>3,065,150</b>	<b>2,758,684</b>	<b>39,193</b>
<b>Renewals</b>					
Aerial photography	-	-	-	91,633	-
Building renewals, Kerikeri	-	-	-	-	-
IT renewals	1,736,491	729,945	2,835,491	928,753	1,264,236
Other renewals	623,272	602,615	825,945	552,616	411,652
Vehicles	207,975	696,368	527,837	554,766	715,938
<b>Total renewals</b>	<b>2,567,738</b>	<b>2,028,928</b>	<b>4,189,273</b>	<b>2,127,768</b>	<b>2,391,826</b>
<b>Total capital works</b>	<b>5,193,248</b>	<b>7,648,387</b>	<b>7,254,423</b>	<b>4,886,452</b>	<b>2,431,019</b>
<b>Total 10 year capital works - Governance and Strategic Administration</b>	<b>41,604,858</b>				

	2018/19	2019/20	2020/21	2021/22	2022/23
10 year capital works total	62,478,567	58,404,142	60,051,959	73,203,413	68,078,420
<b>TOTAL</b>	<b>623,142,923</b>				

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
-	-	-	-	-	Animal control, Kaikohe
-	-	-	-	-	<b>Total new works</b>
					<b>Renewals</b>
-	-	-	23,404	-	Animal control renewals, Kaikohe
-	-	-	4,230	-	Animal control renewals, Kaitaia
-	-	-	587,302	-	Building renewals, Kerikeri
-	-	-	-	-	Monitoring renewals
-	-	-	614,936	-	<b>Total renewals</b>
-	-	-	<b>614,936</b>	-	<b>Total capital works</b>
				<b>1,339,136</b>	<b>Total 10 year capital works - Environmental Management</b>

2023/24	2024/25	2025/26	2026/27	2027/28	
					<b>New works</b>
-	-	-	-	-	ICT security
-	-	-	-	-	IT upgrades
-	-	-	-	-	Kaikohe community and civic hub
-	-	-	-	-	Online services
-	-	-	-	-	Proctor Library HVAC
-	-	-	-	-	Property file digitisation
-	-	-	-	-	<b>Total new works</b>
					<b>Renewals</b>
-	-	-	-	-	Aerial photography
-	194,247	-	-	-	Building renewals, Kerikeri
168,583	1,099,545	2,457,266	82,291	4,273,050	IT renewals
481,707	492,956	654,964	478,335	779,982	Other renewals
760,343	577,461	38,228	813,930	838,441	Vehicles
<b>1,410,633</b>	<b>2,364,209</b>	<b>3,150,458</b>	<b>1,374,556</b>	<b>5,891,473</b>	<b>Total renewals</b>
<b>1,410,633</b>	<b>2,364,209</b>	<b>3,150,458</b>	<b>1,374,556</b>	<b>5,891,473</b>	<b>Total capital works</b>
				<b>41,604,858</b>	<b>Total 10 year capital works - Governance and Strategic Administration</b>

2023/24	2024/25	2025/26	2026/27	2027/28	
69,578,111	52,461,819	61,640,976	57,679,880	59,565,636	10 year capital works total
			<b>623,142,923</b>		<b>TOTAL</b>

# Roading and Footpaths

<b>Funding Impact Statement Roothing and Footpaths</b>	<b>AP 2017/18 \$000s</b>	<b>LTP 2018/19 \$000s</b>	<b>LTP 2019/20 \$000s</b>	<b>LTP 2020/21 \$000s</b>	<b>LTP 2021/22 \$000s</b>
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	11,093	12,086	13,193	12,482	12,657
Targeted rates	5,448	5,548	5,681	5,609	5,619
Subsidies and grants for operating purposes	7,624	9,358	9,672	9,892	10,004
Fees, charges, and targeted rates for water supply	689	689	689	689	689
Internal charges and overheads recovered	2	2	2	2	2
Local authority fuel tax, fines, infringement fees, and other receipts	600	600	600	600	600
<b>Total operating funding</b>	<b>25,456</b>	<b>28,282</b>	<b>29,837</b>	<b>29,275</b>	<b>29,571</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	16,141	20,576	21,839	20,839	20,720
Finance costs	887	769	845	942	1,058
Internal charges and overheads applied	41	(926)	(935)	(824)	(785)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>17,068</b>	<b>20,419</b>	<b>21,749</b>	<b>20,957</b>	<b>20,993</b>
<b>Surplus (deficit) of operating funding</b>	<b>8,388</b>	<b>7,864</b>	<b>8,088</b>	<b>8,318</b>	<b>8,579</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	15,737	13,155	15,941	17,392	21,108
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	2,234	1,277	1,778	2,638	5,579
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	86	-	-	-
<b>Total sources of capital funding</b>	<b>17,971</b>	<b>14,517</b>	<b>17,720</b>	<b>20,029</b>	<b>26,687</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	7,216	5,207	6,530	9,290	16,736
- to replace existing assets	20,630	17,122	19,902	19,806	18,960
Increase (decrease) in reserves	(1,486)	51	(624)	(749)	(430)
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>26,360</b>	<b>22,381</b>	<b>25,808</b>	<b>28,347</b>	<b>35,266</b>
<b>Surplus (deficit) of capital funding</b>	<b>(8,388)</b>	<b>(7,864)</b>	<b>(8,088)</b>	<b>(8,318)</b>	<b>(8,579)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

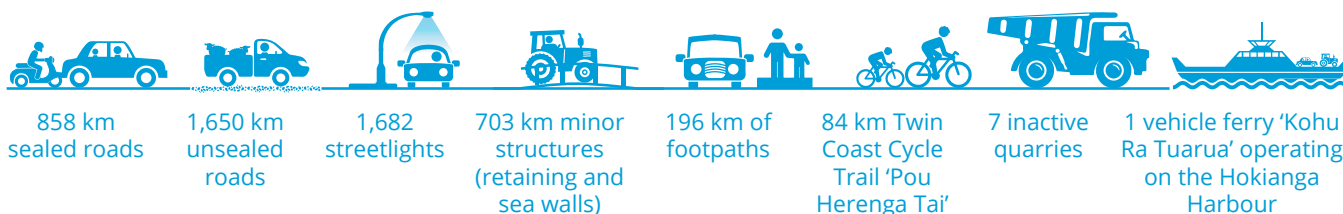
LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Roading and Footpaths
<b>Sources of operational funding</b>						
13,150	14,101	15,110	15,855	16,772	17,730	General rates, uniform annual general charges, rates penalties
5,675	5,770	5,856	5,913	5,996	6,065	Targeted rates
10,234	10,480	10,732	11,001	11,287	11,592	Subsidies and grants for operating purposes
689	689	689	689	689	689	Fees, charges, and targeted rates for water supply
2	2	2	2	2	2	Internal charges and overheads recovered
600	600	600	600	600	600	Local authority fuel tax, fines, infringement fees, and other receipts
<b>30,351</b>	<b>31,642</b>	<b>32,989</b>	<b>34,060</b>	<b>35,347</b>	<b>36,679</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
20,768	21,500	22,176	22,891	23,643	24,440	Payments to staff and suppliers
1,303	1,626	1,890	1,960	2,112	2,250	Finance costs
(662)	(784)	(791)	(802)	(808)	(819)	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>21,409</b>	<b>22,342</b>	<b>23,275</b>	<b>24,050</b>	<b>24,947</b>	<b>25,871</b>	<b>Total applications of operating funds</b>
<b>8,941</b>	<b>9,300</b>	<b>9,714</b>	<b>10,010</b>	<b>10,400</b>	<b>10,808</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
20,437	22,719	15,655	19,067	19,411	19,773	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
4,284	5,502	1,467	3,156	2,879	2,714	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>24,721</b>	<b>28,221</b>	<b>17,121</b>	<b>22,223</b>	<b>22,289</b>	<b>22,486</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
14,338	18,785	8,027	13,569	13,575	13,689	- to improve the level of service
19,745	18,864	18,883	18,589	19,238	20,047	- to replace existing assets
(419)	(128)	(74)	76	(124)	(442)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>33,663</b>	<b>37,521</b>	<b>26,835</b>	<b>32,234</b>	<b>32,689</b>	<b>33,294</b>	<b>Total applications of capital funding</b>
<b>(8,941)</b>	<b>(9,300)</b>	<b>(9,714)</b>	<b>(10,010)</b>	<b>(10,400)</b>	<b>(10,808)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

# 1. Roading and Footpaths

## What we do and why

The roading and footpaths group of activities aims to link our great places, keep our communities connected, safe and active, and to contribute to the sustainability and growth of the local economy. Our roading network is vital for connecting our communities and provides for safe access to the places that make visiting and living in the Far North an enjoyable experience. A core function of Council is the maintenance and management of the local roading network (excluding state highways which remain the responsibility of the New Zealand Transport Agency), including street lighting, footpaths and signage. A well-planned, safe, and integrated network for walking and cycling contributes to our communities' quality of life. Council maintains current footpaths, walkways and cycleways, and as our communities grow monitors the need for new and safe walking and cycling facilities.

## Key facts



## Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Proud, vibrant communities



Prosperous communities supported by a sustainable economy

## Significant negative effects

Roading activities may contribute to a number of negative environmental effects including (but not limited to) flooding effects, air quality, noise, safety and issues relating to dust and heavy traffic. Activities are therefore undertaken in accordance with environmental standards and, where appropriate, resource consent conditions to ensure that negative impacts on the environment are avoided, remedied or appropriately mitigated.

Dust nuisance is recognised as a significant effect, particularly brought about by the level of forestry traffic on the Far North's roading network. Council continues to maintain relationships with the forestry industry while monitoring the effects of dust on our communities. We aim to apply dust suppression solutions and repair deteriorated roads as funding allows and on a priority basis while the Northland Transportation Alliance works with the NZTA to develop long-term strategies for the management of this issue.

### NZTA subsidy uncertainties

At the time of adoption of this LTP the roading programme and the level of NZTA subsidy has not been confirmed. The government is also in the process of reviewing the Government Policy Statement (GPS) for roading which is likely to impact funding levels. The GPS is expected to be finalised in late 2018.

## Changes to levels of service

All roading and footpath levels of service were reviewed as part of this LTP process. How we express the level of service and the associated performance measures were amended to better express our commitment to the community.

In the 2015-25 LTP we had three levels of service for roading. In this LTP we have combined them into two, one for roading and one for footpaths, committing to a network that is safe, effective, well-maintained and integrated. The following changes to performance measures were made:

- measures showing residents satisfaction with roads and footpaths have been removed as a service level measure but will be included in the annual residents satisfaction survey, the results for which are reported in Council's Annual Report
- measures for surface renewals of the roading network have been changed from a percentage renewed to the percentage of planned works complete because it complements the mandatory measure for the percent of sealed network resurfacing completed each year.

In both cases this does not result in a changed level of service.

## Levels of service

■ = Local Government mandatory performance measure

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
1.1.1 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	Increase of 7 fatal and serious injury crashes	No increase	No increase	No increase	No increase
1.1.2 The average quality of ride on a sealed local road network, measured by smooth travel exposure	95%	≥87%	≥87%	≥87%	≥87%
1.1.3 The percentage of the sealed local road network that is resurfaced	8.81%	≥9% of the sealed network resurfaced per annum	≥9% of the sealed network resurfaced per annum	≥9% of the sealed network resurfaced per annum	≥9% of the sealed network resurfaced per annum
1.1.4 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 Emergency / public safety: within 3 hours Urgent: within 7 days Non-urgent: within 14 days	Roads: 94.8% Footpaths: 91%	≥95%	≥95%	≥95%	≥95%
1.1.5 The percentage of fatal and serious crashes on the District's roading network where the road condition is the main contributing factor, in relation to vehicle kilometres travelled on our roads	New measure	< previous year	< previous year	< previous year	< previous year
1.1.6 Resurface the roading network as planned in Council's roading programme	New	≥95% of planned work completed	≥95% of planned work completed	≥95% of planned work completed	≥95% of planned work completed
1.1.7 The Hokianga Ferry Service will run in accordance with advertised timetable	99%	≥95%	≥95%	≥95%	≥95%
1.1.8 Our sealed and unsealed network will meet the agreed Council's levels of service specified in our roading contracts and the network is at least 95% compliant at all times	New measure	≥95%	≥95%	≥95%	≥95%

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
1.2.1 Resurface and extend the footpath network as planned	New	≥95% of planned work completed	≥95% of planned work completed	≥95% of planned work completed	≥95% of planned work completed
1.2.2 The percentage of footpaths within a territorial authority district that fall within the level 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)	6.77 km (2.9 km of extensions and 3.87 km of renewals)	Maintain / increase	Maintain / increase	Maintain / increase	Maintain / increase

# Water Supply

Funding Impact Statement Water Supply	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	225	225	225	225	225
Targeted rates	2,663	2,662	2,863	3,032	3,093
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges and targeted rates for water supply	6,224	5,789	5,858	5,994	6,140
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
<b>Total operating funding</b>	<b>9,112</b>	<b>8,676</b>	<b>8,946</b>	<b>9,251</b>	<b>9,457</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	4,796	4,524	4,540	4,622	4,705
Finance costs	503	403	498	578	579
Internal charges and overheads applied	1,104	1,337	1,356	1,380	1,413
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>6,404</b>	<b>6,264</b>	<b>6,394</b>	<b>6,579</b>	<b>6,697</b>
<b>Surplus (deficit) of operating funding</b>	<b>2,708</b>	<b>2,412</b>	<b>2,552</b>	<b>2,672</b>	<b>2,761</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	1,875	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	1,654	1,987	1,552	18	2,041
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>1,654</b>	<b>3,862</b>	<b>1,552</b>	<b>18</b>	<b>2,041</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	2,201	4,435	2,431	887	2,709
- to replace existing assets	1,352	2,161	1,534	1,524	2,369
Increase (decrease) in reserves	809	(322)	139	278	(276)
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>4,362</b>	<b>6,274</b>	<b>4,104</b>	<b>2,690</b>	<b>4,802</b>
<b>Surplus (deficit) of capital funding</b>	<b>(2,708)</b>	<b>(2,412)</b>	<b>(2,552)</b>	<b>(2,672)</b>	<b>(2,761)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Water Supply
<b>Sources of operational funding</b>						
225	225	225	225	225	225	General rates, uniform annual general charges, rates penalties
3,286	3,727	3,930	3,944	4,326	4,807	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
6,325	6,449	6,602	6,794	6,962	7,170	Fees and charges and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees, and other receipts
<b>9,836</b>	<b>10,401</b>	<b>10,757</b>	<b>10,963</b>	<b>11,512</b>	<b>12,202</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
4,780	4,906	5,007	5,148	5,259	5,413	Payments to staff and suppliers
669	969	1,054	995	1,146	1,351	Finance costs
1,503	1,471	1,500	1,527	1,560	1,590	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>6,951</b>	<b>7,346</b>	<b>7,561</b>	<b>7,670</b>	<b>7,965</b>	<b>8,353</b>	<b>Total applications of operating funds</b>
<b>2,884</b>	<b>3,055</b>	<b>3,197</b>	<b>3,293</b>	<b>3,547</b>	<b>3,849</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
4,994	1,766	(1,233)	3,163	4,253	3,709	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>4,994</b>	<b>1,766</b>	<b>(1,233)</b>	<b>3,163</b>	<b>4,253</b>	<b>3,709</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
2,872	3,546	513	5,372	6,943	6,509	- to improve the level of service
7,922	1,756	1,137	738	1,521	2,834	- to replace existing assets
(2,916)	(482)	314	346	(663)	(1,785)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>7,878</b>	<b>4,821</b>	<b>1,964</b>	<b>6,456</b>	<b>7,800</b>	<b>7,557</b>	<b>Total applications of capital funding</b>
<b>(2,884)</b>	<b>(3,055)</b>	<b>(3,197)</b>	<b>(3,293)</b>	<b>(3,547)</b>	<b>(3,849)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 2. Water Supply

### What we do and why

Safe drinking water is essential to the health and well-being of our communities. Council is responsible for the treatment and distribution of water through our reticulated water schemes. The service is funded in part by charges for water usage through those schemes. It is also Council's responsibility to ensure firefighting performance standards are met in urban water supply areas. We provide new water connections to Council schemes and supply commercial water operators who deliver to private water tanks. At certain times of the year, it is important to ensure we can supply enough water, so we develop and promote water conservation practices. Water supply assets include treatment plants, reservoirs, pipeline, and pump stations.

### Key facts



8 potable drinking water schemes that incorporate:  
2 non-potable supply areas  
9 water treatment plants

Water is sourced from:  
3 dams  
4 bore fields  
7 stream intakes

32 treated water reservoirs

17 booster pump stations

336 km water mains

9,968 properties are connected to council water systems. All schemes have universal water metering

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Prosperous communities supported by a sustainable economy



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

### Significant negative effects

The provision of water can contribute to a number of negative environmental and ecological effects through the abstraction of water from bores, dams and streams, particularly during times of low flow and drought. Mitigation of these effects is largely through compliance with consent conditions, with all activities undertaken in accordance with environmental standards.

### Changes to levels of service

All water levels of service were reviewed as part of this LTP process. How we express the level of service and the associated performance measures was amended to better express our commitment to the community.

In the 2015-25 LTP we had a number of level of service for water supply. In this LTP we combined them into one, committing to a water supply network that is fit for purpose and allows for sustainable development in the future and adequate supply in emergencies.

Only one change to performance measures was made. The measure for resident's satisfaction has been removed as it has been superseded by the Local Government mandatory measure regarding complaints.

## Levels of service

■ = Local Government mandatory performance measure

### 2.1 To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
2.1.1 The extent to which the local authority's drinking water supply complies with: <ul style="list-style-type: none"> <li>• part 4 of the drinking-water standards (bacteria compliance criteria), and</li> <li>• part 5 of the drinking-water standards (protozoal compliance criteria).</li> </ul>	All schemes compliant	Each scheme continuously meets the required standards for drinking water  Each scheme to be reported on separately	Each scheme continuously meets the required standards for drinking water  Each scheme to be reported on separately	Each scheme continuously meets the required standards for drinking water  Each scheme to be reported on separately	Each scheme continuously meets the required standards for drinking water  Each scheme to be reported on separately
2.1.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this)	30.48% water loss	<26%	<26%	<26%	<26%
2.1.3 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 measured:					
a. attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	< 1.2 hours	< 2 hours	< 2 hours	< 2 hours	< 2 hours
b. resolution of 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	< 2.3 hours	< 4 hours	< 4 hours	< 4 hours	< 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, and	< 0.1 working days	< 2 working days	< 2 working days	< 2 working days	< 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	< 0.2 working days	< 3 working days	< 3 working days	< 3 working days	< 3 working days
2.1.4 The total number of complaints received by the local authority about any of the following: <ul style="list-style-type: none"> <li>a. drinking water clarity</li> <li>b. drinking water taste</li> <li>c. drinking water odour</li> <li>d. drinking water pressure or flow</li> <li>e. continuity of supply, and</li> <li>f. the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system</li> </ul>	74.5	100	100	100	100
2.1.5 The average consumption of drinking water per day per resident within the territorial authority district	379 litres per person per day	≤ 350 litres per person per day	≤ 350 litres per person per day	≤ 350 litres per person per day	≤ 350 litres per person per day

# Wastewater

Funding Impact Statement Wastewater	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	320	320	320	320	320
Targeted rates	11,578	11,712	13,343	14,001	14,500
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	135	242	242	357	357
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
<b>Total operating funding</b>	<b>12,033</b>	<b>12,274</b>	<b>13,905</b>	<b>14,678</b>	<b>15,177</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	5,514	7,477	6,537	6,260	6,418
Finance costs	1,150	1,043	1,893	2,081	2,123
Internal charges and overheads applied	1,114	1,546	1,564	1,594	1,633
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>7,778</b>	<b>10,066</b>	<b>9,994</b>	<b>9,935</b>	<b>10,174</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,255</b>	<b>2,208</b>	<b>3,911</b>	<b>4,744</b>	<b>5,003</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	7,294	6,536	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	11,779	10,475	11,976	970	877
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>19,074</b>	<b>17,011</b>	<b>11,976</b>	<b>970</b>	<b>877</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	20,705	16,418	4,125	5,107	5,977
- to replace existing assets	3,175	4,178	3,524	1,694	3,460
Increase (decrease) in reserves	(551)	(1,377)	8,238	(1,088)	(3,558)
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>23,329</b>	<b>19,219</b>	<b>15,887</b>	<b>5,713</b>	<b>5,879</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,255)</b>	<b>(2,208)</b>	<b>(3,911)</b>	<b>(4,744)</b>	<b>(5,003)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

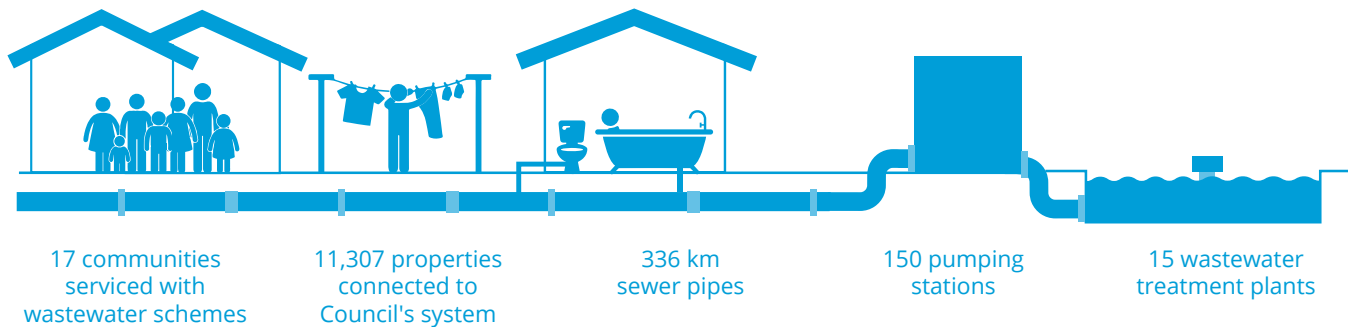
LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Wastewater
<b>Sources of operational funding</b>						
320	320	320	320	320	320	General rates, uniform annual general charges, rates penalties
14,920	15,513	16,327	16,830	17,608	18,095	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
357	357	357	357	357	357	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees, and other receipts
<b>15,597</b>	<b>16,190</b>	<b>17,004</b>	<b>17,507</b>	<b>18,285</b>	<b>18,773</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
6,430	6,601	6,733	6,924	7,070	7,278	Payments to staff and suppliers
2,162	2,351	2,589	2,587	2,777	2,723	Finance costs
1,738	1,700	1,735	1,768	1,806	1,842	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>10,330</b>	<b>10,653</b>	<b>11,057</b>	<b>11,279</b>	<b>11,653</b>	<b>11,843</b>	<b>Total applications of operating funds</b>
<b>5,267</b>	<b>5,537</b>	<b>5,947</b>	<b>6,228</b>	<b>6,632</b>	<b>6,930</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(159)	4,953	(40)	3,958	(1,126)	(3,302)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>(159)</b>	<b>4,953</b>	<b>(40)</b>	<b>3,958</b>	<b>(1,126)</b>	<b>(3,302)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
3,008	9,352	5,021	9,106	2,995	553	- to improve the level of service
1,292	1,799	2,345	4,234	1,367	2,207	- to replace existing assets
808	(661)	(1,459)	(3,155)	1,144	868	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>5,108</b>	<b>10,490</b>	<b>5,907</b>	<b>10,186</b>	<b>5,506</b>	<b>3,627</b>	<b>Total applications of capital funding</b>
<b>(5,267)</b>	<b>(5,537)</b>	<b>(5,947)</b>	<b>(6,228)</b>	<b>(6,632)</b>	<b>(6,930)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 3. Wastewater

### What we do and why

The appropriate collection, treatment and disposal of wastewater are vital for the health and well-being of our communities and environment. Council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste. We also provide new schemes and sewer connections as required following Council decision. We monitor 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.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Prosperous communities supported by a sustainable economy



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

### Significant negative effects

Sewage discharges to air, land and water may affect the environment and public health. Compliance with resource consents is closely monitored and the mitigation of consent-related issues is considered a high priority. Sewage spills to waterways can affect public access for swimming and shellfish collection, and significantly impact commercial oyster farming and tourism. Our renewal and improvement programmes for wastewater are prioritised to focus on reducing, and where possible eliminating, these negative effects.

### Changes to levels of service

All wastewater levels of service were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to the community.

In the 2015-25 LTP we had a number of levels of service which we have combined into one, committing to a wastewater network that is fit for purpose, reliable and that protects our communities and environment.

The following changes to performance measures have been made:

- the timeframe for attendance for faults has been increased from one hour to two hours to better accommodate the distances those responding may need to travel. Resolution time remains the same at four hours
- the satisfaction measure has been removed as it was superseded by the Local Government mandatory measure for complaints. Overall satisfaction with the wastewater service will still be measured in the annual resident's survey.

## Levels of service

■ = Local Government mandatory performance measure

### 3.1 To provide reliable wastewater infrastructure, protecting the environment and community.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
3.1.1 The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	1.3 per 1000 connections	≤ 12 per 1000 connections	≤ 12 per 1000 connections	≤ 12 per 1000 connections	≤ 12 per 1000 connections
3.1.2 Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:					
a. abatement notices	3	1 or less	1 or less	1 or less	1 or less
b. infringement notices	0	0	0	0	0
c. enforcement orders, and	0	0	0	0	0
d. convictions, received by the territorial authority in relation those resource consents	0	0	0	0	0
3.1.3 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:					
a. attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, and	58 minutes	2 hours	2 hours	2 hours	2 hours
b. 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 hours 42 minutes	4 hours these are median times	4 hours these are median times	4 hours these are median times	4 hours these are median times
3.1.4 The total number of complaints received by the territorial authority about any of the following:	24.5	≤ 50 per 1,000 connections	≤ 50 per 1,000 connections	≤ 50 per 1,000 connections	≤ 50 per 1,000 connections
a. sewage odour					
b. sewerage system faults					
c. sewerage system blockages, and					
d. the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system					
3.1.5 Where Council attends to sewerage overflows resulting from a blockage or other fault in Council's sewerage system, the following response times are measured:	58 minutes	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe
a. attendance	2 hours 42 minutes				
b. resolution to prevent overflow					

# Stormwater

Funding Impact Statement Stormwater	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	2,739	3,594	3,704	3,887	4,024
Targeted rates	656	662	657	657	657
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
<b>Total operating funding</b>	<b>3,395</b>	<b>4,256</b>	<b>4,361</b>	<b>4,544</b>	<b>4,681</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,285	1,439	1,419	1,463	1,466
Finance costs	177	159	200	271	327
Internal charges and overheads applied	681	1,274	1,297	1,319	1,353
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>2,142</b>	<b>2,872</b>	<b>2,916</b>	<b>3,053</b>	<b>3,147</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,253</b>	<b>1,383</b>	<b>1,445</b>	<b>1,491</b>	<b>1,534</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	72	848	1,512	1,287	632
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>72</b>	<b>848</b>	<b>1,512</b>	<b>1,287</b>	<b>632</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	366	1,240	1,954	1,840	1,228
- to replace existing assets	84	50	102	52	53
Increase (decrease) in reserves	875	941	901	886	885
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>1,324</b>	<b>2,231</b>	<b>2,957</b>	<b>2,778</b>	<b>2,166</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,253)</b>	<b>(1,383)</b>	<b>(1,445)</b>	<b>(1,491)</b>	<b>(1,534)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Stormwater
<b>Sources of operational funding</b>						
4,225	4,375	4,550	4,664	4,795	4,879	General rates, uniform annual general charges, rates penalties
657	657	657	657	657	657	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	-	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees, and other receipts
<b>4,882</b>	<b>5,032</b>	<b>5,207</b>	<b>5,321</b>	<b>5,452</b>	<b>5,536</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
1,510	1,525	1,573	1,590	1,642	1,662	Payments to staff and suppliers
355	471	522	548	554	548	Finance costs
1,443	1,410	1,437	1,462	1,492	1,520	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>3,308</b>	<b>3,405</b>	<b>3,531</b>	<b>3,601</b>	<b>3,688</b>	<b>3,730</b>	<b>Total applications of operating funds</b>
<b>1,574</b>	<b>1,627</b>	<b>1,675</b>	<b>1,721</b>	<b>1,764</b>	<b>1,806</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
1,736	1,069	542	242	(141)	(151)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>1,736</b>	<b>1,069</b>	<b>542</b>	<b>242</b>	<b>(141)</b>	<b>(151)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
2,341	1,809	1,339	1,063	718	737	- to improve the level of service
109	56	57	58	60	61	- to replace existing assets
861	831	821	841	845	857	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>3,310</b>	<b>2,696</b>	<b>2,217</b>	<b>1,962</b>	<b>1,623</b>	<b>1,655</b>	<b>Total applications of capital funding</b>
<b>(1,574)</b>	<b>(1,627)</b>	<b>(1,675)</b>	<b>(1,721)</b>	<b>(1,764)</b>	<b>(1,806)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

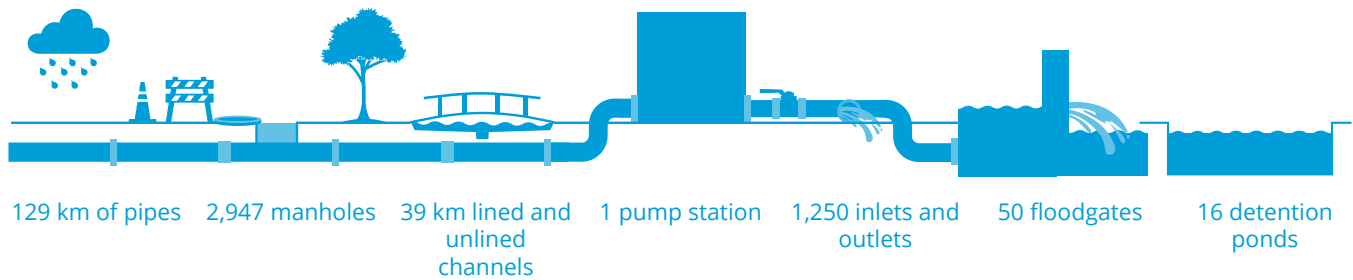
## 4. Stormwater

### What we do and why

The main aim of the stormwater activity is to protect and preserve community safety and property, Council infrastructure and the environment.

Our stormwater system diverts flood water 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, ditches, culverts and floodgates. Council also assists Northland Regional Council with some land drainage schemes.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



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

### Significant negative effects

Stormwater has the potential to cause damage to property, incurring costs and elevating insurance premiums for both Council and property owners. The insufficient treatment of stormwater may also adversely affect our environment. We monitor the performance of our stormwater network during normal rainfall and flood events, and where possible provide public education to help prevent debris from entering stormwater drains and causing blocks. Compliance with resource consents for stormwater discharges is closely monitored and Environmental Engineering Standards help us to specify appropriate treatment. Council is currently developing a stormwater strategy that will focus on further mitigating the potentially harmful effects of stormwater by improving our network.

### Changes to levels of service

All stormwater levels of service were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to the community.

In the 2015-25 LTP we had three levels of service for stormwater. We have combined these into one, committing to a stormwater system that is fit for purpose and allows for sustainable development in the future.

The only change to performance measures was removal residents satisfaction with the stormwater network. The measure will still be included in Council's annual residents survey.

## Levels of service

■ = Local Government mandatory performance measure

### 4.1 To enable sustainable development through urban stormwater infrastructure.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
4.1.1 The number of flooding events that occur in a territorial authority district	2	0	0	0	0
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)	0.12	0	0	0	0
4.1.2 Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:					
abatement notices	0	1 or less	1 or less	1 or less	1 or less
infringement notices	0	0	0	0	0
enforcement orders, and	0	0	0	0	0
convictions, received by the territorial authority in relation those resource consents	0	0	0	0	0
4.1.3 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	1 hour	≤ 48 hours	≤ 48 hours	≤ 48 hours	≤ 48 hours
4.1.4 The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system	41.2	0	0	0	0
4.1.5 The response time to attend a flooding event resulting from the failure of Council's urban stormwater system. Measured from the time that Council receives notification to the time that service personnel reach the site: Response time is set at 2 working days	New	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe

# Solid Waste Management

Funding Impact Statement Solid Waste Management	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	3,688	3,508	3,618	4,091	4,196
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,390	1,755	1,745	1,098	1,099
Internal charges and overheads recovered	10	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	230	220	220	220	220
<b>Total operating funding</b>	<b>5,318</b>	<b>5,482</b>	<b>5,583</b>	<b>5,409</b>	<b>5,514</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	3,961	4,147	4,233	4,025	4,105
Finance costs	123	105	100	93	84
Internal charges and overheads applied	747	604	605	625	640
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>4,831</b>	<b>4,856</b>	<b>4,938</b>	<b>4,743</b>	<b>4,830</b>
<b>Surplus (deficit) of operating funding</b>	<b>487</b>	<b>626</b>	<b>645</b>	<b>666</b>	<b>685</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(276)	(180)	(193)	(207)	354
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>(276)</b>	<b>(180)</b>	<b>(193)</b>	<b>(207)</b>	<b>354</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	47	147	138	106	667
- to replace existing assets	26	246	542	163	433
Increase (decrease) in reserves	137	53	(227)	189	(61)
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>211</b>	<b>446</b>	<b>452</b>	<b>459</b>	<b>1,039</b>
<b>Surplus (deficit) of capital funding</b>	<b>(487)</b>	<b>(626)</b>	<b>(645)</b>	<b>(666)</b>	<b>(685)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Solid Waste Management
<b>Sources of operational funding</b>						
4,393	4,516	4,656	4,788	4,944	5,090	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
1,099	1,099	1,100	1,100	1,101	1,101	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
220	220	220	220	220	220	Local authority fuel tax, fines, infringement fees, and other receipts
<b>5,712</b>	<b>5,835</b>	<b>5,975</b>	<b>6,108</b>	<b>6,264</b>	<b>6,411</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
4,209	4,300	4,412	4,516	4,640	4,754	Payments to staff and suppliers
100	115	105	98	90	83	Finance costs
679	665	680	693	709	724	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>4,988</b>	<b>5,079</b>	<b>5,198</b>	<b>5,307</b>	<b>5,439</b>	<b>5,561</b>	<b>Total applications of operating funds</b>
<b>724</b>	<b>756</b>	<b>778</b>	<b>801</b>	<b>825</b>	<b>850</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
115	(190)	(162)	(151)	(152)	(137)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>115</b>	<b>(190)</b>	<b>(162)</b>	<b>(151)</b>	<b>(152)</b>	<b>(137)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
420	84	86	88	90	92	- to improve the level of service
253	443	209	260	99	329	- to replace existing assets
166	40	321	303	484	291	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>839</b>	<b>566</b>	<b>616</b>	<b>650</b>	<b>673</b>	<b>713</b>	<b>Total applications of capital funding</b>
<b>(724)</b>	<b>(756)</b>	<b>(778)</b>	<b>(801)</b>	<b>(825)</b>	<b>(850)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 5. Solid Waste Management

### What we do and why

Solid waste disposal facilities across the District provide refuse and recycling services to protect the health of our communities and environment. Our responsibility is to manage refuse appropriately and to provide facilities that meet the needs and expectations of our communities. Council is required by legislation to have an operating Waste Management and Minimisation Plan (WMMP) designed to reduce the amount of refuse going to landfills while increasing the amount of refuse that is recycled. Our WMMP was adopted in 2017. The Solid Waste Management function plans for and monitors initiatives towards achievement of the goals of the WMMP.

### Key facts



15 refuse / recycling transfer stations

2 landfills at Ahipara and Russell

1 Resource Recovery Centre at Kaitaia

13 community recycling stations

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Prosperous communities supported by a sustainable economy



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

### Significant negative effects

Refuse can have negative effects on air, land and water. Mitigation is primarily through compliance with consent conditions relating to the operation of our transfer station, landfill and recycling network. Our Waste Management and Minimisation Plan focuses on mitigating any negative impacts and seeks to reduce the volume of refuse and increasing the volume of recycling. Council has a reliable collection service and the District is well served with transfer and recycling stations. This LTP aims to extend the network of refuse service centres to areas of the District where these services are not easily accessed.

### Changes to levels of service

All solid waste levels of service were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to reduce refuse sent to landfills and increased volumes of recycling.

The following changes to performance measures were made:

- residents satisfaction with the solid waste service has been removed but will be included in Council's annual residents satisfaction survey
- we have added three new measures, committing to additional recycling facilities, transfer station opening hours and response times for reports of the illegal disposal of rubbish.

## Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
5.1.1 Percentage of waste from refuse transfer station that is recycled / reused	63%	63%	64%	65%	66% then increase by 1% each year
5.1.2 Add at least one new community recycling facility	New	Minimum of 1 per year	Minimum of 1 per year	Minimum of 1 per year	Minimum of 1 per year
5.1.3 All refuse transfer stations will be open on time	New	99.5%	99.5%	99.5%	99.5%
5.1.4 Attending to RFS relating to illegal dumping. Offensive waste: pick up within 24 hours Standard waste: pick up within 4 days	New	95% within set timeframe	95% within set timeframe	95% within set timeframe	95% within set timeframe

# District Facilities

Funding Impact Statement District Facilities	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	3,653	3,633	3,522	3,651	3,745
Targeted rates	10,467	10,565	10,730	11,054	11,612
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	1,144	1,324	1,329	1,335	1,341
Internal charges and overheads recovered	4	12	12	12	13
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
<b>Total operating funding</b>	<b>15,268</b>	<b>15,535</b>	<b>15,594</b>	<b>16,051</b>	<b>16,710</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	8,385	8,499	8,307	8,383	8,474
Finance costs	288	269	340	518	683
Internal charges and overheads applied	2,482	2,630	2,645	2,718	2,789
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>11,154</b>	<b>11,398</b>	<b>11,292</b>	<b>11,619</b>	<b>11,946</b>
<b>Surplus (deficit) of operating funding</b>	<b>4,114</b>	<b>4,136</b>	<b>4,302</b>	<b>4,432</b>	<b>4,764</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	5,025	-	-	2,977	3,043
Increase (decrease) in debt	3,015	1,637	3,856	3,731	3,967
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>8,040</b>	<b>1,637</b>	<b>3,856</b>	<b>6,708</b>	<b>7,010</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	2,277	1,932	4,352	7,600	8,129
- to replace existing assets	4,163	2,949	4,230	4,234	6,975
Increase (decrease) in reserves	5,713	893	(424)	(695)	(3,329)
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>12,154</b>	<b>5,774</b>	<b>8,158</b>	<b>11,139</b>	<b>11,774</b>
<b>Surplus (deficit) of capital funding</b>	<b>(4,114)</b>	<b>(4,136)</b>	<b>(4,302)</b>	<b>(4,432)</b>	<b>(4,764)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement District Facilities
<b>Sources of operational funding</b>						
3,995	4,332	4,553	4,693	4,806	4,955	General rates, uniform annual general charges, rates penalties
12,258	12,532	12,817	13,039	13,328	13,623	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
1,347	1,353	1,360	1,367	1,375	1,383	Fees, charges, and targeted rates for water supply
13	13	14	14	14	15	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees, and other receipts
<b>17,612</b>	<b>18,231</b>	<b>18,743</b>	<b>19,113</b>	<b>19,522</b>	<b>19,975</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
8,660	8,807	9,021	9,181	9,412	9,593	Payments to staff and suppliers
858	1,142	1,183	1,158	1,106	1,116	Finance costs
2,982	2,908	2,974	3,033	3,106	3,172	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>12,500</b>	<b>12,856</b>	<b>13,178</b>	<b>13,372</b>	<b>13,624</b>	<b>13,881</b>	<b>Total applications of operating funds</b>
<b>5,112</b>	<b>5,374</b>	<b>5,566</b>	<b>5,741</b>	<b>5,898</b>	<b>6,095</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
4,360	833	(526)	(1,110)	187	(622)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>4,360</b>	<b>833</b>	<b>(526)</b>	<b>(1,110)</b>	<b>187</b>	<b>(622)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
5,540	2,290	1,042	510	1,832	1,111	- to improve the level of service
7,262	8,800	9,357	4,518	6,834	5,031	- to replace existing assets
(3,330)	(4,883)	(5,359)	(397)	(2,582)	(670)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>9,472</b>	<b>6,207</b>	<b>5,040</b>	<b>4,631</b>	<b>6,085</b>	<b>5,472</b>	<b>Total applications of capital funding</b>
<b>(5,112)</b>	<b>(5,374)</b>	<b>(5,566)</b>	<b>(5,741)</b>	<b>(5,898)</b>	<b>(6,095)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 6. District Facilities

Throughout the District there are a many facilities managed by Council and made available for public use, such as playgrounds, parks and reserves, sportsfields, public toilets, visitor destinations and town centres. These facilities contribute to the liveability of our communities, providing places and spaces for residents to connect and enjoy themselves and to enhance the visitor experience.

### District Facilities include

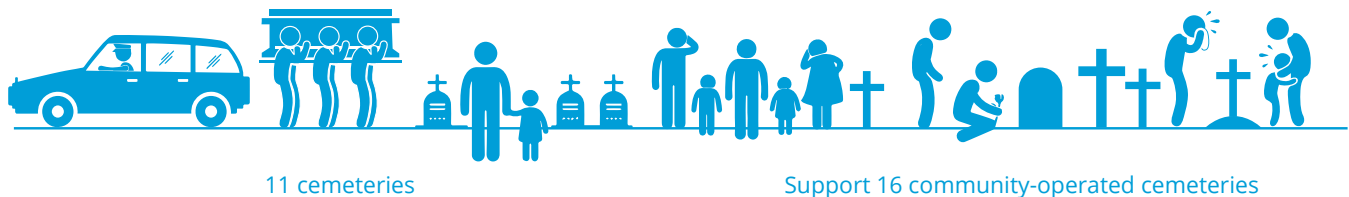
- Cemeteries
- Civic and community buildings
- Housing for the Elderly
- Recreation
- Town maintenance, public toilets and carparks

## Cemeteries

### What we do and why

Council provides our communities with special places to bury and remember their loved ones, managing and maintaining several cemeteries throughout the district, carrying out our duties for the public good where the service is not provided by others.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Proud, vibrant communities



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

### Significant negative effects

The provision of cemetery facilities may cause adverse impacts on the environment from leachates into waterways. Council undertakes a sanitary services assessment every five years and ensures full compliance with resource consent conditions.

### Changes to levels of service

Levels of service for cemeteries were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to the community, committing to operating cemeteries in a manner that meets the community's needs.

We have removed the satisfaction measure (although this will continue to be measured through the annual resident's survey) and replaced it with a measure of the number of complaints regarding preparation for funeral services.

## Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.1.1 All preparations are in place in time for the funeral services to take place (plots dug, and in the right place etc.)	New	No complaints are received regarding the preparations for our funeral services	No complaints are received regarding the preparations for our funeral services	No complaints are received regarding the preparations for our funeral services	No complaints are received regarding the preparations for our funeral services

## Civic and community buildings

### What we do and why

Community facilities provide places to meet, discuss, connect, and celebrate as a community. They are vital to the social and cultural well-being of our communities. We manage and maintain many buildings throughout the District, including community libraries and civic buildings to provide access to Council services. We support both the Turner Centre in Kerikeri and Te Ahu Centre in Kaitiāia. We also support Heritage Kaikohe and the Far North Regional Museum Trust so they are able to preserve and share our unique cultural history.

During the early part of this plan, our community boards will lead conversations with communities on the use, ownership and future of our community halls.

### Key facts



3 Library buildings  
(Kerikeri, Kaikohe and Paihia)

1 District office, archives and  
publications buildings in Kaikohe

19 community halls, 14 buildings  
and 2 grandstands

## Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



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### Significant negative effects

No significant negative effects have been identified in the provision of civic and community buildings.

### Changes to levels of service

Levels of service for civic and community buildings were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to the community.

We have removed the satisfaction measure (although this will continue to be measured through the annual resident's survey) and included one new measure to ensure buildings are safe and compliant.

## Levels of service

### 6.2 To provide buildings for public recreation and leisure.

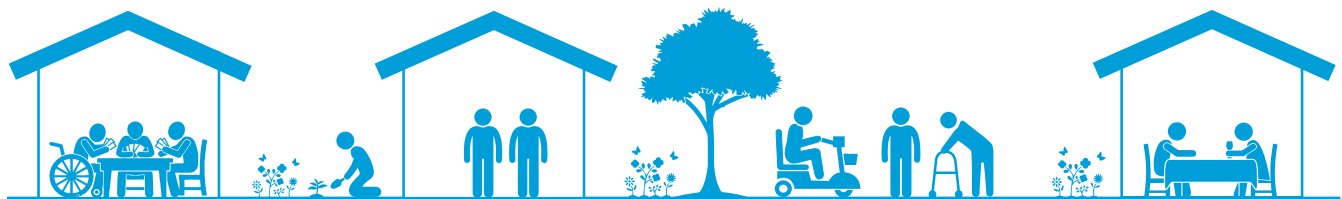
Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.2.1 Number of community halls per ward per annum modified to improve disability access	1 in district total	1 hall per ward per annum	1 hall per ward per annum	1 hall per ward per annum	1 hall per ward per annum
6.2.2 All civic and community buildings are safe for community use and meet all statutory legislation levels	New	All buildings have appropriate certificates including BWOF for those that require them	All buildings have appropriate certificates including BWOF for those that require them	All buildings have appropriate certificates including BWOF for those that require them	All buildings have appropriate certificates including BWOF for those that require them

## Housing for the Elderly

### What we do and why

We provide housing so that pension-aged citizens with limited financial resources can stay in their local communities in affordable, safe and well maintained units.

### Key facts



147 units in 12 locations

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



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### Significant negative effects

No significant negative effects have been identified in the provision of housing for the elderly.

## Levels of service

### 6.3 To provide housing for the elderly that is affordable, safe, well maintained, and strategically located.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.3.1 Occupancy of available units	99.10%	95%	95%	95%	95%

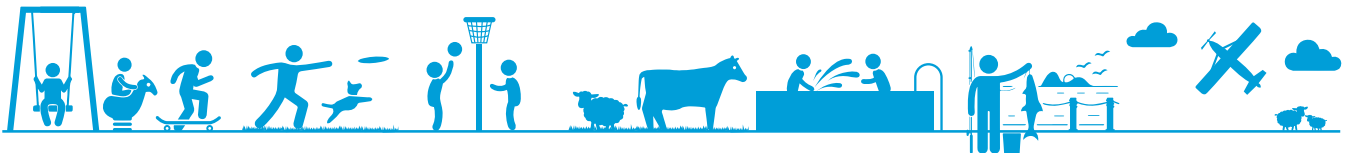
Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.3.2 Percentage of faults responded within agreed timeframes:	All 103/111 = 93%	Emergency 100%	Emergency 100%	Emergency 100%	Emergency 100%
Emergency - 12 hours	Urgent 58/60 = 97%	Urgent 100%	Urgent 100%	Urgent 100%	Urgent 100%
Urgent - 2 days	Non-urgent	Non-urgent ≥ 95%	Non-urgent ≥ 95%	Non-urgent ≥ 95%	Non-urgent ≥ 95%
Non-urgent - 7 days	Non-urgent 45/51 = 88%				

## Recreation

### What we do and why

Recreation facilities provide spaces for our communities to enjoy and contribute directly to their physical and social well-being. We maintain a diverse range of facilities, such as parks, sportsfields, swimming pools and maritime facilities. We also fund Sport Northland to facilitate the Far North Sports awards and provide three community sports advisors (one in each ward) and provide grants to improve public access to Northland College and Whangaroa community pools. We lease motor camps to private operators at Russell, Tauranga Bay and Houhora Heads. Some activities associated with these facilities, such as large swimming and sporting events are supported by Council.

### Key facts



32 playgrounds and 3 skate parks

154 ha of open spaces are mown to a variety of grades to support public use

27 netball courts at netball centres in Kaitaia, Kaikohe and Kerikeri as well as a number of single courts throughout the district

67 community leases that include sports clubs, grazing licenses and community spaces

3 swimming pools at Kaitaia, Kerikeri and Kawakawa (heated)

21 boat ramps  
13 jetties  
12 pontoons  
10 wharves  
1 tidal grid

1 recreational airport at Kaikohe

### Contribution to community outcomes



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### Significant negative effects

No significant negative effects have been identified in the provision of recreation facilities.

### Changes to levels of service

In the last LTP we had one satisfaction measure for recreation. We have removed this, but will continue to measure satisfaction in the annual resident's survey.

## Town maintenance, public toilets and carparks

### What we do and why

Our town centres require facilities and services to ensure they are tidy, safe and attractive for locals and visitors. Council undertakes maintenance in our town centres and manages carparks, lighting, public toilets and motor caravan dump stations, all of which contribute to the liveability of our communities.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



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### Significant negative effects

No significant negative effects have been identified in the provision of town maintenance and carparks. Should public toilet effluent systems fail this could result in sewage spills. Inspections of all public toilets are carried out frequently, and any reports of failure are responded to with urgency.

### Changes to levels of service

Levels of service for this area were reviewed as part of this LTP process. Levels of service and associated performance measures were amended to better express our commitment to the community.

We have removed all satisfaction measures (although they will continue to be measured through the annual resident's survey) with the exception of those relating to public toilets, the target for which we have revised downward because past performance shows that we have been unable to meet the commitment and increasing resources in this area would be difficult given contractor constraints.

We have also included a new measure of cleanliness as assessed by the contractor.

## Levels of service

### 6.4 Council will provide well maintained and accessible public toilets in high use areas.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.4.1 Increase the number of public toilets with disabled access per annum in line with facility renewal / upgrades	150% 3 additional toilets are now disability compliant	2	2	2	2
6.4.2 Ensure that public toilets are maintained to an acceptable standard as per contract	New	≥90%	≥92%	≥94%	≥95%

### 6.5 Council will provide well maintained public carparks.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
6.5.1 Provide additional disabled parking spaces in each ward	16.7% (1 additional space created in Russell)	2 per ward per annum	2 per ward per annum	2 per ward per annum	2 per ward per annum

# Customer Services

Funding Impact Statement Customer Services	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	10,574	10,481	10,497	10,649	10,856
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	486	506	513	521	530
Internal charges and overheads recovered	2	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	25	24	24	24	24
<b>Total operating funding</b>	<b>11,086</b>	<b>11,012</b>	<b>11,034</b>	<b>11,195</b>	<b>11,410</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	5,259	5,493	5,466	5,461	5,559
Finance costs	331	286	272	261	241
Internal charges and overheads applied	3,690	3,595	3,634	3,772	3,875
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>9,280</b>	<b>9,375</b>	<b>9,372</b>	<b>9,494</b>	<b>9,675</b>
<b>Surplus (deficit) of operating funding</b>	<b>1,806</b>	<b>1,637</b>	<b>1,662</b>	<b>1,701</b>	<b>1,735</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(526)	(480)	(396)	(450)	(471)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>(526)</b>	<b>(480)</b>	<b>(396)</b>	<b>(450)</b>	<b>(471)</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	1,185	42	74	56	100
- to replace existing assets	26	466	1,318	437	489
Increase (decrease) in reserves	70	648	(126)	757	675
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>1,281</b>	<b>1,156</b>	<b>1,266</b>	<b>1,250</b>	<b>1,264</b>
<b>Surplus (deficit) of capital funding</b>	<b>(1,806)</b>	<b>(1,637)</b>	<b>(1,662)</b>	<b>(1,701)</b>	<b>(1,735)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Customer Services
<b>Sources of operational funding</b>						
11,335	11,268	11,498	11,704	11,952	12,183	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
538	548	557	568	578	590	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
24	24	24	24	24	24	Local authority fuel tax, fines, infringement fees, and other receipts
<b>11,898</b>	<b>11,840</b>	<b>12,080</b>	<b>12,296</b>	<b>12,555</b>	<b>12,797</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
5,617	5,786	5,911	6,029	6,166	6,294	Payments to staff and suppliers
221	219	197	173	149	126	Finance costs
4,285	4,018	4,113	4,198	4,304	4,399	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>10,123</b>	<b>10,022</b>	<b>10,221</b>	<b>10,400</b>	<b>10,619</b>	<b>10,819</b>	<b>Total applications of operating funds</b>
<b>1,775</b>	<b>1,818</b>	<b>1,859</b>	<b>1,896</b>	<b>1,936</b>	<b>1,977</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(451)	(465)	(501)	(486)	(487)	(488)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>(451)</b>	<b>(465)</b>	<b>(501)</b>	<b>(486)</b>	<b>(487)</b>	<b>(488)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
125	95	64	67	69	72	- to improve the level of service
421	489	2,019	319	348	402	- to replace existing assets
777	769	(726)	1,024	1,031	1,015	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>1,323</b>	<b>1,353</b>	<b>1,358</b>	<b>1,410</b>	<b>1,449</b>	<b>1,489</b>	<b>Total applications of capital funding</b>
<b>(1,775)</b>	<b>(1,818)</b>	<b>(1,859)</b>	<b>(1,896)</b>	<b>(1,936)</b>	<b>(1,977)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 7. Customer Services

### What we do and why

Connecting with our communities and providing excellent customer service is important to Council. Our customer service team is the first point of contact for people in our district, providing vital services such as delivery of information, liaising with departments to progress requests from the community, helping people to solve Council-related issues, and receiving and processing payments.

### Significant negative effects

No significant negative effects have been identified in the provision of the Customer Services of Council.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Proud, vibrant communities



Prosperous communities supported by a sustainable economy



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

### Changes to levels of service

The level of service for recreation was reviewed as part of this LTP process. It was amended to better express our commitment to the community. Measures for the resolution of queries have been replaced by three new measures to assess the percentage of abandoned calls to the call centre, processing of incoming emails and the satisfaction of those who use our Service Centres.

### Levels of service

7.1 Council provides the right services, in the right places, to the agreed standard.

Performance measure		Latest results:		2019/20	2020/21	2021-28
		2016/17	2018/19			
7.1.1	Percentage of abandoned calls (Contact Centre)	New	8%	7%	6%	5%
7.1.2	Percentage of Ask.U.s emails processed within 5 working days	New	Year 1: Baseline to be established and targets established	Maintain / increase	Maintain / increase	Maintain / increase
7.1.3	Service Centre users' satisfaction	New	Year 1: Baseline to be established from current CTMA data and targets established maintain / increase	Maintain / increase	Maintain / increase	Maintain / increase

### i-SITES

#### What we do and why

Visitors to our District often seek advice about their travel arrangements, and for this reason we provide i-SITES where helpful local experts provide a key component of an excellent visitor experience to our District. Located in key visitor areas, our i-SITES are vitally important to the economic prosperity of our communities. We have three i-SITES in Kaitaia, Opononi and Paihia.

## Changes to levels of service

The level of service for i-SITEs was amended as part of this LTP process to better express our commitment to the community. We have removed the performance measure relating to the number of tourism suppliers to i-SITEs and replaced it with a measure for the number of visitor bookings. We have reduced the net profit on retail sales from 3% to 1.5% to better reflect tourism activity today. We have also added a measure to gauge visitor satisfaction with our i-SITE network.

### Levels of service

7.2 To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
7.2.1 Visitor bookings numbers through the information centres will show an increase each year	45,683	≥2.5%	≥1% increase	≥1% increase	≥1% increase
7.2.2 Increase net profit on retail sales by 1.5% per year (profit increase on previous year)	1.30%	Retail sales net profit ≥1.5%	Retail sales net profit ≥1.5%	Retail sales net profit ≥1.5%	Retail sales net profit ≥1.5%
7.2.3 Customer / visitor satisfaction	New: data from customer radar for 12 months to date is 81.01%	≥1% increase on previous year	≥1% increase on previous year	≥1% increase on previous year	≥1% increase on previous year

## Libraries

### What we do and why

Our libraries provide leisure and lifelong learning opportunities that strengthen our communities. They provide free and open access to knowledge and information services to all residents, and are a safe, neutral place where people can connect. We maintain and manage several libraries for the benefit of our communities and support five community based libraries throughout the District. We have six public libraries located in Kaeo, Kaikohe, Kaitaia, Kawakawa, Kerikeri and Paihia.

### Changes to levels of service

The level of service for libraries was reviewed as part of this LTP process and during the development of the new library strategy which was adopted as part of this LTP. It was amended to better express our commitment to the community. We have made the following changes:

- Added a new satisfaction measure for those who use our library services.
- Revised the percentage of online users from an annual

increase of 5% to an annual increase of 1% or more to reflect actual use in recent years.

- Included a new measure of library use or membership.

The new library strategy includes a number of new initiatives that we expect to increase the level of service provided by our libraries activity. The new hub in Kaikohe may house the Kaikohe library, which should also increase the level of service to this community.

### Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
7.3.1 Customer / visitor satisfaction	New	Year 1: Baseline to be established and targets established	Maintain / increase	Maintain / increase	Maintain / increase
7.3.2 Increase the percentage of online library service use	2.2% increase 334,889 hits v 327,514 hits	≥1% increase on previous year	≥1% increase on previous year	≥1% increase on previous year	≥1% increase on previous year
7.3.3 Increase the total library membership as a percentage of the population of the District	New	Year 1: Baseline to be established and targets established	Maintain / increase	Maintain / increase	Maintain / increase

# Environmental Management

Funding Impact Statement Environmental Management	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
General rates, uniform annual general charges, rates penalties	7,673	8,472	8,413	8,587	8,937
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	4,675	4,508	4,598	4,695	4,581
Internal charges and overheads recovered	8	8	8	8	8
Local authority fuel tax, fines, infringement fees, and other receipts	67	87	89	91	93
<b>Total operating funding</b>	<b>12,423</b>	<b>13,076</b>	<b>13,109</b>	<b>13,382</b>	<b>13,620</b>
Payments to staff and suppliers	8,508	8,672	8,553	8,696	8,807
Finance costs	16	6	35	34	32
Internal charges and overheads applied	3,582	4,055	4,149	4,272	4,395
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>12,106</b>	<b>12,733</b>	<b>12,737</b>	<b>13,002</b>	<b>13,233</b>
<b>Surplus (deficit) of operating funding</b>	<b>317</b>	<b>342</b>	<b>372</b>	<b>379</b>	<b>387</b>
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	666	666	(46)	(46)	(46)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>666</b>	<b>666</b>	<b>(46)</b>	<b>(46)</b>	<b>(46)</b>
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	700	678	-	-	-
- to replace existing assets	72	13	-	-	33
Increase (decrease) in reserves	211	317	326	333	308
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>983</b>	<b>1,009</b>	<b>326</b>	<b>333</b>	<b>341</b>
<b>Surplus (deficit) of capital funding</b>	<b>(317)</b>	<b>(342)</b>	<b>(372)</b>	<b>(379)</b>	<b>(387)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Environmental Management
9,518	9,280	9,438	9,682	9,858	10,126	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
4,677	4,780	4,890	5,002	5,123	5,245	Fees, charges, and targeted rates for water supply
9	9	9	9	9	10	Internal charges and overheads recovered
95	97	100	102	105	108	Local authority fuel tax, fines, infringement fees, and other receipts
<b>14,299</b>	<b>14,166</b>	<b>14,437</b>	<b>14,796</b>	<b>15,095</b>	<b>15,488</b>	<b>Total operating funding</b>
8,944	9,181	9,342	9,599	9,777	10,055	Payments to staff and suppliers
30	30	28	26	24	22	Finance costs
4,931	4,552	4,655	4,751	4,864	4,972	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>13,905</b>	<b>13,764</b>	<b>14,026</b>	<b>14,375</b>	<b>14,665</b>	<b>15,049</b>	<b>Total applications of operating funds</b>
<b>394</b>	<b>403</b>	<b>411</b>	<b>420</b>	<b>430</b>	<b>439</b>	<b>Surplus (deficit) of operating funding</b>
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(46)	(46)	(46)	(45)	(45)	(42)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>(46)</b>	<b>(46)</b>	<b>(46)</b>	<b>(45)</b>	<b>(45)</b>	<b>(42)</b>	<b>Total sources of capital funding</b>
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
-	-	-	-	-	-	- to improve the level of service
-	-	-	-	615	-	- to replace existing assets
348	356	365	375	(231)	398	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>348</b>	<b>356</b>	<b>365</b>	<b>375</b>	<b>384</b>	<b>398</b>	<b>Total applications of capital funding</b>
<b>(394)</b>	<b>(403)</b>	<b>(411)</b>	<b>(420)</b>	<b>(430)</b>	<b>(439)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 8. Environmental Management

Council has responsibilities under legislation to safeguard public health, safety, and welfare. Regulatory activities and responsibilities, such as the issue of consents, the enforcement of bylaws, and the provision of liquor licenses are undertaken for the benefit of our communities and to ensure that everyone can live in and enjoy our district.

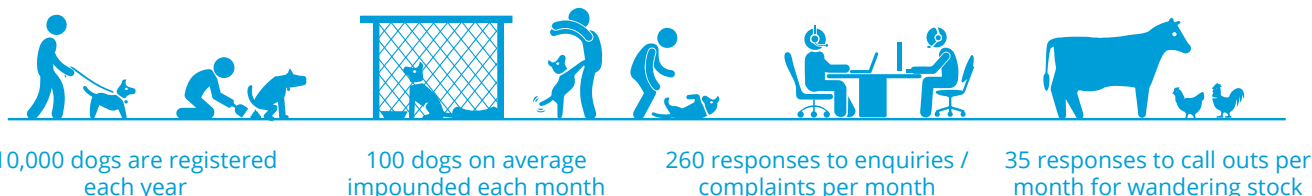
### Significant negative effects

No significant negative effects have been identified in the provision of the Environmental Management services of Council.

### Animal Control

Animals, in particular livestock and dogs, play a significant role in the Far North lifestyle. Council understands the economic and social benefits of animals but Council has a duty to contribute to the safeguard of our communities and the welfare of those animals. The goal of our animal management team is to reduce the risk of potential negative impacts by encouraging responsible dog ownership and working with farmers to minimise wandering stock.

#### Key facts



#### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Proud, vibrant communities



Prosperous communities supported by a sustainable economy



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

#### Changes to levels of service

The level of service for animal control was amended as part of this LTP process to better express our commitment to the community. We have removed performance measures relating to awareness and education programmes because we don't believe this is an indicator of success in this function. We will, however, continue to deliver these programmes. We have also increased funding to support animal control activities.

#### Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.1.1 Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes: Urgent within 2 hours, and non-urgent within 10 days	87%	≥90% within set timeframe	≥91% within set timeframe	≥92% within set timeframe	Increase by 1% each year to max of 95%

## Environmental Health

### What we do and why

The safety and well-being of our communities, visitors, and our environment is one of the primary functions and responsibilities of Council. We are accountable to our communities and have a number of obligations to primary legislation. The activities within this group are necessary to ensure we meet our obligations and the expectations of our communities.

### Key facts



Inspection of food premises

Inspection of liquor licensed premises

Health nuisance

Investigation of notifiable infectious diseases

Assessing and audits of Food Control Plans

### Contributions to community outcomes



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### Changes to levels of service

The level of service for environmental health was amended to better express our commitment to the community.

We have adjusted the target for food control plan audits across the 10 years of the LTP to transition from relatively poor results today to the desired level by 2021.

### Levels of service

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

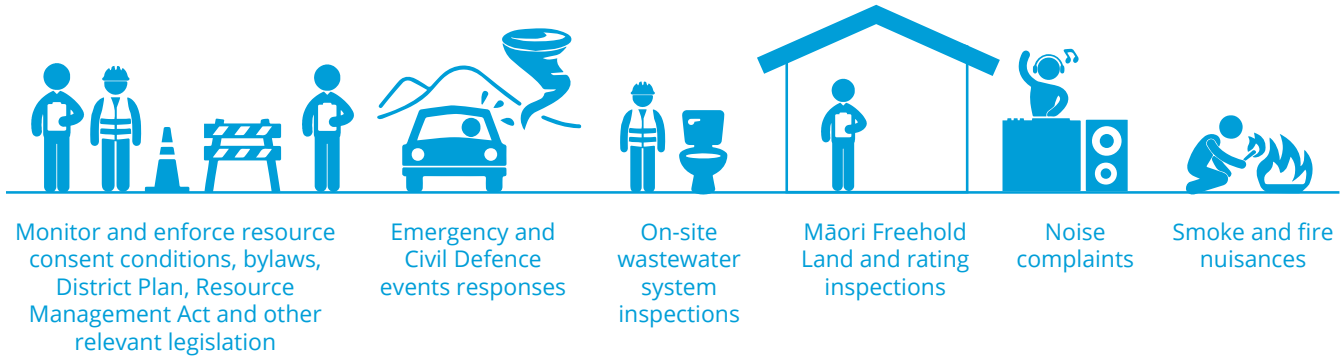
Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.2.1 Food Control Plan and National Programme audits completed as scheduled	73%	≥85% of all food control plans and national programmes assessed	≥90% of all food control plans and national programmes assessed	≥95% of all food control plans and national programmes assessed	≥95% of all food control plans and national programmes assessed

## Monitoring and Enforcement

### What we do and why

Council is responsible for safeguarding public safety, minimising environmental risk and protecting social and cultural interests as directed by primary legislation and our policies and bylaws. Our monitoring and enforcement team are responsible for the administration and enforcement of these obligations.

### Key facts



### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Proud, vibrant communities



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### Changes to levels of service

The level of service for monitoring and enforcement was amended as part of this LTP process to better express our commitment to the community.

We have replaced the previous response time for service requests to more specifically measure our response time to noise complaints with an increased target. We have also removed the previous measure relating to inspections of wastewater service requests, as this is taken care of by the wastewater activity

### Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.3.1 Respond to noise complaints within the following timeframes: In urban areas: 1 hour, and In rural areas: 2 hours	New	≥85% within set timeframe	≥90% within set timeframe	≥95% within set timeframe	≥95% within set timeframe



## District Licensing Committee

### What we do and why

The District Licensing Committee (DLC) carries out Council's responsibilities for the sale, supply, and consumption of alcohol, to minimise alcohol-related harm in our District. The DLC processes and issues liquor licenses and manager's certificates, and conducts related hearings as required.

### Key facts



Processes over 900 applications each year, including On and Off-Licenses, Temporary Authorities, Special Licenses, Club License and Manager's Certificates

Hold hearings and make decision to grant or oppose licenses and certificates

Carry out host responsibility inspections of licenses premises

Report to the Alcohol and Regulatory Licensing Authority

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Proud, vibrant communities



Prosperous communities supported by a sustainable economy

### Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.4.1 All licensed premises are visited for Host Responsibility inspections at least once every four years	26%	≥25% of premises visited annually	≥25% of premises visited annually	≥25% of premises visited annually	≥25% of premises visited annually

## Resource Consent Management

### What we do and why

A critical function of Council is enabling the sustainable use, development and protection of the natural and physical resources in our District. This is underpinned by the obligations imposed on us by the Resource Management Act 1991. Activities and services undertaken include the processing and monitoring of resource consent applications and related consents, such as earthworks permits.

### Key facts



Processing a variety of consents and permit applications

Provide advice

Offer a comprehensive duty planner service

### Changes to levels of service

The level of service for resource consents was amended as part of this LTP process to better express our commitment to the community.

We have replaced the previous satisfaction measure with two new ones to assess our response to compliance incidents, and processing of applications. We believe these more adequately provide an indicator of performance.

### Levels of service

#### 8.5 To administer and enforce the Resource Management Act 1991.

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.5.1 Respond to compliance incidents within 10 working days	91%	≥91%	≥92%	≥93%	Rising by 1% to final target of ≥95%
8.5.2 Process applications made under the Resource Management Act 1991, within statutory timeframes	New	≥95%	≥95%	≥95%	≥95%

## Building Consent Management

### What we do and why

Safe and healthy buildings are vitally important to safe and healthy communities, and as such Council is bound by the Building Act 2004. The consenting, inspection and issuing of Code Compliance Certificates by Council contributes to the well-being of our communities. We also enforce primary legislation, and deal with water tight claims and ensure safe swimming pools.

### Key facts



Processing applications

Carry out site inspections

Administer Building Warrant of Fitness certificates

Inspection swimming pool fencing

Respond to community needs during Civil Defence events

Provide advice

Issue notices and infringements

### Changes to levels of service

The level of service for building consents was amended as part of this LTP process to better express our commitment to the community.

We have replaced the previous satisfaction measure with one that assesses the processing of building consents within statutory timeframes.

### Levels of service

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

Performance measure	Latest results: 2016/17	2018/19	2019/20	2020/21	2021-28
8.6.1 Process building consents within statutory timeframes	New	≥95%	≥95%	≥95%	≥95%

# Strategic Planning and Policy

Funding Impact Statement Strategic Planning and Policy	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
General rates, uniform annual general charges, rates penalties	5,748	6,247	6,316	6,687	7,027
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authority fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
<b>Total operating funding</b>	<b>5,748</b>	<b>6,247</b>	<b>6,316</b>	<b>6,687</b>	<b>7,027</b>
Payments to staff and suppliers	4,484	4,792	4,832	5,156	5,454
Finance costs	18	12	11	10	9
Internal charges and overheads applied	1,199	1,402	1,432	1,479	1,521
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>5,702</b>	<b>6,207</b>	<b>6,275</b>	<b>6,645</b>	<b>6,984</b>
<b>Surplus (deficit) of operating funding</b>	<b>46</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>43</b>
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	(30)	(23)	(23)	(23)	(23)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>(30)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	-	-	-	-	-
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	16	18	19	19	20
Increase (decrease) in investments	-	-	-	-	-
<b>Total applications of capital funding</b>	<b>16</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>20</b>
<b>Surplus (deficit) of capital funding</b>	<b>(46)</b>	<b>(40)</b>	<b>(41)</b>	<b>(42)</b>	<b>(43)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Strategic Planning and Policy
6,897	7,051	7,024	7,173	7,528	7,502	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
-	-	-	-	-	-	Subsidies and grants for operating purposes
-	-	-	-	-	-	Fees, charges, and targeted rates for water supply
-	-	-	-	-	-	Internal charges and overheads recovered
-	-	-	-	-	-	Local authority fuel tax, fines, infringement fees, and other receipts
<b>6,897</b>	<b>7,051</b>	<b>7,024</b>	<b>7,173</b>	<b>7,528</b>	<b>7,502</b>	<b>Total operating funding</b>
5,139	5,423	5,360	5,476	5,791	5,728	Payments to staff and suppliers
8	8	7	6	5	4	Finance costs
1,706	1,575	1,611	1,644	1,684	1,721	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>6,853</b>	<b>7,006</b>	<b>6,978</b>	<b>7,126</b>	<b>7,480</b>	<b>7,453</b>	<b>Total applications of operating funds</b>
<b>44</b>	<b>45</b>	<b>46</b>	<b>47</b>	<b>48</b>	<b>49</b>	<b>Surplus (deficit) of operating funding</b>
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(23)	(23)	(23)	(23)	(23)	(22)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(23)</b>	<b>(22)</b>	<b>Total sources of capital funding</b>
						<b>Capital expenditure</b>
-	-	-	-	-	-	- to meet additional demand
-	-	-	-	-	-	- to improve the level of service
-	-	194	-	-	-	- to replace existing assets
21	22	(171)	24	25	27	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>Total applications of capital funding</b>
<b>(44)</b>	<b>(45)</b>	<b>(46)</b>	<b>(47)</b>	<b>(48)</b>	<b>(49)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 9. Strategic Planning and Policy

Our District's future needs must be guided by a strategic vision and managed by a range of tools such as policies, bylaw and plans, many of which are statutory requirements. The core function of this group is to develop, implement and monitor these tools to allow for sustainable growth that enhances our district and enables prosperity across the District.

### Significant negative effects

No significant negative effects have been identified in the provision of the Strategic Planning and Policy services of Council.

## Strategic Planning

### What we do and why

Our District is diverse, with many unique environments and communities. One of Council's roles is to collaborate with these communities to develop plans for the sustainable growth and development of our District. Long Term and Annual plans, guided by our strategic vision, are central to aligning community goals and prioritising the many activities that Council delivers.

### Key facts



Develop strategies, bylaws, policies and actions that achieve our vision



Support reviews required under the Local Government Act 2002



Prepare Annual and Long Term Plans



Advocate on behalf of the District to Central Government and agencies and non-Government organisations

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Proud, vibrant communities



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### Changes to levels of service

We have removed levels of service for this function as it is a support service to the organisation, and its daily business is not visible to the community.

## Community Development

### What we do and why

Facilitating and supporting our communities' social, cultural and economic aspirations further enables growth and prosperity. Activities in this area include connecting our communities to opportunities and funding, thereby building the capabilities and skills of community groups and individuals.

### Key facts



Work with our communities, Māori, businesses, key stakeholders, other regional authorities, external agencies and organisations to development sustainable practices that will improve local economy

Work with a range of agencies and educations providers to assist access to job and training opportunities

Support community initiated plans

Empower and support our communities

Support events that promote the District

Provide and administer community grants

### Changes to levels of service

We have removed levels of service for this function as it is a support service to the organisation, and its daily business is not visible to the community.

## Māori Engagement, Relationships and Development

### What we do and why

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. We support the aspirations of tangata whenua and are working to provide platforms for partnerships and opportunities for building capability and capacity within the community.

### Key facts



Support iwi / hapū management plans

Want to develop a close 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

### Changes to levels of service

We have removed levels of service for this function.

## District Planning

### What we do and why

Sustainable management of our natural and physical resources through the regulation of land use and subdivision forms the foundation for our District Plan. The review, monitoring and administration of the Far North District Plan are essential to addressing resource management issues, providing a plan for the growth and development of our District.

### Key facts



The District Plan has been fully operative since 2009

There have been 17 Council Plan changes and 2 Private Plan Changes

The District Plan is under review and needs to give effect to a new Regional Policy Statement

### Changes to levels of service

We have removed levels of service for this function.

# Governance and Strategic Administration

Funding Impact Statement Governance and Strategic Administration	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Sources of operational funding</b>					
General rates, uniform annual general charges, rates penalties	6,890	6,976	7,112	7,098	7,271
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	38	38	38	38
Fees, charges, and targeted rates for water supply	934	936	936	936	936
Internal charges and overheads recovered	24	24	24	25	25
Local authority fuel tax, fines, infringement fees, and other receipts	563	1,052	1,058	1,064	1,064
<b>Total operating funding</b>	<b>8,411</b>	<b>9,026</b>	<b>9,168</b>	<b>9,161</b>	<b>9,335</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	19,207	21,089	21,067	21,076	21,460
Finance costs	37	(458)	(400)	(195)	(101)
Internal charges and overheads applied	(14,639)	(15,520)	(15,746)	(16,335)	(16,834)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funds</b>	<b>4,605</b>	<b>5,111</b>	<b>4,920</b>	<b>4,546</b>	<b>4,525</b>
<b>Surplus (deficit) of operating funding</b>	<b>3,806</b>	<b>3,915</b>	<b>4,248</b>	<b>4,615</b>	<b>4,809</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development, financial and other contributions	-	-	-	-	-
Increase (decrease) in debt	478	2,027	4,870	2,147	1,707
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>478</b>	<b>2,027</b>	<b>4,870</b>	<b>2,147</b>	<b>1,707</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
- to meet additional demand	-	-	-	-	-
- to improve the level of service	829	2,626	5,619	3,065	2,759
- to replace existing assets	3,635	2,568	2,029	4,189	2,128
Increase (decrease) in reserves	(180)	(5,251)	1,469	(493)	1,630
Increase (decrease) in investments	-	6,000	-	-	-
<b>Total applications of capital funding</b>	<b>4,284</b>	<b>5,942</b>	<b>9,118</b>	<b>6,762</b>	<b>6,516</b>
<b>Surplus (deficit) of capital funding</b>	<b>(3,806)</b>	<b>(3,915)</b>	<b>(4,248)</b>	<b>(4,615)</b>	<b>(4,809)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	Funding Impact Statement Governance and Strategic Administration
<b>Sources of operational funding</b>						
7,733	7,336	7,535	7,967	7,899	8,118	General rates, uniform annual general charges, rates penalties
-	-	-	-	-	-	Targeted rates
38	38	38	38	38	38	Subsidies and grants for operating purposes
936	936	936	936	936	936	Fees, charges, and targeted rates for water supply
26	27	27	28	28	29	Internal charges and overheads recovered
1,064	1,088	1,088	1,088	1,088	1,088	Local authority fuel tax, fines, infringement fees, and other receipts
<b>9,797</b>	<b>9,425</b>	<b>9,624</b>	<b>10,057</b>	<b>9,990</b>	<b>10,210</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>						
23,444	22,221	22,761	23,492	23,797	24,348	Payments to staff and suppliers
(26)	(77)	(127)	(177)	(227)	(275)	Finance costs
(18,605)	(17,515)	(17,915)	(18,274)	(18,716)	(19,121)	Internal charges and overheads applied
-	-	-	-	-	-	Other operating funding applications
<b>4,813</b>	<b>4,629</b>	<b>4,719</b>	<b>5,040</b>	<b>4,854</b>	<b>4,952</b>	<b>Total applications of operating funds</b>
<b>4,984</b>	<b>4,795</b>	<b>4,905</b>	<b>5,016</b>	<b>5,136</b>	<b>5,258</b>	<b>Surplus (deficit) of operating funding</b>
<b>Sources of capital funding</b>						
-	-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	-	Development, financial and other contributions
(1,006)	(1,047)	(1,047)	(1,018)	(1,008)	(998)	Increase (decrease) in debt
-	-	-	-	-	-	Gross proceeds from sale of assets
-	-	-	-	-	-	Lump sum contributions
<b>(1,006)</b>	<b>(1,047)</b>	<b>(1,047)</b>	<b>(1,018)</b>	<b>(1,008)</b>	<b>(998)</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
-	-	-	-	-	-	- to meet additional demand
39	-	-	-	-	-	- to improve the level of service
2,392	1,411	2,170	3,150	1,375	5,891	- to replace existing assets
1,547	2,338	1,688	848	2,753	(1,632)	Increase (decrease) in reserves
-	-	-	-	-	-	Increase (decrease) in investments
<b>3,978</b>	<b>3,748</b>	<b>3,858</b>	<b>3,998</b>	<b>4,128</b>	<b>4,260</b>	<b>Total applications of capital funding</b>
<b>(4,984)</b>	<b>(4,795)</b>	<b>(4,905)</b>	<b>(5,016)</b>	<b>(5,136)</b>	<b>(5,258)</b>	<b>Surplus (deficit) of capital funding</b>
-	-	-	-	-	-	<b>Funding balance</b>

## 10. Governance and Strategic Administration

### What we do and why

Elected representatives of the community that form the governance function of our council. They are provided with guidance and support on a daily basis, enabling them to understand and carry out their legislative responsibilities, making informed decisions on behalf of our communities.

### Key facts



Oversees the election and by-election processes

Produces agendas and minutes for Council, Community Board and Committee meetings

### Contribution to community outcomes



Communities that are healthy, safe, connected and sustainable



Connected and engaged communities prepared for the unexpected



Proud, vibrant communities



Prosperous communities supported by a sustainable economy



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

### Significant negative effects

No significant negative effects have been identified in the provision of the Governance and Strategic Administration services of Council.

### Changes to levels of service

We have removed levels of service for this function as it is a support service to the organisation, and its daily business is not visible to the community.

# Far North Holdings Limited

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation (CCTO) that manages assets and commercial trading on behalf of Council. Council maintains a shareholding in FNHL, which manages a diverse range of district assets to boost investment and employment for the benefit of our communities. Council's return on its investment in FNHL is by way of annual dividends.

## Key activities

- The provision of maritime, airport, property and carparking facilities
- Investment in any commercial opportunity that arises including any proposed by its shareholder
- The management of maritime and aviation assets under contract to Council

## Structure

FNHL is an independent professional Board of Directors appointed by Council:

- Bill Birnie (Chairperson)
- Ross Blackman
- Kevin Baxter
- Sarah Peterson
- Murray McCully

Legislative requirements	Objectives
Local Government Act 2002 Resource Management Act Other relevant Acts, regulations, rules, bylaws, policies and strategies.	As the Far North District Council's commercial vehicle, FNHL will facilitate and create commercial and infrastructural assets in the Far North District with the aim of maximising profit for its shareholder - Council, and operate as a commercial profit orientated entity.

## Levels of service

Objective	How we'll measure performance	Latest results: 2016/17	2018/19	2019/20	2020/21
Engage in successful commercial transactions	Growth in shareholder value	Shareholder's funds increased by \$1.88 million after the payment of a dividend	Shareholders funds increase by \$1.0 million after payment of dividend	Shareholders funds increase by \$1.12 million after payment of dividend	Shareholders funds increase by \$1.28 million after payment of dividend
Effective financial management	Annual operating profit to exceed \$500,000	Operating profit before asset revaluations \$1.438 million	\$1.985 million	\$2.24 million	\$2.24 million
Provide a commercial return to FNDC	Dividend return to FNDC	Actual dividend of \$719,000	Pay a minimum dividend of \$1.097 million for 2018/19	Pay a minimum dividend of \$1.215 million for 2019/20	Pay a minimum dividend of \$1.340 million for the 2020/21
To achieve a return on funds invested	Return on Investment (ROI) is higher than the average cost of borrowing on its commercial assets	ROI 6.90% Average cost of borrowings 4.43%	ROI 9.7% Average cost of borrowings 4.5%	ROI 10.6% Average cost of borrowings 4.83%	ROI 9.32% Average cost of borrowings 4.85%
Asset growth and development	Capital expenditure	\$11.012 m	\$9.30 million	\$2.02 million	\$2.015 million

Objective	How we'll measure performance	Latest results: 2016/17	2018/19	2019/20	2020/21
Effective governance and financial control	Clean audit sign off each year from Audit NZ	Achieved	To achieve	To achieve	To achieve
	Annual board review with appointed Audit NZ representative	16 May 2016	To be held	To be held	To be held
	To remain within banking covenants	Achieved	To achieve	To achieve	To achieve
	Quarterly audit review by BDO	Achieved	To perform	To perform	To perform
	Board audit and finance committee meetings to be conducted semi-annually	26 October 2016 12 April 2017	To be held	To be held	To be held

Council Controlled Organisation Initiatives:	How we'll measure performance	Latest results: 2016/17	2018/19	2018/19	2019/20
Ensure that the Bay of Islands Airport operates within regulatory requirements	CAA Certification	Achieved	To achieve	To achieve	To achieve

Non-financial performance objectives	How we'll measure performance	Latest results: 2016/17	2018/19	2019/20	2020/21
Enhancing the Far North as a visitors destination	Each year complete at least one customer and airline industry survey that demonstrates satisfaction levels with facilities and services at either Kerikeri or Kaitia airports	No survey undertaken as FNHL working with Air NZ on new terminal design	85%	85%	85%
Enhancing and developing a maritime economy	Each year complete at least one marina user or maritime services customer satisfaction survey that demonstrates satisfaction levels with facilities and services available	No survey undertaken as Marina under construction	94%	95%	95%
Enhancing the Far North as a destination	Complete bi-annual customer satisfaction surveys with cruise ship industry that demonstrates satisfaction levels with Far North Holdings as security authority and provider of disembarking infrastructure	86%	Only every second year	85% or higher satisfaction	Only every second year

# Financial Information

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*Blo-karts, Ninety Mile Beach  
Photographer: David Kirkland. Courtesy of Northland Inc.*

# Forecast financial statements

The forecast Financial Statements of this LTP provide information on the budgets for all of Council and are comprised of:

## Prospective Financial Statements

These statements include the Prospective Statement of Comprehensive Revenue and Expense, Prospective Statement of Financial Position, Prospective Statement of Changes in Equity and Prospective Statement of Cash Flows for Council which are found in all annual plans and reports. These statements cover the 10 years of the LTP and provide information as to planned performance and management of Council's assets and liabilities.

Amongst other LGA requirements, the purpose of these prospective Financial Statements is:

- to provide integrated decision-making and coordination of Council's resources
- to provide a long-term focus for the activities of the Local Authority.

The financial statements should not be relied upon other than for the purposes described above. Actual financial results are likely to vary from those forecast within this Plan.

These Prospective Financial Statements are a forecast for 10 years based on the latest information and knowledge at hand at the time of Council deliberations on submissions received on the LTP Consultation Document, and in conjunction with assumptions considered appropriate at that time.

A new LTP will be produced in three years' time. Annual Plans will be produced for the 2019/20 and 2020/21 financial years.

## Responsibility for Financial Statements

Council is responsible for the prospective financial statements presented in this LTP, and believe that appropriate assumptions have been used to produce these prospective financial statements and that all disclosure requirements have been met.

## Significant Forecasting Assumptions

This information outlines the assumptions made in formulating the financial information for the Plan. For assumptions with high financial risk, commentary and analysis on the impact of the assumption is provided. The price level adjusters which are used to project the impact of inflation across the 10 years of the LTP are also detailed in this LTP.

## Accounting Policies

Accounting policies are compliant with International Public Sector Accounting Standards (IPSAS) for Public Benefit Entities (PBE) and provide detail on how Council applies the standards to the Prospective Financial Statements.

## Reserve Funds

Reserve Funds detail the funds Council holds for specific purposes, and how the balances of the funds move between years one and 10 of this Plan.

## Funding Impact Statement for Rates

The Funding Impact Statement for Rates sets out the information required by Schedule 10 of the LGA to assist ratepayers in understanding the impact of the Plan.

## Statement concerning balancing the budget

In all years of the LTP Council plans to maintain a balanced budget with an after-tax surplus forecast for each year.

## Prospective statement of comprehensive revenue and expenses

	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Revenue</b>					
Rates - general	48,355	51,303	52,639	53,351	54,884
Rates - targeted water	2,663	2,662	2,863	3,032	3,093
Rates - targeted excluding water	28,150	28,487	30,411	31,321	32,388
Rates - penalties	2,082	2,073	2,073	2,073	2,073
Fees, fines and charges	14,964	15,863	16,026	15,741	15,790
Subsidies operational	7,624	9,358	9,672	9,892	10,004
Subsidies capital	23,032	21,566	15,941	17,392	21,108
Other contributions	5,025	-	-	2,977	3,043
Lump sum contributions	-	86	-	-	-
Other income	1,360	1,954	1,961	1,968	1,969
<b>Total revenue</b>	<b>133,255</b>	<b>133,351</b>	<b>131,586</b>	<b>137,747</b>	<b>144,351</b>
<b>Expenses</b>					
Personnel costs	25,185	27,596	27,569	28,051	28,170
Depreciation and amortisation expense	32,868	34,076	36,216	37,823	39,451
Finance costs	3,531	2,594	3,794	4,594	5,037
Other expenses	49,302	56,947	57,015	55,675	56,695
<b>Total expenses</b>	<b>110,887</b>	<b>121,212</b>	<b>124,594</b>	<b>126,143</b>	<b>129,353</b>
<b>Surplus / (deficit) before tax</b>	<b>22,369</b>	<b>12,139</b>	<b>6,992</b>	<b>11,604</b>	<b>14,998</b>
Income tax expense	-	-	-	-	-
<b>Surplus / (deficit) after tax</b>	<b>22,369</b>	<b>12,139</b>	<b>6,992</b>	<b>11,604</b>	<b>14,998</b>
<b>Other comprehensive revenue and expenses</b>					
<b>Surplus / (deficit) attributable to: -</b>					
Far North District Council	22,369	12,139	6,992	11,604	14,998
<b>Items that will not be reclassified to surplus / (deficit)</b>					
Gain / (loss) on asset valuations	34,231	36,247	41,319	42,703	44,134
<b>Total other comprehensive revenue and expense</b>	<b>34,231</b>	<b>36,247</b>	<b>41,319</b>	<b>42,703</b>	<b>44,134</b>
<b>Total comprehensive revenue and expense</b>	<b>56,600</b>	<b>48,386</b>	<b>48,311</b>	<b>54,307</b>	<b>59,132</b>

## Prospective statement of changes in equity

	AP 2017/18 \$000s	Revised 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
Opening balance	1,655,580	1,728,279	1,786,080	1,834,466	1,882,777	1,937,084
Total comprehensive income	56,600	57,801	48,386	48,311	54,307	59,132
<b>Closing balance</b>	<b>1,712,180</b>	<b>1,786,080</b>	<b>1,834,466</b>	<b>1,882,777</b>	<b>1,937,084</b>	<b>1,996,216</b>



LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	
<b>Revenue</b>						
57,368	58,330	60,378	62,485	64,452	66,420	Rates - general
3,286	3,727	3,930	3,944	4,326	4,807	Rates - targeted water
33,510	34,472	35,656	36,439	37,589	38,440	Rates - targeted excluding water
2,073	2,073	2,073	2,073	2,073	2,073	Rates - penalties
16,089	16,334	16,617	16,941	17,250	17,604	Fees, fines and charges
10,234	10,480	10,732	11,001	11,287	11,592	Subsidies operational
20,437	22,719	15,655	19,067	19,411	19,773	Subsidies capital
-	-	-	-	-	-	Other contributions
-	-	-	-	-	-	Lump sum contributions
1,970	1,995	1,996	1,998	1,999	2,000	Other income
<b>144,967</b>	<b>150,131</b>	<b>147,038</b>	<b>153,947</b>	<b>158,386</b>	<b>162,709</b>	<b>Total revenue</b>
<b>Expenses</b>						
28,747	29,365	30,025	30,700	31,421	32,158	Personnel costs
41,436	43,313	45,417	46,935	48,994	51,087	Depreciation and amortisation expense
5,680	6,854	7,447	7,373	7,737	7,946	Finance costs
58,402	58,482	59,814	61,634	63,202	64,771	Other expenses
<b>134,265</b>	<b>138,015</b>	<b>142,703</b>	<b>146,641</b>	<b>151,354</b>	<b>155,963</b>	<b>Total expenses</b>
10,702	12,116	4,335	7,306	7,033	6,746	Surplus / (deficit) before tax
-	-	-	-	-	-	Income tax expense
<b>10,702</b>	<b>12,116</b>	<b>4,335</b>	<b>7,306</b>	<b>7,033</b>	<b>6,746</b>	<b>Surplus / (deficit) after tax</b>
<b>Other comprehensive revenue and expenses</b>						
Surplus / (deficit) attributable to: -						
10,702	12,116	4,335	7,306	7,033	6,746	Far North District Council
Items that will not be reclassified to surplus / (deficit)						
47,905	51,747	53,613	57,358	61,430	65,687	Gain / (loss) on asset valuations
<b>47,905</b>	<b>51,747</b>	<b>53,613</b>	<b>57,358</b>	<b>61,430</b>	<b>65,687</b>	<b>Total other comprehensive revenue and expense</b>
<b>58,607</b>	<b>63,864</b>	<b>57,948</b>	<b>64,663</b>	<b>68,462</b>	<b>72,433</b>	<b>Total comprehensive revenue and expense</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	
1,996,216	2,054,823	2,118,687	2,176,635	2,241,298	2,309,760	Opening balance
58,607	63,864	57,948	64,663	68,462	72,433	Total comprehensive income
<b>2,054,823</b>	<b>2,118,687</b>	<b>2,176,635</b>	<b>2,241,298</b>	<b>2,309,760</b>	<b>2,382,193</b>	<b>Closing balance</b>

## Prospective statement of financial position

	AP 2017/18 \$000s	Revised 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Public equity</b>						
Other reserves	384,323	445,496	481,318	522,105	564,275	607,876
Restricted reserves	2,202	7,453	7,877	8,409	8,942	9,475
Retained earnings	1,325,654	1,333,132	1,345,271	1,352,262	1,363,866	1,378,865
<b>Public equity</b>	<b>1,712,179</b>	<b>1,786,080</b>	<b>1,834,466</b>	<b>1,882,777</b>	<b>1,937,084</b>	<b>1,996,216</b>
<b>Current assets</b>						
Cash and cash equivalents	28,885	25,499	23,675	33,853	33,970	30,684
Trade and other receivables	30,274	33,835	34,512	35,271	36,047	36,840
Other financial assets	-	-	-	-	-	-
Inventories	65	72	72	72	72	72
<b>Current assets</b>	<b>59,223</b>	<b>59,406</b>	<b>58,259</b>	<b>69,196</b>	<b>70,089</b>	<b>67,596</b>
<b>Current liabilities</b>						
Trade and other payables	24,147	22,280	22,725	23,225	23,736	24,258
Borrowings	10,000	-	16,500	10,000	-	-
Provisions	116	-	255	43	27	13
Financial guarantee liabilities	1,225	1,329	1,329	1,329	1,329	1,329
Derivative financial instruments	-	-	-	-	-	-
Employee benefits	2,595	2,572	2,623	2,681	2,740	2,800
<b>Current liabilities</b>	<b>38,082</b>	<b>26,181</b>	<b>43,432</b>	<b>37,278</b>	<b>27,832</b>	<b>28,401</b>
<b>Working capital</b>	<b>21,141</b>	<b>33,226</b>	<b>14,827</b>	<b>31,918</b>	<b>42,257</b>	<b>39,196</b>
<b>Non-current assets</b>						
Other financial assets	605	931	931	931	931	931
Forestry	747	727	734	742	749	757
Intangible assets	10,645	11,001	10,984	10,323	9,244	8,296
Investments in subsidiaries	12,000	12,000	18,000	18,000	18,000	18,000
Derivative financial instruments	-	-	-	-	-	-
Property, plant and equipment	1,763,736	1,791,121	1,853,959	1,916,807	1,981,883	2,059,622
<b>Non-current assets</b>	<b>1,787,733</b>	<b>1,815,780</b>	<b>1,884,608</b>	<b>1,946,803</b>	<b>2,010,807</b>	<b>2,087,605</b>
<b>Non-current liabilities</b>						
Borrowings	90,491	61,876	63,610	94,628	114,692	129,309
Trade and other payables	-	-	-	-	-	-
Derivative financial instruments	1,346	839	839	839	839	839
Employee benefits	-	-	-	-	-	-
Provisions	4,857	210	520	477	450	437
<b>Non-current liabilities</b>	<b>96,694</b>	<b>62,925</b>	<b>64,969</b>	<b>95,944</b>	<b>115,981</b>	<b>130,585</b>
<b>Net assets</b>	<b>1,712,179</b>	<b>1,786,080</b>	<b>1,834,467</b>	<b>1,882,777</b>	<b>1,937,084</b>	<b>1,996,216</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	
						<b>Public equity</b>
655,247	706,460	759,553	816,391	877,301	942,468	Other reserves
10,009	10,544	11,064	11,583	12,103	12,622	Restricted reserves
1,389,567	1,401,683	1,406,018	1,413,324	1,420,357	1,427,103	Retained earnings
<b>2,054,823</b>	<b>2,118,687</b>	<b>2,176,635</b>	<b>2,241,298</b>	<b>2,309,760</b>	<b>2,382,193</b>	<b>Public equity</b>
						<b>Current assets</b>
28,646	27,483	23,665	26,174	29,302	28,595	Cash and cash equivalents
37,687	38,554	39,480	40,467	41,478	42,557	Trade and other receivables
-	-	-	-	-	-	Other financial assets
72	72	72	72	72	72	Inventories
<b>66,406</b>	<b>66,110</b>	<b>63,217</b>	<b>66,713</b>	<b>70,853</b>	<b>71,224</b>	<b>Current assets</b>
						<b>Current liabilities</b>
24,816	25,387	25,996	26,646	27,312	28,022	Trade and other payables
-	10,000	-	-	-	-	Borrowings
37	12	34	10	8	24	Provisions
1,329	1,329	1,329	1,329	1,329	1,329	Financial guarantee liabilities
-	-	-	-	-	-	Derivative financial instruments
2,865	2,931	3,001	3,076	3,153	3,235	Employee benefits
<b>29,047</b>	<b>39,659</b>	<b>30,360</b>	<b>31,061</b>	<b>31,802</b>	<b>32,610</b>	<b>Current liabilities</b>
<b>37,359</b>	<b>26,451</b>	<b>32,857</b>	<b>35,652</b>	<b>39,051</b>	<b>38,614</b>	<b>Working capital</b>
						<b>Non-current assets</b>
931	931	931	931	931	931	Other financial assets
764	772	780	787	795	803	Forestry
7,400	6,196	4,787	5,142	3,660	2,072	Intangible assets
18,000	18,000	18,000	18,000	18,000	-	Investments in subsidiaries
-	-	-	-	-	18,000	Derivative financial instruments
2,133,882	2,212,189	2,273,530	2,342,711	2,413,577	2,488,662	Property, plant and equipment
<b>2,160,977</b>	<b>2,238,088</b>	<b>2,298,028</b>	<b>2,367,570</b>	<b>2,436,963</b>	<b>21,806</b>	<b>Non-current assets</b>
						<b>Non-current liabilities</b>
143,113	145,464	153,895	161,580	165,916	166,575	Borrowings
-	-	-	-	-	-	Trade and other payables
-	-	-	-	-	-	Derivative financial instruments
-	-	-	-	-	-	Employee benefits
400	388	355	344	337	313	Provisions
<b>143,513</b>	<b>145,852</b>	<b>154,250</b>	<b>161,924</b>	<b>166,253</b>	<b>166,888</b>	<b>Non-current liabilities</b>
<b>2,054,823</b>	<b>2,118,687</b>	<b>2,176,635</b>	<b>2,241,298</b>	<b>2,309,760</b>	<b>(106,469)</b>	<b>Net assets</b>

## Prospective statement of cashflows

	AP 2017/18 \$000s	LTP 2018/19 \$000s	LTP 2019/20 \$000s	LTP 2020/21 \$000s	LTP 2021/22 \$000s
<b>Operating activities</b>					
<b>Cash was provided from</b>					
Rates	88,915	92,287	96,321	98,224	100,943
Other income	43,276	39,336	33,448	37,683	41,551
Interest and dividends	500	1,052	1,058	1,064	1,064
	132,691	132,675	130,826	136,971	143,558
<b>Cash was applied to</b>					
Supply of goods, services and employees	65,350	81,612	83,288	82,222	83,170
Interest paid	3,531	2,594	3,794	4,594	5,037
Fringe benefit tax paid	35	48	49	50	51
	68,916	84,255	87,132	86,866	88,259
<b>Net cash inflows / (outflows) from operating activities</b>	<b>63,775</b>	<b>48,419</b>	<b>43,695</b>	<b>50,105</b>	<b>55,300</b>
<b>Financing activities</b>					
<b>Cash was provided from</b>					
Borrowing	22,269	24,855	33,016	19,305	24,787
	22,269	24,855	33,016	19,305	24,787
<b>Cash was applied to</b>					
Borrowing	6,838	6,621	8,129	9,242	10,170
	6,838	6,621	8,129	9,242	10,170
<b>Net cash inflows / (outflows) from financing activities</b>	<b>15,431</b>	<b>18,235</b>	<b>24,887</b>	<b>10,064</b>	<b>14,617</b>
<b>Investing activities</b>					
<b>Cash was provided from</b>					
	-	-	-	-	-
<b>Cash was applied to</b>					
Purchase and development of property, plant and equipment	68,689	62,479	58,404	60,052	73,203
Investment in subsidiary	-	6,000	-	-	-
	68,689	68,479	58,404	60,052	73,203
<b>Net cash inflows / (outflows) from investing activities</b>	<b>(68,689)</b>	<b>(68,479)</b>	<b>(58,404)</b>	<b>(60,052)</b>	<b>(73,203)</b>
<b>Net increase / (decrease) in cash flows</b>	<b>10,516</b>	<b>(1,823)</b>	<b>10,177</b>	<b>117</b>	<b>(3,284)</b>
<b>Net cash position</b>					
<b>Opening balances 1 July</b>					
Cash and cash equivalents	18,370	25,499	23,675	33,853	33,970
	18,370	25,499	23,675	33,853	33,970
<b>Less balances 30 June</b>					
Cash and cash equivalents	28,886	23,675	33,853	33,970	30,684
	28,886	23,675	33,853	33,970	30,684
<b>Cash movements for the year</b>	<b>10,516</b>	<b>(1,823)</b>	<b>10,177</b>	<b>117</b>	<b>(3,284)</b>

LTP 2022/23 \$000s	LTP 2023/24 \$000s	LTP 2024/25 \$000s	LTP 2025/26 \$000s	LTP 2026/27 \$000s	LTP 2027/28 \$000s	
<b>Operating activities</b>						
<b>Cash was provided from</b>						
104,830	107,186	110,706	113,703	117,238	120,642	Rates
38,225	40,990	34,319	38,169	39,048	39,900	Other income
1,064	1,088	1,088	1,088	1,088	1,088	Interest and dividends
144,119	149,264	146,113	152,960	157,374	161,630	
<b>Cash was applied to</b>						
86,150	86,291	88,397	89,065	93,110	95,427	Supply of goods, services and employees
5,680	6,854	7,447	7,373	7,737	7,946	Interest paid
52	54	55	56	57	59	Fringe benefit tax paid
91,883	93,199	95,899	96,494	100,905	103,432	
<b>52,237</b>	<b>56,066</b>	<b>50,213</b>	<b>56,466</b>	<b>56,471</b>	<b>58,199</b>	<b>Net cash inflows / (outflows) from operating activities</b>
<b>Financing activities</b>						
<b>Cash was provided from</b>						
24,985	24,474	11,573	21,113	18,771	15,578	Borrowing
24,985	24,474	11,573	21,113	18,771	15,578	
<b>Cash was applied to</b>						
11,181	12,123	13,142	13,428	14,434	14,918	Borrowing
11,181	12,123	13,142	13,428	14,434	14,918	
<b>13,804</b>	<b>12,351</b>	<b>-1,569</b>	<b>7,685</b>	<b>4,336</b>	<b>660</b>	<b>Net cash inflows / (outflows) from financing activities</b>
<b>Investing activities</b>						
<b>Cash was provided from</b>						
-	-	-	-	-	-	
<b>Cash was applied to</b>						
68,078	69,578	52,462	61,641	57,680	59,566	Purchase and development of property, plant and equipment
-	-	-	-	-	-	Investment in subsidiary
68,078	69,578	52,462	61,641	57,680	59,566	
<b>(68,078)</b>	<b>(69,578)</b>	<b>(52,462)</b>	<b>(61,641)</b>	<b>(57,680)</b>	<b>(59,566)</b>	<b>Net cash inflows / (outflows) from investing activities</b>
<b>(2,038)</b>	<b>(1,162)</b>	<b>(3,819)</b>	<b>2,510</b>	<b>3,127</b>	<b>(707)</b>	<b>Net increase / (decrease) in cash flows</b>
<b>Net cash position</b>						
<b>Opening balances 1 July</b>						
30,684	28,646	27,483	23,665	26,174	29,302	Cash and cash equivalents
30,684	28,646	27,483	23,665	26,174	29,302	
<b>Less balances 30 June</b>						
28,646	27,483	23,665	26,174	29,302	28,595	Cash and cash equivalents
28,646	27,483	23,665	26,174	29,302	28,595	
<b>(2,038)</b>	<b>(1,162)</b>	<b>(3,819)</b>	<b>2,510</b>	<b>3,127</b>	<b>(707)</b>	<b>Cash movements for the year</b>

# Significant forecasting assumptions

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<b>General assumptions</b>				
<p><b>District growth:</b> Population change follows Statistics New Zealand medium projections. The population of the Far North is projected to increase from around 62,000 in 2016 to approximately 64,000 people in 2043. The projected growth rate between now and 2043 is equivalent to approximately 0.1% growth per annum. At this rate the Far North's population will grow significantly slower than the rest of the nation.</p> <p>Growth will be isolated to larger urban areas and the immediate surrounds of Doubtless Bay, Kerikeri and Paihia. Notable growth (+ / - 5% total change across the time period) is expected in Kerikeri and the greater Kerikeri service area, Coopers Beach / Cable Bay, Houhora and Haruru to Opua. Notable decline, however, is expected in Kaikohe, Kaitaia West, Ahipara, Hokianga North and South, and Moerewa.</p> <p>All other areas are expected to experience minimal or negative growth.</p> <p>The population structure of the Far North is likely to change over the next 30 years, with the over 65 age group becoming a dominant feature of the population structure. This is likely to be the result of longer life expectancy and the baby boom generation. Demographic changes will occur slowly over time, so we are unlikely to see any great change in expectation from our communities within the next 10 years as a result.</p> <p>Deprivation levels throughout the District are expected to remain unchanged from current levels. Council has used .id as a basis for deprivation mapping across our District. For a description of how deprivation is measured go to <a href="http://www.profile.idnz.co.nz/far-north/deprivation-index">www.profile.idnz.co.nz/far-north/deprivation-index</a>. The map of deprivation in the Far North is at <a href="http://www.atlas.idnz.co.nz/far-north">www.atlas.idnz.co.nz/far-north</a>. From Map Selector choose income and well-being then deprivation index.</p>	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<p><b>Climate change:</b> Climate change projections are assumed to align with IPCC predictions. Northland specific effects by 2100 are expected to be:</p> <ul style="list-style-type: none"> <li>• eastern areas will experience up to 20% less rainfall in spring and up to 10% increase in summer and autumn</li> <li>• drought frequency will increase by 10%</li> <li>• mean annual flows in rivers will decrease</li> <li>• sea levels will rise by between 20 cm and 1m</li> <li>• the frequency of storm events may decrease, although there is some uncertainty with this projection.</li> </ul> <p>We are not expecting to see significant impacts in the next 10 years but we recognise the need to do some very long range planning. To that end, Council is developing a sustainable district strategy to identify where issues are likely to arise, when those issues will arise and what we need to do.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Legislative changes:</b> Legislation and / or other regulations relating to Council activities will remain largely the same over the life of this LTP, although it is possible that the Local Government (Four Well-Beings) Amendment Bill 2018 will be successful in restoring the purpose of local government to include the four well-beings (social, economic, environmental, and cultural). Should this happen, relevant policies and plans will be revised to ensure compliance.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Building activity:</b> Council estimates building activity to remain at a constant level for the early part of the LTP and then reduce, with approximately 360 new dwellings being expected to be constructed each year for the first three years reducing to 250 per year for the remainder of the plan.</p>	Low	Not applicable	Low	Not applicable
<p><b>Subdivisions:</b> Council estimates subdivision activity to result in an annual increase in rateable properties of 0.125%.</p>	Low	Not applicable	Low	Not applicable
<p><b>Rating base:</b> The number of properties we receive rates from is conservatively expected to increase by approximately 0.125% annually.</p>	Medium	Not applicable	Medium	Not applicable
<p><b>Inflation:</b> Future cost increases align with BERL forecasts published in September 2017, retrieved from <a href="http://www.solgm.co.nz/assets/BERL-Resources/BERL-SOLGM-Adjustors-2017-update-and-forecast.pdf">www.solgm.co.nz/assets/BERL-Resources/BERL-SOLGM-Adjustors-2017-update-and-forecast.pdf</a>.</p>	Medium	Not applicable	High	If inflation is 0.5% higher than forecast in 2018/19, this will increase the cost of goods and services by \$595,642. If inflation is 0.5% higher than forecast in every year of this plan the cost of goods and services would increase by \$6,696,908 over the 10 years of this plan.
<p><b>Levels of service:</b> Levels of service will remain static for the period of the LTP.</p>	Low	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<b>Resource consents:</b> The requirements of future resource consents will be in line with current expected environmental standards.	Medium	Not applicable	Medium	Not applicable
<b>Expenditure assumptions</b>				
<b>Interest rates:</b> Expected interest rates vary from 4.2% in year one to 4.8% in year 10, and the average 'cost of borrowing' for the period is 4.57%.	High	Interest rate risk exposure is managed through long term swaps and forward rate cover.	High	A 0.5% movement in interest will affect operating budgets by + / - \$526,319 in 2018/19. If the rates move by 0.5% for every year of the plan, the effect on operating budgets would be + / - \$8,091,260 (over the 10 years of the plan).
<b>Unfunded depreciation:</b> Council does not fund depreciation on transportation assets to the extent that NZTA funds renewals. The current subsidy rate is 66%.	Low	Not applicable	Low	Not applicable
<b>Capital borrowings:</b> Borrowings for capital expenditure are assumed to be repaid over 20 years.	Medium	Not applicable	Low	Not applicable
<b>NZTA funding:</b> 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.	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 Council subsidy revenue. This may necessitate Council to review and amend its roading programme.
<b>Revenue assumptions</b>				
<b>Subsidies:</b> Council will apply for and receive Government subsidies for applicable projects.	High	Council may not receive the funding or receive a lesser amount resulting in Council being unable to deliver the project as planned, including the requirement of additional consultation with affected stakeholders.	High	If external funds are not received, 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.
<b>Funding sources:</b> Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not applicable
<b>User fees:</b> Increases are based on expected cost increases (inflation). This is expected to be sufficient for funding purposes.	Low	Not applicable	Low	Not applicable



Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<b>Far North Holdings Limited (FNHL):</b> It is assumed that Council will receive dividends from FNHL throughout the term of the plan and that the business of FNHL will not significantly change.	Medium	Not applicable	Medium	Not applicable
<b>Development contributions:</b> In 2015 Council resolved to suspend Development Contribution charges in light of the economic downturn. 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.	Low	Not applicable	Low	Not applicable
<b>Asset assumptions</b>				
<b>Useful lives:</b> 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 useful life indicators and Council has confidence that it will achieve the renewal works in line with the timeframes in this plan.	Low	Not applicable	Medium	Not applicable
<b>Asset lifecycle:</b> Lifecycles of significant assets, including underground assets, are optimised to strike the best balance between maintenance, operations and renewals costs.	Low	Not applicable	Low	Not applicable
<b>Asset age:</b> Asset age is an effective proxy for the condition of an asset.	Low	Not applicable	Low	Not applicable
<b>Infrastructure asset revaluations:</b> An assumption has been made that revaluation of infrastructure assets will continue to occur as follows: <ul style="list-style-type: none"> <li>• roading and maritime assets – annually</li> <li>• remainder of assets – biannually, with water and wastewater one year and District Facilities the next.</li> </ul>	Medium	Not applicable	Medium	Not applicable
<b>Forestry assets:</b> An assumption has been made that forestry assets will be held for the duration of the plan and no harvesting will take place.	Low	Not applicable	Low	Not applicable
<b>Liability assumptions</b>				
<b>Borrowings:</b> It is assumed that Council will have the facilities to secure funding as required throughout the term of this LTP.	Low	Not applicable	Low	Not applicable
<b>Other assumptions</b>				
<b>Northern Transportation Alliance (NTA):</b> A shared services agreement between four Northland councils (Kaipara, Far North, Northland Regional and Whangarei) and the NZ Transport Agency (NZTA) was established in 2016. The activities of the NTA attract subsidy on subsidised projects. Council has made provision for gaining subsidy on NTA activities for these subsidised projects throughout the term of this LTP.	Low	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
<b>Local Government reorganisation:</b> Forecasts have been developed based on the assumption that a unitary council is not established and Council will continue to operate.	Low	Not applicable	Low	Not applicable
<b>Strategic assets:</b> Council has not planned for the disposal or transfer of ownership of any strategic assets during the term of this LTP.	Low	Not applicable	Low	Not applicable
<b>Currency movement:</b> Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
<b>Emissions trading scheme (ETS):</b> Council covers its liability for carbon emissions through fees and charges. Council has assumed no changes to carbon credit prices during the term of this LTP.	Low	Not applicable	Low	Not applicable

# 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 Council's operations includes the LGA and the Local Government (Rating) Act 2002. The prospective financial statements reflect the operations of Far North District Council and do not include the consolidated results of Council Controlled Trading Organisations (CCTO).

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 Council intends to provide.

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). 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 10 years ended 30 June 2028 and were authorised by Far North District Council on 28 June 2018.

## Accounting principles compliance

To meet all the requirements of local government legislation 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; and
- 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 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 Council's planned financial performance in relation to various benchmarks to enable an assessment of whether 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.

Council is responsible for the prospective financial statements included in the LTP 2018-28, 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 2018 to 30 June 2028 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. Council does not intend to update prospective financial statements after publication.

In the opinion of Council and the management of the Far North District Council, the prospective financial statements for the 10 year period ending 30 June 2028 fairly reflect the prospective financial position, performance and operations of the Far North District 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 (\$000s).

### Changes in accounting policies

No changes in accounting policies are planned.

## Standards issued and not yet effective or adopted early

### Interests in other entities

In January 2017, the External Reporting Board (XRB) issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

Council plans to apply the new standards in preparing the 30 June 2020 financial statements.

Council has not yet assessed the effects of the new standard.

### Financial instruments

In January 2017, the XRB issued PBE International Financial Reporting Standard (IFRS) 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses
- revised hedge accounting requirements to better reflect the management of risks.

Council plans to apply this standard in preparing its 30 June 2022 financial statements.

Council has not yet assessed the effects of the new standard.

## Specific Accounting Policies

### Cost allocation

Council has derived the net cost of service for each significant activity using the cost allocation system:

- direct costs those which can be directly attributable and therefore are charged directly to significant activities
- indirect costs are those which cannot be identified to a specific significant activity, in an economically feasible manner, therefore are charged to a group of significant activities based on cost drivers and related activity / usage information.

The costs of internal services not directly attributable to specific activities are allocated as overhead using relevant cost driver such as usage, FTE and floor area.

### Activity allocation

When the financial information is presented as a breakdown by activity, this is the net cost of services for significant

activities. The cost of providing the service less all directly related revenue that can be allocated to the activity.

### 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
  - recognise at the start of the financial year to which the rates resolution relates;
  - recognise at the amounts due; and
  - 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.
- Penalties
  - arise from late payment, recognised as revenue when rates become overdue.
- Rates postponement
  - recognise as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to Council;
  - rates are shown as income in the year of postponement; and
  - apply where ratepayers meet the postponement policy criteria.
- Water by meter rates
  - recognise on an accrual basis based on usage; and
  - unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions
  - recognise as a reduction in rate revenue; and
  - apply where Council has received an application that satisfies the relevant remission policy.
- Rates collected on behalf of the Northland Regional Council are not recognised in Council's financial statements, as Council is acting as an agent for the NRC.

### Building and resource consent

Fees and charges for building and resource consents are recognised on a stage of completion basis.

### Landfill

Fees for disposing of waste at Council's landfill are recognised at the time of transaction.

### Subsidy

Subsidies are recognised as revenue upon entitlement once conditions pertaining to eligible expenditure have been fulfilled.

Council receives funding assistance from Central Government from three main agencies.

- New Zealand Transport Authority (NZTA) 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 recognised at fair value when 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.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if 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.

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.

### **Financial guarantee contract**

A financial guarantee contract is a contract that requires Council to make specific payments to reimburse the holder of the contract for any loss it incurs if a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value.

If a financial guarantee contract is issued in a stand-alone arm-length transaction to an unrelated party, then the fair value at inception is equal to the consideration received.

When no consideration is received, the fair value of the liability is initially measured using a valuation methodology, such as considering the credit enhancement arising from the guarantee or the probability that Council will be required to reimburse a holder for a loss incurred, discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is recognised only when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the estimated present value of the amount to settle the guarantee obligation if it is probable that there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

### **Grants**

Council considers two types of grant.

- Non-discretionary
  - awarded if the grant application meets the specific criteria
  - recognised as expenditure when an application meeting the criteria has been received.
- Discretionary
  - where Council has no obligation to award on receipt of a grant application
  - recognised as expenditure when approved by Council and the approval communicated to the applicant
  - Council grants 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)

All items in the financial statements are exclusive of GST except for receivables and payables which are stated as inclusive of GST. When GST is not recoverable as an input tax then 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

### Finance lease

Finance leases are those that effectively transfer substantially all risks and benefits incidental to ownership of the leased item to the lessee.

At the commencement of the lease term, Council recognises a finance lease as an asset and capitalises the lease at the lower of the fair value of the asset or the present value of the minimum lease payments.

Leased assets and corresponding lease liabilities are recognised in the statement of financial position.

### 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 as 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.

A receivable is impaired when there is objective evidence that Council will not be able to collect amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance account for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

## Creditors and other payables

A liability is recognised when the service or goods have been received or when it has been established that the rewards of ownership have been transferred from the third party to Council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

## Employee entitlements

### Short term employee entitlements

Employee benefits expected to be settled within twelve months after the end of the period in which the employee renders 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.

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 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, 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 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 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

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
- drainage infrastructural assets
- maritime assets
- footpaths and footbridges
- carparks

- refuse transfer stations
- library books
- ferry assets
- heritage assets
- 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 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 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.

### 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:

### Operational assets

	Useful life (Years)	Straight line depreciation (%)
Runways	10	10
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

### Infrastructure assets

<b>Roads</b>	Useful life (Years)	Straight line depreciation (%)
Top surface (seal)	5 - 50	2 – 20
Pavement (base course) – sealed	35	2.85
Culverts, cesspits	15 - 100	1 – 6.7
Footpaths	30 – 60	1.6 – 3.3
Kerbs	50 – 80	1.25 – 2
Streetlights	8- 60	1.67 – 12.5
Signs	15 - 20	5 - 6.67
Bridges	50 – 100	1 – 2
Railings	30 – 50	2 – 3.3

<b>Water reticulation</b>	Useful life (Years)	Straight line depreciation (%)
Pipes	50 – 100	1 – 2
Valves, hydrants	50 - 70	1.43 – 2
Pump stations	10 – 50	2 – 10
Tanks / dams	40 – 80	1.25 – 2.5

<b>Sewerage reticulation</b>	Useful life (Years)	Straight line depreciation (%)
Pipes	40 – 100	1 – 2.5
Manholes	80	1.25
Treatment plant	5 – 70	1.43 – 20
Tanks / dams	40 – 80	1.25 – 2.5

<b>Stormwater systems</b>	Useful life (Years)	Straight line depreciation (%)
Pipes	40 – 120	0.83 – 2.5%
Manholes	100	1%

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.

### 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 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.

## 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	%
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 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; and
- 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; and
- 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); and
- 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 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 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 Council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by 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.

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of 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 Council determines that the project has ceased or that no identified future benefits are likely to be derived.

## Financial assets

Council classifies its financial assets in the following categories for the purpose of measurement:

### Financial assets at fair value through other comprehensive revenue and expense

This category has two sub-categories:

- financial assets held for trading; and
- those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Council does not have any financial assets that meet this definition.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, unless where maturity is greater than 12 months after balance date, in which case they are included in non-current assets.

After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus / (deficit).

### Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the intention and ability to hold to maturity.

Council does not have any financial assets that meet this definition.

### Financial assets at fair value through equity

Fair value through equity financial assets are non-derivatives that are either designated in this category or not classified in any other category. Financial assets included in this category are shares in Local Government Insurance Corporation Limited and LGFA borrower's notes per the financial instrument note.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

## Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus / (deficit).

### Loans and receivables

Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered an indicator that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows.

For debtors and other receivables the impairment is provided for in a provision and recognised in the surplus / (deficit).

When the receivable is uncollectible it is written off against the provision.

### **Financial assets at fair value through other comprehensive revenue and expense**

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus / (deficit) recognised in the statement of comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus / (deficit) are not reversed through the surplus / (deficit).

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus / (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, 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 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 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**

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.

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 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 Council or its subsidiaries invest as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of 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 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.

### 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 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).

### 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 for 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, 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 are discussed below:

#### Landfill aftercare provision

The following major assumptions have been made in the calculation of the provision:

The future cash flows for the landfill post closures are expected to occur for the years between 2019 and 2035. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash flows have been estimated taking into account existing technology. A discount rate of 8% has been used to discount the estimated future cash flows.

#### 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. 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 Council performing physical inspections and assessments;

- estimating any obsolescence or surplus capacity of an asset; and
- 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, 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, 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 Council's infrastructure asset revaluations.

### Derivative financial instruments and hedge accounting

Council uses derivative financial instruments to hedge interest rate risks arising from financing activities.

In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value at each balance date.

The method of recognising any gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus / (deficit).

Council designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

At the inception of the transaction, Council documents the relationship between hedging instruments and hedged items, its risk management objective and its strategy for undertaking hedge transactions. Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of hedging derivatives is classified as non-current if the remaining maturity of the hedged item is more than 12 months and as current if the remaining maturity of the hedged item is less than 12 months.

### Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus / (deficit).

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, associated gains or losses recognised directly in equity are reclassified into surplus / (deficit) in the same period or periods during which the asset was acquired or the liability was assumed affects then surplus / (deficit). However, if Council expects that all or a portion of a loss recognised directly in equity will not be recovered in one or more future periods, it will reclassify into surplus or deficit the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective is reclassified from equity to the surplus / (deficit).

### Critical judgments in applying Council's accounting policies

Management has exercised the following critical judgments in applying Council's accounting policies for the 10 year period ended 30 June 2028.

#### Classification of property

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 Council's social housing policy. These properties are accounted for as property, plant and equipment.

# Reserve balances

	2018/19 \$000s	2019/20 \$000s	2020/21 \$000s	2021/22 \$000s	2022/23 \$000s
<b>Revaluation reserves</b>					
Opening balance	443,078	478,900	519,687	561,857	605,458
Appropriations	35,822	40,787	42,170	43,601	47,371
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>478,900</b>	<b>519,687</b>	<b>561,857</b>	<b>605,458</b>	<b>652,829</b>
<b>Fair value through equity reserve</b>					
Opening balance	86	86	86	86	86
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>
<b>Capital reserve</b>					
Opening balance	2,697	2,697	2,697	2,697	2,697
<b>Closing balance</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>
<b>Cash flow hedge reserve</b>					
Opening balance	(365)	(365)	(365)	(365)	(365)
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>(365)</b>	<b>(365)</b>	<b>(365)</b>	<b>(365)</b>	<b>(365)</b>
<b>General separate fund</b>					
Opening balance	3,961	4,385	4,918	5,450	5,984
Appropriations	748	670	669	671	671
Withdrawals	(324)	(137)	(137)	(137)	(137)
<b>Closing Balance</b>	<b>4,385</b>	<b>4,918</b>	<b>5,450</b>	<b>5,984</b>	<b>6,518</b>
<b>Special fund</b>					
Opening balance	4,478	4,478	4,478	4,478	4,478
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>4,478</b>	<b>4,478</b>	<b>4,478</b>	<b>4,478</b>	<b>4,478</b>
<b>Amenity development fund</b>					
Opening balance	238	238	238	238	238
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>238</b>	<b>238</b>	<b>238</b>	<b>238</b>	<b>238</b>
<b>Community services fund</b>					
Opening balance	(1,225)	(1,225)	(1,225)	(1,225)	(1,225)
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>

2023/24 \$000s	2024/25 \$000s	2025/26 \$000s	2026/27 \$000s	2027/28 \$000s	
<b>Revaluation reserves</b>					
652,829	704,042	757,135	813,973	874,883	Opening balance
51,213	53,093	56,838	60,910	65,167	Appropriations
-	-	-	-	-	Withdrawals
<b>704,042</b>	<b>757,135</b>	<b>813,973</b>	<b>874,883</b>	<b>940,050</b>	<b>Closing balance</b>
<b>Fair value through equity reserve</b>					
86	86	86	86	86	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>86</b>	<b>Closing balance</b>
<b>Capital reserve</b>					
2,697	2,697	2,697	2,697	2,697	Opening balance
<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>2,697</b>	<b>Closing balance</b>
<b>Cash flow hedge reserve</b>					
(365)	(365)	(365)	(365)	(365)	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>(365)</b>	<b>(365)</b>	<b>(365)</b>	<b>(365)</b>	<b>(365)</b>	<b>Closing balance</b>
<b>General separate fund</b>					
6,518	7,052	7,572	8,091	8,611	Opening balance
671	657	656	657	657	Appropriations
(137)	(137)	(137)	(137)	(137)	Withdrawals
<b>7,052</b>	<b>7,572</b>	<b>8,091</b>	<b>8,611</b>	<b>9,131</b>	<b>Closing balance</b>
<b>Special fund</b>					
4,478	4,478	4,478	4,478	4,478	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>4,478</b>	<b>4,478</b>	<b>4,478</b>	<b>4,478</b>	<b>4,478</b>	<b>Closing balance</b>
<b>Amenity development fund</b>					
238	238	238	238	238	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>238</b>	<b>238</b>	<b>238</b>	<b>238</b>	<b>238</b>	<b>Closing balance</b>
<b>Community services fund</b>					
(1,225)	(1,225)	(1,225)	(1,225)	(1,225)	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>(1,225)</b>	<b>Closing balance</b>

	2018/19 \$000s	2019/20 \$000s	2020/21 \$000s	2021/22 \$000s	2022/23 \$000s
<b>Development contributions</b>					
Opening balance	(17,020)	(17,020)	(17,020)	(17,020)	(17,020)
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>

<b>Open spaces development contributions</b>					
Opening balance	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>

<b>Depreciation reserve</b>					
Opening balance	62,494	60,966	58,255	54,038	46,272
Appropriations	34,076	36,237	37,848	39,477	41,462
Withdrawals	(35,604)	(38,948)	(42,065)	(47,242)	(47,200)
<b>Closing balance</b>	<b>60,966</b>	<b>58,255</b>	<b>54,038</b>	<b>46,272</b>	<b>40,534</b>

<b>Retained earnings</b>					
Opening balance	1,290,006	1,300,571	1,308,693	1,322,934	1,344,119
Retained earnings generated	12,139	8,122	14,241	21,185	14,860
Withdrawals	(1,574)	-	-	-	-
<b>Closing balance</b>	<b>1,300,571</b>	<b>1,308,693</b>	<b>1,322,934</b>	<b>1,344,119</b>	<b>1,358,979</b>

<b>Emergency event reserve</b>					
Opening balance	1,201	4,302	5,882	7,462	9,042
Appropriations	3,101	1,580	1,580	1,580	1,580
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>4,302</b>	<b>5,882</b>	<b>7,462</b>	<b>9,042</b>	<b>10,622</b>

<b>Mineral survey reserve</b>					
Opening balance	50	50	50	50	50
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>

<b>Property disposal reserve</b>					
Opening balance	169	169	169	169	169
Appropriations	-	-	-	-	-
Withdrawals	-	-	-	-	-
<b>Closing balance</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>



2023/24 \$000s	2024/25 \$000s	2025/26 \$000s	2026/27 \$000s	2027/28 \$000s	
<b>Development contributions</b>					
(17,020)	(17,020)	(17,020)	(17,020)	(17,020)	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>(17,020)</b>	<b>Closing balance</b>
<b>Open spaces development contributions</b>					
(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>(3,768)</b>	<b>Closing balance</b>
<b>Depreciation reserve</b>					
40,534	35,460	27,945	25,022	24,521	Opening balance
43,340	45,444	46,963	49,016	51,111	Appropriations
(48,414)	(52,958)	(49,886)	(49,517)	(55,339)	Withdrawals
<b>35,460</b>	<b>27,945</b>	<b>25,022</b>	<b>24,521</b>	<b>20,293</b>	<b>Closing balance</b>
<b>Retained earnings</b>					
1,358,979	1,374,589	1,384,859	1,393,508	1,399,462	Opening balance
15,610	10,270	8,649	7,033	9,394	Retained earnings generated
-	-	-	(1,079)	-	Withdrawals
<b>1,374,589</b>	<b>1,384,859</b>	<b>1,393,508</b>	<b>1,399,462</b>	<b>1,408,856</b>	<b>Closing balance</b>
<b>Emergency event reserve</b>					
10,622	12,202	13,782	15,362	16,942	Opening balance
1,580	1,580	1,580	1,580	1,580	Appropriations
-	-	-	-	-	Withdrawals
<b>12,202</b>	<b>13,782</b>	<b>15,362</b>	<b>16,942</b>	<b>18,522</b>	<b>Closing balance</b>
<b>Mineral survey reserve</b>					
50	50	50	50	50	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>Closing balance</b>
<b>Property disposal reserve</b>					
169	169	169	169	169	Opening balance
-	-	-	-	-	Appropriations
-	-	-	-	-	Withdrawals
<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>169</b>	<b>Closing balance</b>

# Funding impact statement - rates

## What is the Funding Impact Statement?

### Introduction

The Funding Impact Statement (FIS) is one of the key statements included in this Long Term Plan. Essentially it pulls together all the information from each of the different groups of activities and sets out in a single statement the sources of both the operating and capital funding for everything that Council does.

This statement is prepared in a different format to most of the other financial statements included in this plan and provides a synthesis of Council's overall funding requirements.

The format of this statement is prescribed in the Regulations and does not have to meet the normal accounting requirements. The intention is that it will provide a more understandable picture of what Council is spending money on and how those expenditures are funded. The second and perhaps, more important purpose of the FIS is to set out the basis of rating which Council is using for this plan.

### Legislative requirements

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

- the sources of funding to be used by the local authority
- the amount of funds expected to be produced from each source
- how the funds are to be applied
- the projected number of rating units within the district at the end of the preceding financial year.

### Key features of this Funding Impact Statement

There are no significant changes to the method of setting rates for the first year of this plan. However Council is proposing to undertake a comprehensive review of rating methodologies over the next twelve months. It is anticipated, that due to the time needed to achieve a good outcome, any proposed changes would be proposed and consulted on for the 2020/21 year.

### Revenue and financing mechanisms

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

- fees and charges
- subsidies
- depreciation funds and other reserves
- loans and borrowings
- development and financial contributions in respect of contributions assessed in the years prior to the adoption of this plan.

## Rates for 2018-28

This portion of the Funding Impact Statement has been prepared in two parts. The first part outlines the rating methodologies and differentials which Council has used to set the rates for the 2018/19 rating year. The second part outlines the rates for the 2018/19 year.

### General Rate

General Rates are set on the basis of Land Value to fund Councils general activities. This rate is set on a differential basis as described below.

The General Rate differentials are generally based on the land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are set out in the following table. (Refer Local Government (Rating) Act 2002, Sections 13(2)(b) & 14 & Schedule 2 Clause 1.)

General Rate differential categories			
Differential	Basis	Description	Land use codes
General	100%	These are rating units which have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as general if the ratepayer demonstrates to Council's satisfaction that the actual use is not commercial.)	00, 01, 02, 09, 10 to 17, 19 to 29, 90, 91, 92 & 97-99 (93 - 96 may also be treated as general if the actual use of the land is not commercial)
Commercial	275%	These are rating units which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a general land use code 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 Council may decide to split the rating unit in to two divisions for rating purposes and apply the appropriate differential to each part. (Local Government (Rating) Act 2002 Section 27(5))		

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code. – For more information, refer to the section '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 2018/19 year is 19.96% (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 SUIP to fund part of the costs of roading (refer: Local Government (Rating) Act 2002 Section 16 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 a differential basis according to land use as described below (refer: Local Government (Rating) Act 2002 Sections 16 & 17 and 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 Rating Information Database. The differential basis is designed to ensure that the specified share of the rate is generated by each of the differential categories. The Rooding Rate differentials are:

Rooding 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)

Roading Rate differential categories			
Differential	Share	Description	Land use codes
Industrial	2%	Rating units which have some form of industrial land use or are used primarily for industrial purposes	07 & 70 - 79
Farming General	16%	Rating units which have some form of primary or farming land use or are used primarily for farming purposes other than land used for dairy or horticulture	01, 10, 12-14, 16, 19
Horticulture	1%	Rating units which have horticultural, market garden or other similar land uses	15
Dairy	7%	Rating units which have dairy land uses	11
Forestry	13%	Rating units which have forestry land uses but exclude land which is categorised under the Valuer General's Rules as Indigenous forests or Protected forests of any type	17
Mining / Quarry	4%	Rating units which have mining or quarry land uses	18
Other	1%	Rating units where the defined land use is inconsistent or cannot be determined	

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

## Ward Rate

A ward targeted 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 as described below. (Refer: Local Government (Rating) Act 2002 Sections 16 & 17 & Schedule 2 Clause 6 and Schedule 3 Clause 7).

Ward Rate differential categories		
Differential	Basis	Description
Te Hiku Ward	29%	All rating units within the Te Hiku Ward
Bay of Islands-Whangaroa Ward	47%	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 – Refer rating area maps. (Refer: Local Government (Rating) Act 2002 Sections 16, 17 & 18 Schedule 2 Clauses 1 and 6).

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

Stormwater Rate differential categories		
Differential	Basis	Description
General	100%	All rating units which are assessed the General Rate – General Differential
Commercial	200%	All rating units which are assessed the General Rate – Commercial Differential

## 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 rating area map 4. (Refer: Local Government (Rating) Act 2002 Sections 16 & 17 Schedule 2 Clauses 1 & 6 & Schedule 3 Clause 7).

#### Paihia Central Business District Development Rate differential categories

Differential	Basis	Description
General	100%	All rating units which are assessed the General Rate – General Differential
Commercial	300%	All rating units which are assessed the General Rate – Commercial Differential

#### Kaitaia Business Improvement District Rate

This targeted rate is set to support the Kaitaia Business Improvement District (KBID). Council has a memorandum of understanding with the Business Association for them to undertake agreed improvement works to be funded by the targeted rate. This rate is set on the basis of land value assessed overall Rating Units which are assessed the General Rate – Commercial Differential within the defined rating area within the Kaitaia Township. Refer rating area maps. (Refer: Local Government (Rating) Act 2002, Sections 16 & 17 & Schedule 3 Clause 3).

#### Hupara Road sealing Rate (New Rate to be first set in 2019/20)

Council proposes to set a targeted rate to fund the partial sealing of Hupara Road at Pakaraka. This rate will be first set in the 2019/2020 rating year on the basis of a fixed amount assessed on every SUIP within the defined rateable area – refer rating area maps on our website for details. (Refer: Local Government (Rating) Act 2002, Section 16 & 17, Schedule 2(6) & Schedule 3 Clause 7).

#### 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.

#### 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. (Refer: Local Government (Rating) Act 2002, Section 16, 17 & 18 and Schedules 2 Clause 5 & Schedule 3 Clause 7).

#### Sewerage schemes

Ahipara	Kaikohe	Kohukohu	Rawene
East Coast	Kaitaia and Awanui	Opononi	Russell
Hihi	Kawakawa	Paihia	Whangaroa
Kaero	Kerikeri	Rangiputa	Whatuwhiwhi

#### 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
Availability	100%	Per RATING UNIT that is capable of being connected to a public reticulated wastewater disposal system, but is not so connected <sup>22</sup>

- 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, Schedule 2 Clauses 1 & 5, Schedule 3 Clauses 7 & 12)<sup>23</sup>

<sup>22</sup> Capable of connection means that rating unit is not connected to a public reticulated sewage disposal system but is within 30 metres of the reticulation, within an area serviced by a sewerage scheme and Council will allow the rating unit to connect.

<sup>23</sup> 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.

## 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 reticulated wastewater disposal system. (Local Government (Rating) Act 2002, Section 16 & 17, 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, Schedule 2 Clauses 1 & 5, Schedule 3 Clauses 7 & 12).

### Notes:

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

## Water Rates

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.

### 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 set out below. These rates are set differentially on the basis of the provision or availability of service. (Refer: Local Government (Rating) Act 2002, Sections 16, 17 & 18 and Schedule 2 Clause 5 & Schedule 3 Clauses 7 & 9)

Water schemes			
Kaikohe	Kawakawa	Okaihau	Paihia
Kaitaia	Kerikeri	Omapere / Opononi	Rawene

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.
Non-Potable	60%	Per SUIP connected to the Rawene Water scheme, receiving non-potable water.
Availability	100%	Per RATING UNIT that is capable of being connected to a public reticulated water supply system, but is not so connected <sup>24</sup>

### 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, Sections 16 & 17, Schedule 2 Clause 5 & Schedule 3 Clauses 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.

<sup>24</sup> 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 Council will allow the rating unit to connect.

- Rating units that are outside of one of the defined water supply schemes and that are neither connected to, nor capable of connection to a public reticulated water supply system, will not be liable for these rates.

## Land drainage Rates

There are four Land Drainage rating areas in the Far North District all located in the northern part of the Te Hiku Ward.

### Kaitaia drainage area

A targeted rate is set to fund land drainage in the Kaitaia Drainage Area to be assessed on the basis of a uniform rate per hectare of land area within each rating unit located within the Drainage Rating Area. Refer rating area maps on our website for details of the rating area (Local Government (Rating) Act 2002, Sections 16 & 17, Schedule 2 Clause 5 & 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 Sections 16 & 17, Schedule 2 Clause 5 & Schedule 3 Clause 5).

### 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 Sections 16 & 17, Schedule 2 Clause 5 & 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 Sections 16 & 17, Schedule 2 Clause 5 & Schedule 3 Clause 5).

#### Drainage Rate differential For Kaikino, Motutangi and Waiharara drainage areas

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

## BOI Recreation Centre Rate

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 (refer: Local Government (Rating) Act 2002, Section 16 & Schedule 3 Clause 7).

## Lump sum contributions

For the first year of this LTP Council will not be seeking any lump sum contributions in respect of any targeted rates. However, it is proposing to offer this option for the proposed Hupara Road Sealing Targeted Rate which will be first rated in 2019/2020. (Local Government Act 2002 Schedule 10 Clause 20(4)(e)).

## Notes in relation to land use differentials

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

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

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

In some instances there may be two or more different uses taking place on the rating unit but it is not possible or practical to define the areas separately. In those instances, the differential category will be based on the "highest and best use" applied by 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, Council reserves the right not to assess that part using a different differential.

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

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

- Where the rating unit or part thereof is in receipt of a remission of rates pursuant to a policy adopted by Council and is not used for private pecuniary profit and is not subject to a licence for the sale of liquor.
- Where the rating unit is used solely for the purposes of providing private rental accommodation. This exclusion does not include properties such as hotels, motels or other forms of visitor accommodation except for bed and breakfast establishments, home or farm stay operations or similar accommodation providers where less than six bedrooms are provided for guest accommodation. Such properties will however, be subject to any additional sewerage charges where additional toilets are provided for guest use, for example ensuite facilities.

## Schedule of Rates for 2018/19

Set out in the following tables are the indicative rates for the 2018/19 rating years. For comparison purposes the rates for the 2017/18 rating year are also shown. Please note all rates include GST.

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2018/19	
			Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate
<b>General rates</b>						
Uniform Annual General Charge	Per SUIP1	-	\$473.20	\$17,677,096	\$450.00	\$16,942,050
General differential	Per \$ of land value	1	\$0.0047772	\$35,757,806	\$0.0052569	\$39,394,638
Commercial differential	Per \$ of land value	1	\$0.0131373	\$4,664,671	\$0.0144565	\$5,144,246
<b>Targeted ward services rate</b>						
BOI - Whangaroa ward differential	Per SUIP	6	\$364.80	\$6,116,237	\$365.60	\$6,167,672
Te Hiku ward differential	Per SUIP	6	\$300.20	\$3,742,744	\$308.80	\$3,874,668
Kaikohe - Hokianga ward differential	Per SUIP	6	\$385.00	\$3,127,355	\$378.00	\$3,110,373
<b>Targeted roading rates</b>						
Uniform roading rate	Per SUIP	-	\$100.00	\$3,735,650	\$100.00	\$3,764,900
<b>Roading differential rate</b>						
Residential	Per \$ of land value	1	\$0.0001348	\$404,649	\$0.0001430	\$430,533
Lifestyle	Per \$ of land value	1	\$0.0001285	\$267,277	\$0.0001436	\$296,919
Farming general	Per \$ of land value	1	\$0.0001320	\$218,845	\$0.0001426	\$237,535
Horticulture	Per \$ of land value	1	\$0.0001297	\$13,616	\$0.0001346	\$14,846
Dairy	Per \$ of land value	1	\$0.0001975	\$94,932	\$0.0002167	\$103,922
Forestry	Per \$ of land value	1	\$0.0017958	\$177,900	\$0.0020196	\$192,998
Commercial	Per \$ of land value	1	\$0.0003307	\$95,465	\$0.0003585	\$103,922
Industrial	Per \$ of land value	1	\$0.0004440	\$27,431	\$0.0004596	\$29,692
Mining / Quarry	Per \$ of land value	1	\$0.0101256	\$54,602	\$0.0109514	\$59,384



Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2018/19	
			Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate
Other	Per \$ of land value	1	\$0.0002071	\$12,719	\$0.0002439	\$14,846
<b>Stormwater targeted rates</b>						
General differential	Per rating unit	1	\$35.78	\$509,221	\$35.78	\$499,167
Commercial differential	Per rating unit	1	\$71.56	\$109,272	\$71.56	\$107,984
<b>Targeted development rates</b>						
<b>Paihia CBD development rate</b>						
General differential	Per SUIP	1	\$18.00	\$36,189	\$18.00	\$36,441
Commercial differential	Per SUIP	1	\$56.00	\$20,496	\$56.00	\$19,824
Kaitaia BID rate	Per \$ of land value	-	\$0.0015294	\$57,500	\$0.0015264	\$57,500
<b>BOI recreation centre rate</b>						
Uniform targeted rate	Per SUIP	-	\$5.00	\$24,130	\$5.00	\$24,115
<b>Private roading rates</b>						
Hupara Road sealing						
Uniform rate	Per SUIP	-	\$-	\$-	\$-	\$-
<b>Sewerage targeted rates</b>						
<b>Sewerage Capital Rates</b>						
<b>Ahipara</b>						
Ahipara connected	Per SUIP	5	\$288.31	\$143,867	\$284.95	\$144,185
Ahipara availability	Per rating unit	5	\$288.31	\$44,688	\$284.95	\$48,442
Ahipara additional pans	Per sub pan <sup>2</sup>	-	\$172.99	\$5,190	\$170.97	\$5,129
<b>East Coast</b>						
East Coast connected	Per SUIP	5	\$243.68	\$336,035	\$241.84	\$342,687
East Coast availability	Per rating unit	5	\$243.68	\$124,033	\$241.84	\$124,064
East Coast additional pans	Per sub pan	-	\$146.21	\$16,960	\$145.10	\$17,267
<b>Hihi</b>						
Hihi connected	Per SUIP	5	\$614.34	\$95,837	\$599.89	\$94,183
Hihi availability	Per rating unit	5	\$614.34	\$17,202	\$599.89	\$16,797
Hihi additional pans	Per sub pan	-	\$368.60	\$2,580	\$359.93	\$2,520
<b>Kaero</b>						
Kaero connected	Per SUIP	5	\$736.13	\$127,350	\$701.23	\$119,910
Kaero availability	Per rating unit	5	\$736.13	\$8,834	\$701.23	\$12,622
Kaero additional pans	Per sub pan	-	\$441.68	\$37,101	\$420.74	\$35,342
<b>Kaikohe</b>						
Kaikohe connected	Per SUIP	5	\$200.00	\$335,000	\$192.87	\$323,250
Kaikohe availability	Per rating unit	5	\$200.00	\$16,200	\$192.87	\$16,008
Kaikohe additional pans	Per sub pan	-	\$120.00	\$89,880	\$115.72	\$89,567
<b>Kaitaia and Awanui</b>						
Kaitaia and Awanui connected	Per SUIP	5	\$274.02	\$706,424	\$255.66	\$662,926
Kaitaia and Awanui availability	Per rating unit	5	\$274.02	\$26,854	\$255.66	\$26,077
Kaitaia and Awanui additional pans	Per sub pan	-	\$164.41	\$124,458	\$153.40	\$113,669
<b>Kawakawa</b>						
Kawakawa connected	Per SUIP	5	\$549.02	\$315,137	\$520.10	\$298,537
Kawakawa availability	Per rating unit	5	\$549.02	\$6,039	\$520.10	\$5,201
Kawakawa additional pans	Per sub pan	-	\$329.41	\$52,706	\$312.06	\$49,930
<b>Kerikeri</b>						
Kerikeri connected	Per SUIP	5	\$484.70	\$561,767	\$443.46	\$538,804

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2018/19	
			Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate
Kerikeri availability	Per rating unit	5	\$484.70	\$46,047	\$443.46	\$38,138
Kerikeri additional pans	Per sub pan	-	\$290.82	\$95,098	\$266.08	\$88,605
<b>Kohukohu</b>						
Kohukohu connected	Per SUIP	5	\$809.32	\$72,029	\$693.04	\$60,988
Kohukohu availability	Per rating unit	5	\$809.32	\$5,665	\$693.04	\$5,544
Kohukohu additional pans	Per sub pan	-	\$485.59	\$7,769	\$415.82	\$6,653
<b>Opononi</b>						
Opononi connected	Per SUIP	5	\$311.86	\$119,131	\$305.32	\$117,548
Opononi availability	Per rating unit	5	\$311.86	\$38,047	\$305.32	\$37,249
Opononi additional pans	Per sub pan	-	\$187.12	\$19,273	\$183.19	\$18,869
<b>Paihia</b>						
Paihia connected	Per SUIP	5	\$371.99	\$744,352	\$362.06	\$731,361
Paihia availability	Per rating unit	5	\$371.99	\$81,838	\$362.06	\$73,136
Paihia additional pans	Per sub pan	-	\$223.19	\$263,811	\$217.24	\$259,819
<b>Rangiputa</b>						
Rangiputa connected	Per SUIP	5	\$352.80	\$34,574	\$344.82	\$35,516
Rangiputa availability	Per rating unit	5	\$352.80	\$7,056	\$344.82	\$6,207
Rangiputa additional pans	Per sub pan	-	\$211.68	\$847	\$206.89	\$828
<b>Rawene</b>						
Rawene connected	Per SUIP	5	\$569.94	\$132,796	\$358.11	\$84,872
Rawene availability	Per rating unit	5	\$569.94	\$20,518	\$358.11	\$10,743
Rawene additional pans	Per sub pan	-	\$341.96	\$16,072	\$214.87	\$10,314
<b>Russell</b>						
Russell connected	Per SUIP	5	\$481.80	\$266,917	\$496.39	\$277,482
Russell availability	Per rating unit	5	\$481.80	\$82,388	\$496.39	\$78,926
Russell additional pans	Per sub pan	-	\$289.08	\$39,893	\$297.83	\$41,696
<b>Whangaroa</b>						
Whangaroa connected	Per SUIP	5	\$743.99	\$10,416	\$695.02	\$9,730
Whangaroa availability	Per rating unit	5	\$743.99	\$4,464	\$695.02	\$4,170
Whangaroa additional pans	Per sub pan	-	\$446.39	\$4,910	\$417.01	\$4,587
<b>Whatuwhiwhi</b>						
Whatuwhiwhi connected	Per SUIP	5	\$359.45	\$246,223	\$351.15	\$250,019
Whatuwhiwhi availability	Per rating unit	5	\$359.45	\$167,144	\$351.15	\$155,559
Whatuwhiwhi additional pans	Per sub pan	-	\$215.67	\$3,882	\$210.69	\$3,792
<b>Sewerage operating rate</b>						
Connected rate (All Schemes)	Per SUIP	-	\$523.49	\$6,412,270	\$542.22	\$6,738,155
Subsequent pan rate (All Schemes)	Per sub pan	-	\$314.10	\$1,177,546	\$325.33	\$1,231,054
<b>Water targeted rates</b>						
<b>Water capital rates</b>						
<b>Kaikohe</b>						
Kaikohe connected	Per SUIP	5	\$287.88	\$537,760	\$280.53	\$524,591
Kaikohe availability	Per rating unit	5	\$287.88	\$25,621	\$280.53	\$24,967
<b>Kaitaia</b>						
Kaitaia connected	Per SUIP	5	\$279.62	\$710,235	\$268.01	\$685,302
Kaitaia availability	Per rating unit	5	\$279.62	\$23,768	\$268.01	\$21,977
<b>Kawakawa</b>						

Rate	Basis of Assessment	Differential Matter*	Rates 2017/18		Rates 2018/19	
			Rate (GST Inc)	Total Rate	Rate (GST Inc)	Total Rate
Kawakawa connected	Per SUIP	5	\$358.76	\$416,520	\$325.41	\$376,825
Kawakawa availability	Per rating unit	5	\$358.76	\$12,198	\$325.41	\$10,739
<b>Kerikeri</b>						
Kerikeri connected	Per SUIP	5	\$171.73	\$411,980	\$160.43	\$406,530
Kerikeri availability	Per rating unit	5	\$171.73	\$21,638	\$160.43	\$20,856
<b>Okaihau</b>						
Okaihau connected	Per SUIP	5	\$374.73	\$65,578	\$356.80	\$62,440
Okaihau availability	Per rating unit	5	\$374.73	\$2,248	\$356.80	\$2,141
<b>Omapere / Opononi</b>						
Omapere / Opononi connected	Per SUIP	5	\$664.08	\$258,991	\$667.81	\$263,117
Omapere / Opononi availability	Per rating unit	5	\$664.08	\$65,744	\$667.81	\$65,445
<b>Paihia</b>						
Paihia connected	Per SUIP	5	\$219.17	\$455,874	\$219.71	\$459,633
Paihia availability	Per rating unit	5	\$219.17	\$19,068	\$219.71	\$17,797
<b>Rawene</b>						
Rawene connected	Per SUIP	5	\$459.84	\$143,930	\$375.42	\$102,865
Rawene 60% non-potable	Per SUIP	5	\$-	\$-	\$225.25	\$7,884
Rawene availability	Per rating unit	5	\$459.84	\$10,116	\$375.42	\$8,259
<b>Water operating rates</b>						
<b>Water by meter rates</b>						
Potable water	Per M <sup>3</sup>	-	\$3.06	\$6,787,080	\$2.80	\$6,374,228
Non-potable water	Per M <sup>3</sup>	-	\$1.99	\$1,989	\$1.82	\$1,820
<b>Non-metered rates</b>						
Non-metered potable rate	Per SUIP	-	\$1,039.65	\$74,855	\$960.66	\$67,246
Non-metered non-potable rate	Per SUIP	-	\$771.90	\$3,088	\$715.66	\$2,863
<b>Drainage targeted rates</b>						
Kaitaia drainage area	Per Ha of land area		\$8.57	\$79,350	\$8.67	\$80,500
<b>Kaikino drainage area</b>						
Kaikino A	Per Ha of land area	6	\$11.53	\$4,343	\$11.72	\$4,415
Kaikino B	Per Ha of land area	6	\$5.77	\$2,285	\$5.86	\$2,201
Kaikino C	Per Ha of land area	6	\$1.96	\$2,573	\$1.96	\$2,583
<b>Motutangi drainage area</b>						
Motutangi A	Per Ha of land area	6	\$42.46	\$20,299	\$58.13	\$25,060
Motutangi B	Per Ha of land area	6	\$21.23	\$10,035	\$29.07	\$14,092
Motutangi C	Per Ha of land area	6	\$7.22	\$11,065	\$9.71	\$13,748
<b>Waiharara drainage area</b>						
Waiharara A	Per Ha of land area	6	\$26.01	\$3,728	\$18.54	\$2,658
Waiharara B	Per Ha of land area	6	\$13.00	\$10,106	\$9.27	\$7,203
Waiharara C	Per Ha of land area	6	\$4.42	\$2,266	\$3.10	\$1,639

\* Differential Matters

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

Notes

- 1 Per SUIP - Separately Used or Inhabited part of a Rating Unit
  - 2 Per sub pan - Per subsequent pan
- All Rates are GST inclusive

## Example rates

Set out below are examples are shown for the average value residential property drawn from a number of communities across the district.

### Example of rates on different land uses and values

Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate Average	Stormwater	Wastewater Average	Water Average (Excluding Usage)	Final Rates 2018/19	2017/18
<b>Residential</b>										
\$100,000	\$526	\$450	\$100	\$14	\$355	\$36	\$872	\$261	\$2,613	\$2,593
\$250,000	\$1,314	\$450	\$100	\$36	\$355	\$36	\$872	\$261	\$3,423	\$3,330
\$500,000	\$2,628	\$450	\$100	\$72	\$355	\$36	\$872	\$261	\$4,773	\$4,558
\$750,000	\$3,943	\$450	\$100	\$107	\$355	\$36	\$872	\$261	\$6,123	\$5,786
\$1,000,000	\$5,257	\$450	\$100	\$143	\$355	\$36	\$872	\$261	\$7,473	\$7,014
<b>Rural and lifestyle</b>										
\$100,000	\$526	\$450	\$100	\$14	\$355	\$-	\$-	\$-	\$1,445	\$1,411
\$250,000	\$1,314	\$450	\$100	\$36	\$355	\$-	\$-	\$-	\$2,255	\$2,147
\$500,000	\$2,628	\$450	\$100	\$72	\$355	\$-	\$-	\$-	\$3,605	\$3,374
\$750,000	\$3,943	\$450	\$100	\$108	\$355	\$-	\$-	\$-	\$4,955	\$4,600
\$1,000,000	\$5,257	\$450	\$100	\$144	\$355	\$-	\$-	\$-	\$6,305	\$5,827
<b>Commercial</b>										
\$100,000	\$1,446	\$450	\$100	\$36	\$355	\$72	\$872	\$261	\$3,590	\$3,484
\$250,000	\$3,614	\$450	\$100	\$90	\$355	\$72	\$872	\$261	\$5,812	\$5,504
\$500,000	\$7,228	\$450	\$100	\$179	\$355	\$72	\$872	\$261	\$9,516	\$8,871
\$750,000	\$10,842	\$450	\$100	\$269	\$355	\$72	\$872	\$261	\$13,220	\$12,238
\$1,000,000	\$14,457	\$450	\$100	\$359	\$355	\$72	\$872	\$261	\$16,924	\$15,605

### Residential rates by ward and community

	Land Values	General Rates	UAGC	Road UAGC	Roading Rate	Ward Rate	Stormwater	Other	Wastewater if connected	Water if connected (excluding usage)	2018/19	2017/18
<b>Bay of Islands - Whangaroa</b>												
Kaero	\$75,184	\$395	\$450	\$100	\$11	\$366	\$36	\$-	\$1,243	\$-	\$2,601	\$2,603
Kawakawa	\$41,918	\$220	\$450	\$100	\$6	\$366	\$36	\$5	\$1,062	\$325	\$2,570	\$2,611
Moerewa	\$17,618	\$93	\$450	\$100	\$3	\$366	\$36	\$5	\$1,062	\$325	\$2,439	\$2,492
Kerikeri	\$193,725	\$1,018	\$450	\$100	\$28	\$366	\$36	\$-	\$986	\$160	\$3,144	\$3,105
Okaihau	\$71,577	\$376	\$450	\$100	\$10	\$366	\$36	\$-	\$-	\$357	\$1,695	\$1,700
Paihia	\$192,011	\$1,009	\$450	\$100	\$27	\$366	\$36	\$18	\$904	\$220	\$3,130	\$3,050
Russell	\$377,364	\$1,984	\$450	\$100	\$54	\$366	\$36	\$-	\$1,039	\$-	\$4,028	\$3,833
Whangaroa	\$188,101	\$989	\$450	\$100	\$27	\$366	\$36	\$-	\$1,237	\$-	\$3,204	\$3,165
<b>Kaikohe - Hokianga</b>												
Kaikohe	\$40,111	\$211	\$450	\$100	\$6	\$378	\$36	\$-	\$735	\$281	\$2,196	\$2,202
Kohukohu	\$94,713	\$498	\$450	\$100	\$14	\$378	\$36	\$-	\$1,235	\$-	\$2,710	\$2,792
Opononi / Omapere	\$126,417	\$665	\$450	\$100	\$18	\$378	\$36	\$-	\$848	\$668	\$3,162	\$3,114
Rawene	\$75,632	\$398	\$450	\$100	\$11	\$378	\$36	\$-	\$900	\$375	\$2,648	\$2,919
<b>Te Hiku</b>												
Ahipara	\$142,931	\$751	\$450	\$100	\$20	\$309	\$36	\$-	\$827	\$-	\$2,494	\$2,423
Kaitaia / Awanui	\$38,126	\$200	\$450	\$100	\$5	\$309	\$36	\$-	\$798	\$268	\$2,166	\$2,174
East Coast	\$169,649	\$892	\$450	\$100	\$24	\$309	\$36	\$-	\$784	\$-	\$2,595	\$2,510
Hihi	\$135,826	\$714	\$450	\$100	\$19	\$309	\$36	\$-	\$1,142	\$-	\$2,770	\$2,714
Rangiputa	\$143,443	\$754	\$450	\$100	\$21	\$309	\$36	\$-	\$887	\$-	\$2,556	\$2,490
Whatuwhiwhi	\$143,443	\$754	\$450	\$100	\$21	\$309	\$36	\$-	\$893	\$-	\$2,563	\$2,497

## Projected number of Rating units

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

Council is projecting 37989 rating units at 30 June 18, with assumed annual growth of .00125%:

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
37,989	38,036	38,084	38,132	38,179	38,227	38,275	38,323	38,371	38,419

The projected total values at 30 June 2018:

- Land Value \$8,117,979,250
- Capital Value of \$15,767,437,550

## Definition of a Separately Used or Inhabited Part of a Rating Unit

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement
- any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- individual flats or apartments
- separately leased commercial areas which are leased on a rating unit basis
- vacant rating units
- single rating units which contain multiple uses such as a shop with a dwelling
- a residential building or part of a residential building that is used, or can be used as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, e.g. cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

The following are not considered to be separately used or inhabited parts of a rating unit:

- a residential sleep-out or granny flat that does not meet the definition of an independent residence
- a hotel room with or without kitchen facilities
- a motel room with or without kitchen facilities
- individual offices or premises of business partners.

## Postponement charges

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

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

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

## Payment of Rates

### Rates

With the exception of water by meter charges, Council will charge the rates for the 2018/19 rating year by way of four equal instalments. Each instalment must be paid on or before the due dates set out below. Any rates paid after the due date will become liable for penalties as set out;

### Rate instalment dates

Instalment	Due date	Penalty date
One	20 August 2018	27 August 2018
Two	20 November 2018	27 November 2018
Three	20 February 2019	27 February 2019
Four	20 May 2019	27 May 2019

### 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 2018	20/12/2018	03/01/2019	May 2019	20/06/2019	27/06/2019
Kaitia	Aug 2018	20/09/2018	27/09/2018	Feb 2019	20/03/2019	27/03/2019
Kawakawa	July 2018	20/08/2018	27/08/2018	Jan 2019	20/02/2019	27/02/2019
Kerikeri	Sep 2018	23/10/2018	30/10/2018	Mar 2019	22/04/2019	29/04/2019
Okaihau	July 2018	20/08/2018	27/08/2018	Jan 2019	20/02/2019	27/02/2019
Omapere / Opononi	July 2018	20/08/2018	27/08/2018	Jan 2019	20/02/2019	27/02/2019
Paihia	Oct 2018	20/11/2018	27/11/2018	Apr 2019	20/05/2019	27/05/2019
Rawene	July 2018	20/08/2018	27/08/2018	Jan 2019	20/02/2019	27/02/2019

### Penalties on Rates

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

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

- A ten percent (10%) penalty on any portion of each instalment of rates assessed in the 2018/2019 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.

For rating area maps please see our website: [www.fndc.govt.nz](http://www.fndc.govt.nz) keyword: rating

# Policies

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*Opuā Cycling, Bay of Islands.  
Photographer: David Kirkland. Courtesy of Northland Inc.*



# Significance and Engagement Policy

## Background

For every decision that Council makes, we need to determine how important, or significant, it is to our community. We look at a number of factors, including who is affected by or interested in the decision, how the decision may impact levels of service, and what the costs will be.

These factors help us to work out how to engage with the community, i.e. whether to involve the community in making the decision, ask for community feedback on the decision, or simply tell the community what is happening.

The way we engage is often set by legislation, and there are many steps to follow. This policy guides how we determine the significance of a decision and how we engage the community based on that level of significance.

## Objectives

The objectives of this policy are to:

- ensure consistency when determining the significance of proposals, assets and decisions;
- identify the extent and type of public engagement required before a decision is made;
- build positive relationships with stakeholders and the wider community, encouraging co-operation, respect and mutual understanding of other points of view; and
- comply with section 76AA of the Local Government Act 2002.

## Definitions

**Consultation** is the process of informing the community and seeking information or feedback to inform and assist decision-making. Consultation is a formal type of engagement, and is often prescribed by legislation and time bound.

**Engagement** is a process which involves all or some of the community and is focused on better understanding views and

preferences which are relevant to Council's decision-making or problem-solving. There is a continuum of engagement ranging from 'inform' to 'empower'.

**Significance** has the same definition as section 5 of the Local Government Act 2002

**Strategic Asset** has the same definition as section 5 of the Local Government Act 2002

## Policies

### Determining significance

1. Significance will be 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, Council will be guided by:
  - legislative requirements;
  - historic levels of community impact or interest in the proposal;
  - 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; and
  - whether the decision is inconsistent with previous Council decisions, according to s80 of the LGA 2002.

### Matters of high significance

3. A decision will be considered to be of high significance by Council if one of the following applies:
  - it involves the transfer of the ownership or control of a strategic asset (Appendix A) to or from Council; or
  - it is inconsistent with Council plans or policies and meets one of the thresholds below:

Criteria	Threshold
Financial impacts	The proposal will incur net operational expenditure exceeding 2.5% of total rates in the year commenced or net capital expenditure exceeding 10% of total rates in the year commenced.
Level of public interest	The proposal will generate considerable interest or community views render the community deeply divided.
Effect on the district or ward	The proposal will create radically different effects on ratepayers
Effect on individuals or communities	The proposal will radically impact on specific demographics.
Levels of service	The changes to the level of service will be major and long-term.

The process used to determine significance is outlined in Appendix B.

## Determining engagement

4. Once assessed, the level of significance will be used to determine the corresponding level of engagement (Appendix C).
5. Where necessary, Council will undertake engagement at the level prescribed by legislation.

## Principles for engagement

6. Council seeks to inform communities about decisions that affect them, provide an opportunity for meaningful community input into decisions, and promote a sense of ownership of its decisions by the people of the district. Council will do this by upholding the following principles:
  - being genuine in our consultation and engagement
  - being open to community feedback before making decisions
  - giving our community a timely opportunity to have a say
  - empowering the community to give informed feedback and, wherever possible, enabling the community to consider options relating to the proposal
  - not treating consultation or engagement as a poll or a referendum; feedback will be weighted in accordance with other considerations
  - providing feedback to those who made the effort to give us their opinions and explaining our decisions.

## Engaging with Tangata Whenua

7. When engaging with Tangata Whenua and Māori, Council will:
  - acknowledge the unique perspective of Māori and recognise that Māori are more than an interest group or stakeholder;
  - provide opportunities and capacity for Māori to contribute to its decision-making processes;
  - ensure existing general and project-specific relationship processes between Council and Tangata Whenua will, where working well, remain as a starting point for engagement;
  - recognise and empower existing formal relationships (i.e. MOUs) with iwi and hapū; and
  - fulfil our obligations under any Treaty settlement legislation.

## When Council may choose not to engage

8. There are times when Council may not consult the community. Things Council will generally not engage on include but are not limited to:
  - operational matters that do not reduce a level of service;

- emergency management activities;
- those decisions made by delegation to Council staff;
- commercially sensitive decisions (e.g. awarding contracts);
- decisions made to manage an urgent issue;
- decisions where action is necessary to:
  - comply with the law;
  - protect life, health, or amenity and infrastructure
  - prevent serious damage to property; and
  - avoid, remedy, or mitigate an adverse effect on the environment.

## Appendix A – Strategic assets

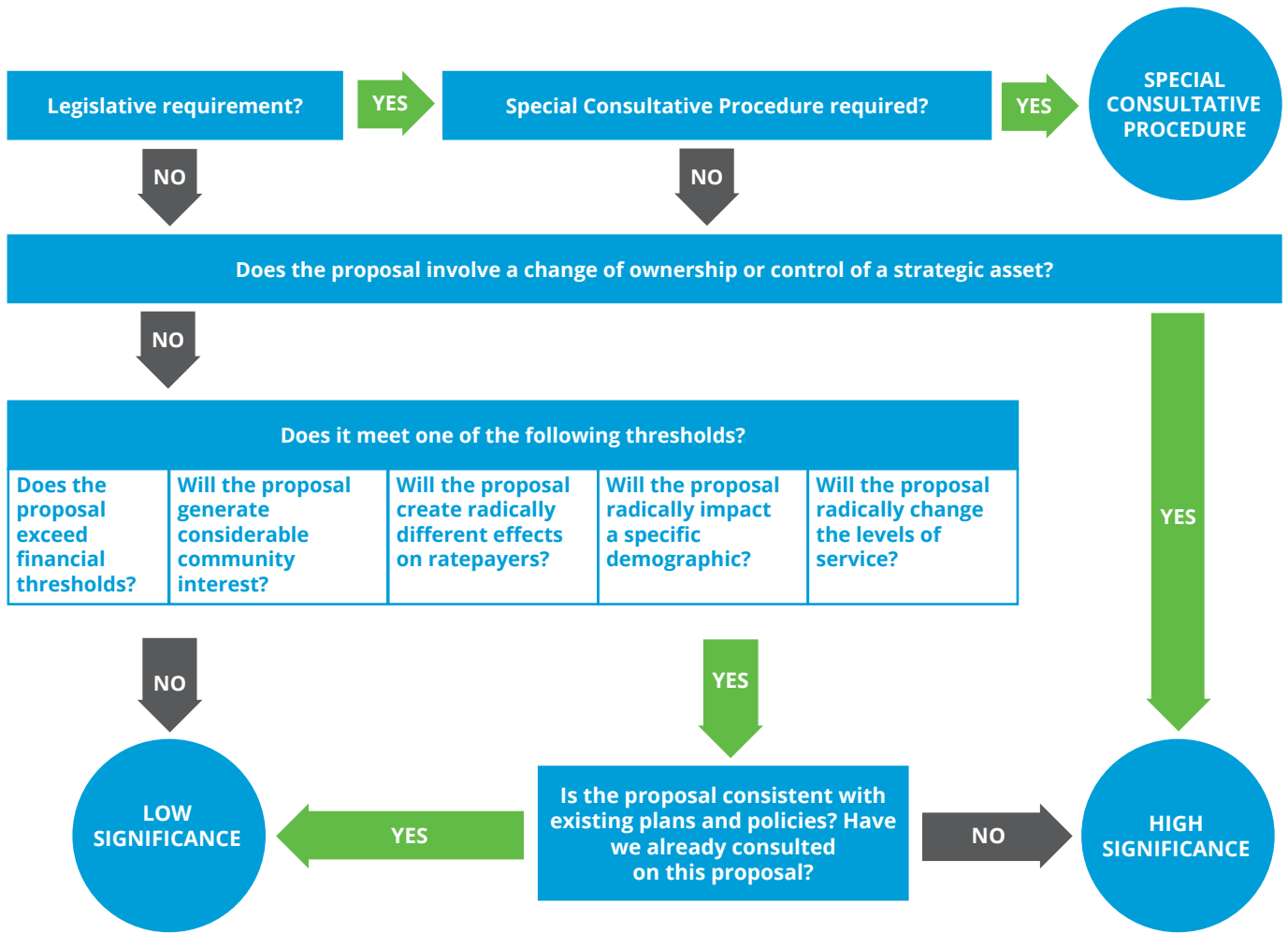
Section 5 of the LGA provides that the following are strategic assets:

- a. *“any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and*
- b. *any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- c. *any equity securities held by the local authority in -*
  - i. *a port company within the meaning of the Port Companies Act 1988*
  - ii. *an airport company within the meaning of the Airport Authorities Act 1966”*

The following list of assets are required to maintain capacity to achieve any outcome that determined to be important to the current and future needs of the community.

- Council Headquarters
- The roading network
- The stormwater network
- The wastewater network
- The water supply network
- The open space network, including parks, walkways and sportsfields under the Reserves Act 1977
- Council-owned cemeteries
- Libraries
- Shares in Far North Holdings Limited
- Housing for the elderly.

**Appendix B – Significance flowchart**



## Appendix C – Engagement framework

### Threshold Assessment

#### Does the proposal exceed financial thresholds?

Factors to consider:

1. The financial cost of the decision, in the short term, medium term and long term
2. The extent of the impact on rates and / or debt
3. The impacts on Council's capacity / capability to meet legislative requirements

Little impact

Medium impact

Large impact



#### Will the proposal generate considerable community interest?

#### Will the proposal create radically different effects on ratepayers?

#### Will the proposal radically impact a specific demographic?

Factors to consider:

1. The number of individuals, organisation, groups and sectors within the community that are affected
2. The extent of the impact on affected individuals, organisations, groups and sectors within the community
3. The potential for the issue to generate interest or controversy
4. The extent to which community opinion is divided on the matter

General community agreement

Divided community views



#### Will the proposal / decision change the levels of service?

Factors to consider:

1. The effects of existing levels of service provided by Council for significant activities
2. The long-term social, economic, environmental and cultural impacts of the proposal / decision on the needs of current and future generations
3. The opportunity costs, the level of risk and how difficult it would be to reverse the effects of the decision


Little impact

Medium impact

Large impact



## Engagement assessment

<b>Significance</b>	LOW	MEDIUM	HIGH		
<b>Expectation</b>	MINIMUM	Local Government Act 2002 s82 and s83			
<b>Level of engagement</b>	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
<b>Engagement Focus</b>	This is what we are doing	Tell us what you think	Help us decide	Let's work together	You make the decision
<b>What does it involve?</b>	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.
<b>Examples of when you would use this level of engagement</b>	Operational matters; Annual Reports; Water restrictions	Annual Plan with significant changes	Bylaw reviews; Reserve Management Plans	Iwi MOUs; Community Plans	By-Election Referenda
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made.	Council would advise the community once a draft decision is made by 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, Council may consider extending this period.	Council would generally provide the community with a greater lead-in time to allow them time to be involved in the process.	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.	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.
<b>Tools Council can use</b>	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

# 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.

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 Far North District 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 Council has taken the following factors into account:

- the community outcomes to which each activity primarily contributes
- who benefits from the activity
- the period of time 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 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 Council considers is an optimal funding arrangement for the activity.

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 Council's activities that are, as far as possible, affordable, transparent, and accountable.

## Funding principles

After considering the above factors, 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
- Council will use any other funding sources before rates
- capital expenditure to replace assets will be funded from depreciation reserves
- 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. 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 Council, including a contribution to the wear and tear on assets used (referred to as depreciation). 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 a number of 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 Council.

## Grants, sponsorship and subsidies

Grants, sponsorship and subsidies are leveraged when available. Council expects to continue receiving substantial subsidies for roading and footpath activities from the New Zealand Transport Agency (NZTA).

## Investment income, dividends and interest

Income from dividends and interest is used to offset the overall costs of Council.

## Other revenue

Council receives other operating income from:

- petrol tax
- property rentals
- other minor sources.

## Rates

Having identified all other potential funding sources, Council funds operating expenses from rates as follows:

### General Rates

Council sets its General Rates on the basis of Land Value.

The General Rate is set using two differentials, general and commercial. This reflects 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)

Council sets a UAGC. The UAGC is applied to each Separately Used or Inhabited Parts (SUIP) of a Rating Unit.

### Targeted Rates

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 Council charges for sewerage. 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, 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.

Council's targeted rates are:

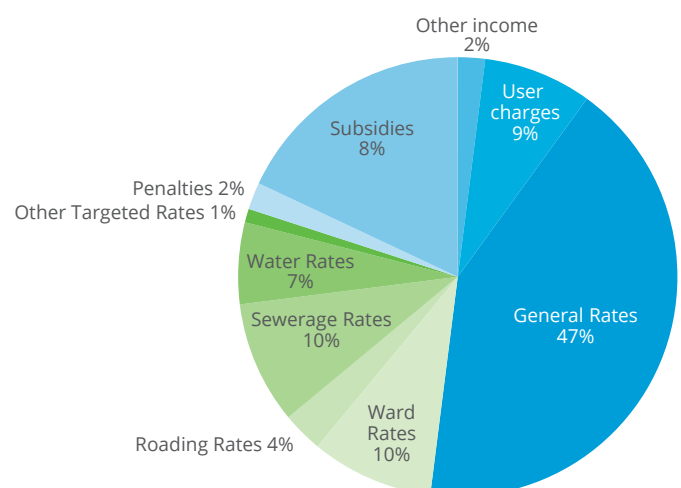
- Ward rates for the Bay of Islands-Whangaroa, Kaikohe-Hokianga and Te Hiku wards.
- Urban stormwater rate.
- Drainage rates for Kaitaia, Kaikino, Motutangi, Waiharara.
- Sewerage capital rates for each Council wastewater scheme.
- Sewerage operating rates for each Council wastewater scheme.
- Water capital rates for each Council water scheme.
- Community development rates for Paihia and Kaitaia CBDs.
- Bay of Islands Recreation Centre rate.
- Roading uniform rate.
- Differential roading rate.
- Water by meter charges.

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 for 2018/19

Operating costs are the day to day spending that maintains the services delivered by 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 2018/19.

## 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.

### Council reserves

Reserves include financial contributions collected under the Resource Management Act 1991 and development contributions collected under the Local Government Act 2002.

While 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.

### Lump sum contributions

Lump sum contributions are made by ratepayers where they choose this method of payment towards specified capital works. An example is the \$86k to be paid by the ratepayers of Hupara Road for the sealing project due to complete December 2018. This value is too small to show in the sources of income graph (Figure 1).

### Capital contributions

Capital contributions are made by ratepayers or other parties in support of specific capital projects. An example is the 66% capital contribution to be made by the community towards the construction of the proposed swimming pool in Kaitaia.

### Grants, subsidies and other income

Contributions towards capital expenditure from other parties such as the New Zealand Transport Agency (NZTA) in relation to certain roading projects, and the Crown in relation to certain wastewater projects.

### Revenue collected to fund renewals

Renewal projects are primarily funded from depreciation reserves where those funds are available.

### Proceeds from the sale of assets

From time to time 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 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 Council may undertake specific capital works funded by borrowings, where the debt repayment is sourced from targeted rates, usually for specific community projects.

### Hupara Road private sealing rate

Council has set a this targeted rate at the request of the ratepayers of Hupara Road, Pakaraka. The purpose of this rate is to fund the sealing of the road in partnership with the residents.

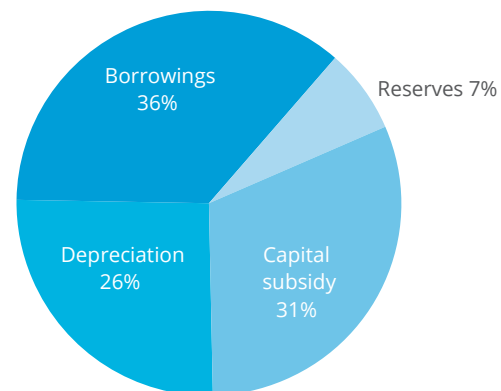
The rate is to be charged from the year following completion of the works. We anticipate that this rate will come into effect in 2019/20.

### Operating surpluses

Operating surpluses may be used to fund capital expenditure.

### Capital Funding Sources 2018/19

Figure 2 – Summary of capital funding



Note: Capital funding sources may change from year to year. This summary shows funding arrangements for 2018/19.

## Balanced budget

Section 100 of the LGA requires that Council's projected operating revenues match its projected operating expenditures. Despite this, 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.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. 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. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.



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 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 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 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 Council has considered each of these requirements and how they relate to the final Revenue and Financing Policy.

Analysis identifies the arrangements 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 Council's ability to recover costs from user charges.

## Section 101(3) analysis of operating expenditure by activity

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, 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

Council will fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

Generally it is not practical to create separate funding policies for each and every capital project, so 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 Council resolves to consider a separate funding policy 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, Council will resolve the funding policy at the time the project is proposed in an Annual Plan or LTP.

### APPENDIX A – Funding of operational expenditure

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
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Notes:

1. The Funding Source relates to 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. Refer to Appendix C for a description of these headings.

#### Funding source – Rates 100% (approx. may include other minor funding sources)

Customer Services	Sustainable Development Sustainable Infrastructure	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.
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## APPENDIX A – Funding of operational expenditure

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Economic Development	Sustainable Development	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
Environmental Policy	Safety Environmental Protection	Community	Ongoing	Community	Core planning function providing no particular benefit to any except in the case of private plan changes so it is fully general rate funded	The activity is undertaken for the benefit of the district as a whole, it is therefore fully funded from General Rates
Footpaths	Safety Sustainable Infrastructure	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 Council activities and is therefore fully funded from General and Ward Rates
Governance	Leadership	Community	Ongoing	Community	This activity is core to Council's democratic operations so it is fully general rate funded	This activity supports Council's democratic process it is therefore fully funded from General Rates
Land Drainage	Sustainable Infrastructure	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 land owners located within the defined drainage areas. It is therefore fully funded by local targeted rates
Māori Engagement	Partnerships Te Tiriti o Waitangi	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
Public Safety	Safety	Individuals, Groups	Ongoing	Individuals, Groups	Most of the costs of this activity relate to its public benefits so it is fully general rate funded	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

**APPENDIX A – Funding of operational expenditure**

<b>Activity</b>	<b>Community outcomes - refer Appendix B</b>	<b>Who benefits</b>	<b>Period of benefit</b>	<b>Whose actions creates a need</b>	<b>Separate funding</b>	<b>Rationale</b>
Recreation	Sustainable Development Sustainable Infrastructure	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 Council's recreational activities are non-excludable. That means that Council cannot exclude people from using the facilities. For that reason the activity is fully funded from General and Ward Rates
Stormwater	Safety Sustainable Infrastructure	Community	Ongoing	Landowners	Primarily General Rate funded with a limited targeted rate over urban areas to fund specific capital projects	Despite the private benefit received from the provision of stormwater, Council is of the view that the overall benefit to the community as a whole supports the continuation of the funding from the general rate with a smaller stormwater rate over urban communities
Strategic Planning	Sustainable Development	Community	Ongoing	Community	This is a core planning function so it is fully general rate funded	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from General Rates
Town Maintenance	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is funded by General and Ward Rates	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
Water Supply	Safety Sustainable Infrastructure	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

## APPENDIX A – Funding of operational expenditure

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Sewerage Treatment and Disposal	Safety Environmental Protection	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 is primarily undertaken for the benefit of the ratepayers connected to the schemes however there is a small public benefit arising from wastewater treatment protecting the environment. For this reason a small general rate contribution provided

### 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	Sustainable Infrastructure	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	Whist 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
Building Compliance Management	Safety Environmental Protection	Community	Ongoing	Community	This activity is predominantly carried out for the public good, and whilst there is some fee income this is limited. Unrecovered costs are funded from general rates	This activity is primarily about Council ensuring that it meets its legislative requirements as a consent authority therefore much of the costs are not recoverable. The cost of issuing compliance and other certificates are borne by applicants which the shortfall funded by general rates
Monitoring and Enforcement	Safety	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	The majority of 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

**APPENDIX A – Funding of operational expenditure**

<b>Activity</b>	<b>Community outcomes - refer Appendix B</b>	<b>Who benefits</b>	<b>Period of benefit</b>	<b>Whose actions creates a need</b>	<b>Separate funding</b>	<b>Rationale</b>
Libraries	Sustainable Development Sustainable Infrastructure	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	By their nature libraries are seen as a public benefit provided to the community. Given the remote nature of many of the district's communities and the relatively low level internet access, libraries are important facility providing sources knowledge and supporting and improving educational opportunities in the district. For these reasons they are primarily funded from General Rates
<b>Funding source – Rates 80% - 89% User Charges 11% - 20%</b>						
Swimming Pools	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Individuals, Community	This project is primarily provided for the benefit of the community so it will be funded by new targeted rates	This is a proposed new activity which is included in the LTP for consultation in response to requests from the community. Council has agreed to provide up to 33% of the capital costs of the establishment of a new heated swimming pool in Kaitaia
<b>Funding source – Rates 70% - 79% User Charges 21% - 30%</b>						
Information Centres – i- SITES	Sustainable Development Sustainable Infrastructure	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. Council's avowed intention is to make i-SITES fully self-funding but, given that they also act as service centres, this is unlikely to be achieved

## APPENDIX A – Funding of operational expenditure

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
<b>Funding source – Rates 60% - 69% User Charges 31% - 40%</b>						
Solid Waste Management	Safety Sustainable Infrastructure	Community	Ongoing	Community	Council has previously considered whether to separately fund this activity but has retained the current general rate funding	<p>This activity is about the management of the waste stream for the district as a whole therefore it is appropriate for it to be primarily funded from general rates with some user charges</p> <p>The collection and management of refuse within the communities is carried out by independent operators who charge directly for the service</p>
Cemeteries	Safety Sustainable Infrastructure	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	<p>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</p>
Animal Control	Safety	Individuals, groups and community	Ongoing	Individuals	<p>Majority of funding is received from fees and charges but there is an overall benefit to the community as a whole</p> <p>Unrecovered costs are funded from general rates .</p>	<p>Animal Control includes both dog and other animal and stock control.</p> <p>The majority of dog owners register their dogs in the required time and rarely call upon the service beyond the registration or micro-chipping requirements.</p> <p>The majority of responses to incidents or complaints come from the general public and whilst there are mechanisms to recover some costs, these are limited and the fee income rarely covers this expense</p>

## APPENDIX A – Funding of operational expenditure

Activity	Community outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
<b>Funding source – Rates 50% - 59% User Charges 41% - 50%</b>						
Parking Enforcement	Safety Sustainable Development	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.	The majority 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
<b>Funding source – Rates 40% - 49% User Charges 51% - 60%</b>						
Resource Consent Management	Safety Environmental Protection	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
Environmental Health	Safety Environmental Protection	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	Many of the costs arising from this activity relate to private benefits and the control of negative effects. The ability to recover those costs is governed by statute or a need to remain affordable to avoid the risk of reduced compliance rates  There is an overall benefit to the community from increased safety and health which is reflected in the general rate funding
Building Consent Management	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, groups	This activity is primarily funded by separate fees – some costs arise from the provision of 'public good' activities such as giving information and advice, this is funded by general rates	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

**APPENDIX A – Funding of operational expenditure**

<b>Activity</b>	<b>Community outcomes - refer Appendix B</b>	<b>Who benefits</b>	<b>Period of benefit</b>	<b>Whose actions creates a need</b>	<b>Separate funding</b>	<b>Rationale</b>
Elderly Persons Housing	Safety Sustainable Infrastructure	Individuals	Ongoing	Individuals	High level of private benefit paid for in rental income but some costs cannot be recovered  Unrecovered costs funded from general rates	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 a number of factors such as unexpected vacancies, market conditions etc. In that event the additional funding will be provided from General Rates

**Funding source – Rates 30% - 39% User Charges 71% - 80%**

Roading	Safety Sustainable Infrastructure	Community	Ongoing	Users	Council recognised that different categories of ratepayers receive different benefits. For this reason is has mixed funding with 10% net received from land use based targeted rates with the balance being funded from general rates. There is a small contribution from other fees and charges	Council considered separately funding the whole of the roading activity with differentiated targeted rates but as a result of community engagement agreed to primarily fund it from General Rates with a relatively small contribution from Targeted Rates and fees and charges  Council believes that this arrangement provides clarity and affordability for funding the roading activity.
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**Funding source – Rates 10% - 19% User Charges 81% - 90%**

Motor Camps	Sustainable Development Sustainable Infrastructure	Individuals, groups	Ongoing	Individuals, groups	High public benefit but users pay direct to the operator meaning that there are limited opportunities for separate funding	This activity is primarily funded by lease rentals. Some rate funding is required to support the monitoring of illegal camping
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**Appendix B**

Council's community outcomes were reviewed as part of the LTP 2018-28. These can be found on page 11.



## 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 Council's Outcomes adopted 28 February 2018
S101(3)(a)(ii)	Who benefits	<p>Council has grouped the beneficiaries of every activity according to the following criteria:</p> <p>Individuals: where there is a direct benefit to a user</p> <p>Groups: where a particular group in the community benefits. For example, a group could be identified by proximity to a service or by association</p> <p>Community: where there is a benefit to the majority of persons or properties in the community.</p>
S101(3)(a)(iii)	Period of benefit	<p>For operating costs the period of benefit is generally ongoing as Council regularly provides the service</p> <p>For the purpose of user charges the benefit is generally restricted to the period of use, and user charges generally recognise this</p> <p>For capital projects 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</p>
S101(3)(a)(iv)	Whose act creates a need	Council considered whether the action or inaction of individuals or groups contribute to the need to undertake the activity. This assessment may help 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 Council
S101(3)(a)(v)	Separate funding and funding source	<p>In the first instance 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, Council considered the cost of and efficiency of collecting the separate revenues</p> <p>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</p>
S101(3)(b)	Rationale	<p>In considering the overall impact of the liability to pay rates, 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</p> <p>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 Council provides</p>

## Price level adjustors

Source		Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 4 2021/22	Year 5 2022/23	Year 6 2023/24	Year 7 2024/25	Year 8 2025/26	Year 9 2026/27	Year 10 2027/28	20 Year Average
<b>Capital Expenditure</b>												
All activities	LGCI - CAPEX	2.0%	2.2%	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.6%	2.7%	2.5%
<b>Specific Operating</b>												
Roading and Footpaths	BERL - Roothing	2.0%	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%	2.6%	2.7%	2.8%	2.5%
Water Supply	BERL - Water & Environmental	2.3%	2.5%	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%	2.6%
Wastewater	BERL - Water & Environmental	2.3%	2.5%	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%	2.6%
Stormwater	BERL - Water & Environmental	2.3%	2.5%	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%	2.6%
Solid Waste Management	BERL - Water & Environmental	2.3%	2.5%	2.3%	2.4%	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%	2.6%
District Facilities	BERL - Community Activities	1.7%	2.0%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.6%	2.3%
Customer Services	BERL - Community Activities	1.7%	2.0%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.6%	2.3%
Environmental Management	BERL - Planning & Regulation	2.0%	2.1%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.3%
Others	BERL - Planning & Regulation	2.0%	2.1%	2.1%	2.1%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.3%

# Other Information

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*Russell, Bay of Islands. Courtesy of Northland Inc.*

# Independent Auditor's Report

## To the reader

### Independent auditor's report on Far North District Council's 2018-28 Long Term Plan

I am the Auditor-General's appointed auditor for Far North District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long-term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2018.

### Opinion

In my opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 35 to 36 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

### Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

### Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's plan and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



Karen MacKenzie  
Audit New Zealand  
On behalf of the Auditor General  
Auckland, New Zealand

# Glossary

## Activity

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

## Activity Management Plans (AMPS)

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

## Allocated costs

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

## Annual Plan

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

## Annual Report

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

## Appropriation

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

## Assets

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

## AWPT

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

## BERL

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

## Capital Value (CV)

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

## Capital expenditure (CAPEX)

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

## CBEC

Abbreviation for Community Business and Environment Centre.

## CP

Abbreviation for commercial paper.

## Community

The people of the area covered by Council.

## Community Board

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

## Community Development (CD)

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

## Community outcomes

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

## Constituency

An electoral area within district boundaries.

## Council Controlled Organisation (CCO)

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

## Council Controlled Trade Organisation (CCTO)

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

## Council

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

## Development contributions

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

## Depreciation

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

### **Deighton Total Infrastructure Management System (dTIMS)**

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

### **Far North Holdings Limited (FNHL)**

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

### **Fees and Charges**

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

### **FNDC**

Abbreviation for Far North District Council.

### **FRAs**

Abbreviation for Forward Rate Agreements.

### **Infrastructure**

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

### **Internal recoveries**

Recovery of costs by support departments from other Council departments.

### **ISDA**

Abbreviation for International Swaps and Derivatives Agreement.

### **Land Value (LV)**

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

### **Levels of service (LOS)**

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

### **LGA**

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

### **LGCI**

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

### **Liabilities**

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

### **Loan funds**

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

### **Local Government Statement**

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

### **Long Term Plan (LTP)**

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

### **NZTA**

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

### **New Zealand Transport Strategy**

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

### **NZ GAAP**

New Zealand Generally Accepted Accounting Practices.

### **Operating expenditure**

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

### **Performance indicators**

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

### **Private benefit**

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

### **Public benefit**

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

### **Rates**

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

### **Regional Council**

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



**Renewal expenditure**

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

**Reserve contribution**

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

**Resource Consent**

Special permission from Council for an activity related to land.

**Restricted assets**

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

**Reticulation**

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

**Revenue and financing policy**

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

**RFS**

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

**Service levels**

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

**Significance**

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

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

**Special Consultative Procedure (SCP)**

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

**Special funds / Reserve funds**

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

**Stormwater Catchment Management Plans**

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

**Sustainability**

Sustainability focuses on improving the quality of life for all people without increasing the use of natural resources beyond the capacity of the environment to supply them indefinitely. Sustainable activities utilise resources and build capacity in a way that ensures the activity can be safely maintained over time.

**Sustainable development**

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

**Territorial Authority**

A city or district council.

**Triennial agreement**

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

**Uniform Annual General Charge (UAGC)**

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

**Utilities (Utility assets)**

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

**Ward**

An area within the District administered by Council.



## CONTACT US

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