

He pārongo tautoko

Supporting information



Long Term Plan 2024-2034 consultation

March 2024

Ihirangi

Contents

Nau mai, harae mai

Nau mai - Welcome	5	Rating base information	141
Nau mai Welcome	6	Ngā mahere pūtea - Finances	143
Ō koutou Kaikaunihera Your regional councillors	8	Prospective financial statements	144
Te mahere rautaki a te Kaunihera Council's strategic direction	9	Prospective statement of comprehensive revenue and expense	144
Ngā take whakahoki kōrero - Key issues for feedback	11	Prospective statement of financial position	146
Te taiao Natural environment	13	Prospective statement of changes in equity	148
Te aumangeatanga hapori Community resilience	15	Prospective statement of cashflows	148
Te hautūtanga ā-rohe Regional leadership	20	Significant forecasting assumptions	151
Ētahi atu momo whakataunga Other decisions	22	General assumptions	152
Tō tātou rohe - About our region	27	Financial assumptions	154
Rautaki Pūtea - Financial strategy	31	Depreciation by activity	160
Te whakahaere waipuketanga - Infrastructure strategy: Flood management and control	41	Capital expenditure	161
Mahi hāoho mō te āhuarangi - Climate action	57	Schedule of reserves	162
Ngā mahi a te kaunihera - Council activities	63	Financial prudence	177
Te taiao Natural environment	65	Ngā kaupapa here - Policies	181
Te aumangeatanga hapori Community resilience	76	Revenue and financing policy	183
Te hautūtanga ā-rohe Regional leadership	89	Financial contributions policy	192
Te tauāki pāpātanga pūtea - Funding impact statement	101	He kaupapa here mō te noho rangapū ā-Tiriti me te Māori Policy on Te Tiriti Partnerships with Māori	193
Ngā reiti - Rates	105	Significance and engagement policy	197
Rating funding impact statement	106	Ngā rōpū e tūhonongia ana ki te Kaunihera - Related organisations	201
Types of rates	108	Group structure	202
Further rating information	124	Council-controlled organisations	203
Summary table of rates	126	Subsidiary organisations	213
How much will my rates be?	128		

Nau mai

Welcome



Nau mai

Welcome

Toitū te whenua **If the land is well**
Toitū te moana **If the sea is well**
Toitū te tangata **The people will thrive**

Nau mai, haere mai! Welcome to our Long Term Plan process.

This supporting information document underpins the consultation that is part of the process for developing Te Mahere Roa | Long Term Plan 2024–2034. This is where we've pulled together the detail of our proposals and spending for the next 10 years, as well as other policies and strategies we want your feedback on.

If you've read our consultation document and you're coming here for more information on our key issues, the best place to start is the section called **Ngā take whakahoki kōrero – Key issues for feedback**. In this document you'll also find:

- » information about our region
- » the draft financial strategy for 2024–2034, which guides the way we manage our money, including borrowing, debt and rate limits
- » the draft infrastructure strategy for 2024–2034, which identifies issues and options for our flood management and control assets
- » information on how we continue adapting to, and reducing the effects of, climate change and building resilient communities
- » information on the activities that comprise our natural environment, community resilience and regional leadership groups (including proposed changes to levels of service, performance measures, and spending)
- » detailed financial information, including rating examples
- » the draft revenue and financing policy, financial contributions policy, policy on Te Tiriti Partnerships with Māori, and significance and engagement policy
- » information on council-controlled and subsidiary organisations.

While this document contains some of our proposed policies in full, other policies, some of which we're seeking feedback on, are available separately on our website. These are the:

- » draft user fees and charges 2024/25
- » draft rating policies
- » statement of accounting policies
- » policy on the appointment of directors to council organisations.

To view these policies, please go to nrc.govt.nz/futureplan

Have your say!

We rely on our communities getting involved with the decisions we need to make. We're seeking feedback on the proposals, policies and strategies in this document from **16 March to 19 April 2024**.

During this time we'll be hosting several events where you can learn more about our proposals, talk to your elected representatives, and provide feedback to us. These events provide an alternative to a traditional hearing and give you an opportunity to give feedback to councillors face to face.

The planned dates and locations for the events are:

Whangārei			
Drop in session	Wednesday, 27 March 2024	9 - 11am	Northland Regional Council, 36 Water Street
Online			
Info and Q & A session	Wednesday, 27 March 2024	6.30 - 8pm	Registration details found online at nrc.govt.nz/futureplan
Kaikohe			
Drop in session	Wednesday, 03 April 2024	11am - 1pm	Mahinga Innovation Centre, 5449A State Highway 12
Kaitiaia			
Māhimaru Marae	Saturday, 06 April 2024	9am - 12pm	6083 State Highway 10, Awanui
Ruawai			
Naumai Marae	Saturday, 13 April 2024	9am - 12pm	4936 State Highway 12, Ruawai

We will also hold hearings based in Whangārei shortly after the feedback period closes. If you would like to present at this, you will need to advise us on your feedback form and we'll be in contact to arrange a time for you.

If you would like to provide your feedback in te reo Māori or New Zealand sign language at one of these events, please contact us on 0800 002 004 so that we can cater to you.

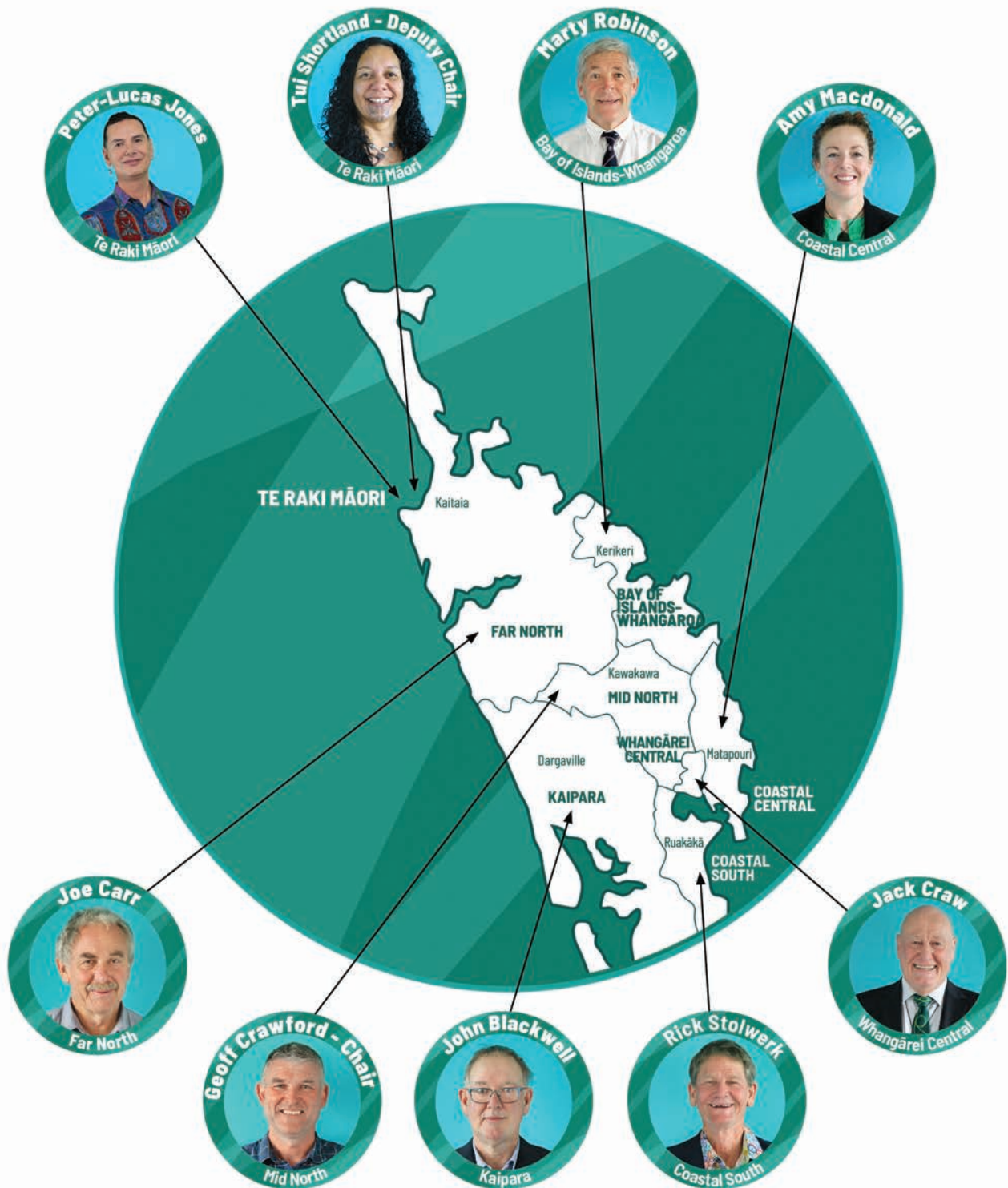
You can also have your say online at nrc.govt.nz/futureplan, by emailing us at submissions@nrc.govt.nz or by grabbing a printed feedback form from one of our service centres and dropping it back to us.

The feedback period closes on Friday, 19 April 2024 so make sure you have everything to us by then.

Thank you for helping us plan for the future of our incredible region!

Ō koutou Kaikaunihera

Your regional councillors



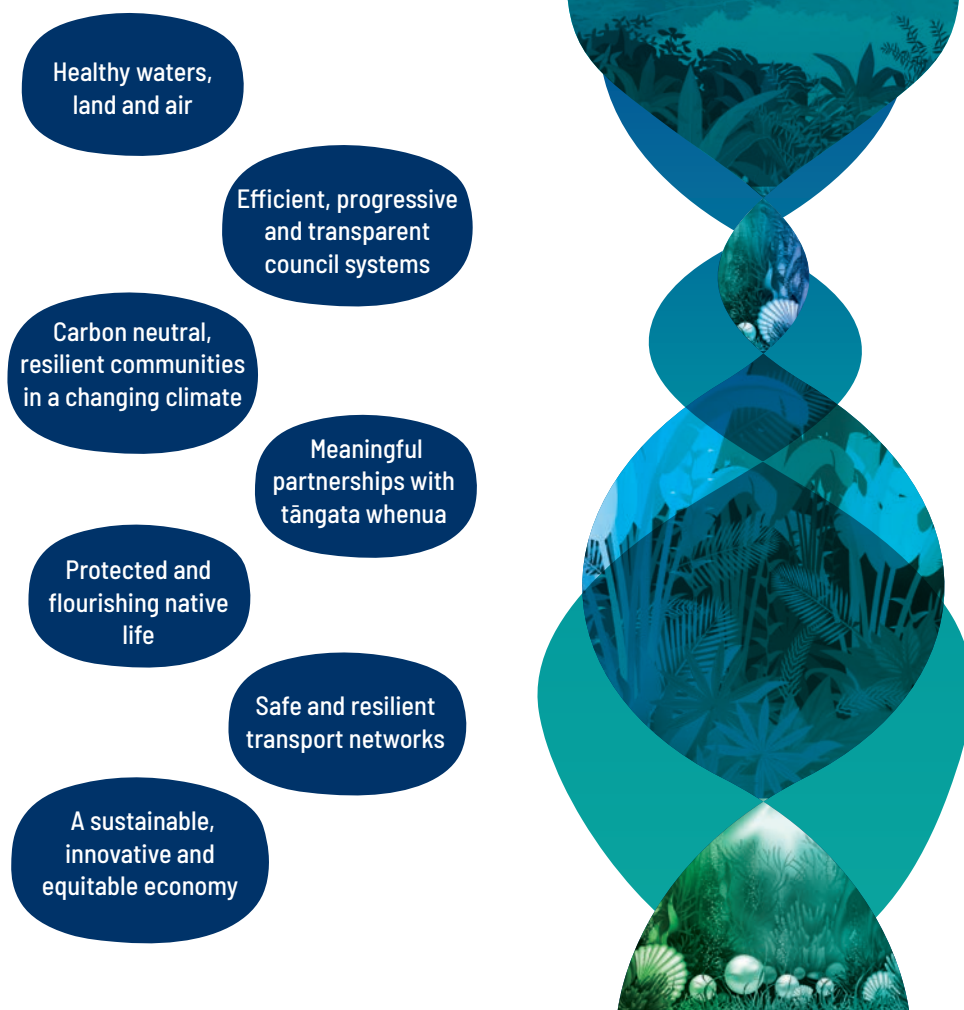
Te mahere rautaki a te Kaunihera

Council's strategic direction

Our vision



Our community outcomes



Ngā take whakahoki kōrero

Key issues for feedback



Te Mahere Roa | Long Term Plan sets our direction for the next 10 years - where we want to go, what we're going to do to get there, and how we're going to pay for it.

The decisions we make today will affect our whānau tomorrow. We want a strong future for Te Taitokerau, with healthy wai where our children can safely swim, equitable transformation across our rohe to protect our people through climate change, and where whānau and whenua flourish.

In planning for the years ahead, we have reflected carefully on our role as a regional council. The future we're working towards, what we're legally required to deliver on, what tāngata whenua and communities want us to be doing, and what our region can reasonably afford to pay for it all.

This Long Term Plan is about rebalancing. We've looked through our existing programmes to see what work can be reprioritised, and what things aren't core business that could potentially be stopped to help keep rates down in a time of high inflation.

We're keen to keep our mahi (and your money) focussed on core business, like caring for te taiao (the natural environment), preparing communities for the long-term effects of climate change, natural hazards and pest control. There's lots of new work to be done, which you'll read about further on in this document.

This section echoes the material set out in our consultation document (nrc.govt.nz/futureplan), and lets you know where in this document you can find more detail on what we're proposing, and how our proposals link in to our level-of-service statements. It's broken into our three activity groupings:

- » **Te Taiao | Natural environment**
- » **Te aumangeatanga hapori | Community resilience**
- » **Te hautūtanga ā-rohe | Regional leadership**

The options – explained

We know our communities are under real financial pressure, so we've presented at least two options throughout this section for you to consider, with the main two being:

- » **Our proposed option**, which is the high-priority work we believe is needed to maintain momentum on existing programmes, address new challenges, foster partnerships, and meet new legislative requirements. This would mean an overall rates increase of 11.05%, or \$58 per rates bill on average for the coming year.
- » **An alternative option, the bare minimum**, that'd keep rate increases in line with inflation¹. While this would fund the bare minimum of what's required to meet legislative and contractual obligations, there are some big consequences with this pared-back option. We'd risk losing momentum on important mahi, and be unable to address many issues and opportunities we're facing. This option would mean an overall rates increase of 2.9%, or \$13 per rates bill on average for the coming year.

Within both options we've re-prioritised existing work and reallocated budget to keep rate increases as low as possible.

Both options are based on our proposal to stop funding emergency services and regional sporting facilities, and redirecting that funding so we can deliver on core work while keeping rates down. If we opt to continue to support these services, the rates increase will be significantly higher. See 'Other decisions' below.

We can always do more. If you think we should go even further than what we've set out in our proposed option, tell us what you'd like to see. Before we make any of these important decisions, we need to hear your whakaaro (thoughts).

Change is currently underway at central government level, which may impact these proposals. We'll be monitoring these changes and will make any necessary alterations to budgets during council deliberations in May.

Note this section also sets out our other proposals, such as changes to rating or financial reserves.

All figures outlined in this section are based on present value. They'll be inflation-adjusted annually during the term of the plan at the rates set out in our **significant forecasting assumptions** found in the Ngā mahere pūtea – Finances section of this document.

¹ Inflation is based on BERL, not CPI.

Te taiao

Natural environment

Environmental management – how do we meet the growing needs?

The way our wai, air, land and moana is managed is critical to the wellbeing of our environment and our people. As a regional council, we're responsible for developing and implementing a whole range of policies and rules to manage and restore the health of te taiao (the environment), in line with national policy and legislation and tāngata whenua values.

Complex plan changes (especially in the freshwater space) directed by national policy, resource management reforms and policy reviews resulting from a new government along with the increased impacts of climate change mean we need to plan for growth in our policy and planning mahi.

Freshwater farm plans are being rolled out across Aotearoa as a practical way for farmers and growers to identify, manage and reduce the impact of farming on the freshwater environment. We've worked out a way to deliver this within our existing budgets, which would mean significantly reducing grant funding for environmental projects in the community and refocusing the services of our land management team to support the freshwater farm plan rollout.

Since 2018 the number of consents we're actively monitoring has increased by 455, and our requests for service have grown by 50%. New legislation has increased the number of consents for activities that previously didn't require one, and future rule changes in freshwater space as a result of national policy are likely to increase the number of consents required, particularly for rural activities. To manage this growth in the consents and compliance space we'll need to bring on board extra capacity.

Environmental science and data are a big part of our role, and there are growing needs in this space too. We want to invest in a storm tracking system to help better alert communities to flash flooding, and better data to feed into Kaitiaki flood modelling; upgrade our air quality monitoring equipment; and complete development of a data automation tool to streamline processing of the huge amounts of environmental data we collect.

Our proposed option: Meet the growing needs

Fund required policy and planning work, increase our consent processing and compliance capacity to meet increased current and future demands, and invest in new scientific initiatives.

The work we are proposing to do will cost \$3.27M over the next three years. Rates impact in the first year would be an average of \$5.15 extra per annual rates bill, which represents about 1.06% of the 11.05% total proposed increase. There would be no impact on debt levels.

Details on the individual areas of spend that make up this cost are set out under 'Changes to the cost of delivering services' in each of the following sections below, found in the 'Council activities' section of this document under Te taiao Natural environment:

1.1 Science (page 67)

1.2 Catchment management (page 68)

1.5 Planning and policy (page 71)

1.6 Consents (page 72)

1.7 Compliance monitoring (page 72)

Another option: Bare minimum

We could fund the minimum work required to meet legal obligations to progress freshwater farm plan regulations, through our Land Management Reserve.

However, we would be unable to provide better science to help predict and protect communities at risk of flooding. Our consent and compliance service would be slower, and our planning and policy team would have less capacity to advance resource management policy changes in response to resource management reforms.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.

Other likely consequences of this option include:

- » Communities will be exposed to greater flood risk with no monitoring stations and lack of predictive capability.
- » Risk of breaching legislation if our current monitoring equipment fails.
- » Council resource management plans will be less effective and the planning process will be sub-optimal.
- » A drop in the level of service from our consents and compliance departments, including risk of not meeting

statutory time frames, reduced monitoring frequency and adverse environmental effects going undetected.



Biosecurity and biodiversity – how should we address new challenges?

Introduced pest plants and animals threaten our native forests, waterways and marine environment – but managing them well means there's room for our native plants and animals to flourish. It also enriches people's lives, by creating stunning habitats to explore and connecting people as they come together to protect what they treasure. To control and remove introduced pests, we work closely with tāngata whenua, communities, landowners and other agencies.

As new biosecurity and biodiversity challenges emerge and the status of current threats evolves, we need to rebalance and reprioritise our efforts and funding to match. We've identified about \$0.91M worth of new work a year required to support the:

- » Response to exotic Caulerpa, a highly invasive seaweed
- » Review of the Regional Pest and Marine Pathways Plan
- » Kaitiaki programme to reduce the impacts of pest fish on our aquatic environments
- » Implementation of the new Rāhui Tapu/marine protected area fishing regulations at Mimiwhangata and Rakaumangamanga (Cape Brett)
- » Incursion response for bat-wing passion flower, a highly invasive plant pest
- » Dune lakes Kaitiaki partnership project.

We think we can absorb this cost by scaling back funding on our existing programmes, including reducing our \$2.9M budget for community partnerships by \$0.2M; reducing our \$1.4M budget for kauri protection by \$0.34M; reallocating \$0.15M from our grant funding for biodiversity, reallocating \$0.12M from grant funding for biosecurity, and moving \$0.1M from our reserve funds.

Our proposed option: Re-prioritise within current budget

Scale back existing activities as outlined above to support the \$0.91M a year of new mahi within our existing budget.

The work we are proposing to do will cost \$2.66M over the next three years. There would be no impacts on rates as this would come from existing budget. There would be no impact on debt levels.

Details on the individual areas of change that make up this reprioritisation within our current budget are set out under 'Changes to the cost of delivering services' in each of the following sections below, found in the 'Council activities' section of this document under Te taiao Natural environment:

1.3 Biodiversity (page 69)

1.4 Biosecurity (page 70)

Another option: Bare minimum

We could scale back activities as outlined above, and redirect most of the savings into other core work.

However, of the new work listed, we could only fund the minimum required to meet our legal requirement to review our Regional Pest and Marine Pathways Management plan. The quality and scale of work required by the National Policy Statement – Biodiversity would be affected due to a reduced ability to partner with communities and tāngata whenua. We would lose the ability to co-fund the battle against exotic Caulerpa and bat-wing passion flower, and have no capacity to manage marine protected areas.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.

Other likely consequences of this option include:

- » Lack of budget to respond to central government policy, introducing the need to address budget requirements in future annual plans.
- » Losing momentum on lake restoration and partnerships with mana whenua and landowners.
- » Infestations of bat-wing passion flower will be unmanaged and become widespread, impacting forest and other ecosystems.
- » Loss of biodiversity partnerships, risk of not delivering on statutory obligations and not protecting culturally significant biodiversity.
- » Most of the work on marine protected areas would stop, including compliance monitoring, education, ecological monitoring and awareness building. Significant loss of reputation with hapū and iwi, communities and other agencies.

Te aumangeatanga hapori

Community resilience

Climate resilience and emergency management – how can we best support the region?

Climate change is one of our generation's biggest challenges, and the action we take now is crucial. Some good foundations have been built over the last three years on our climate resilience mahi, with a strategy and action plan in place.

But there's much work to be done, and we need to scale up our climate change programme to do it. That includes:

- » Building strong partnerships between councils, iwi and hapū, government agencies and communities
- » Facilitating and coordinating regional climate change adaptation planning to support communities to build resilience
- » Building capacity within the most vulnerable communities to deal with climate change impacts
- » Building collaborative models of adaptation planning to enable resilient decision-making in high-risk communities
- » Halving our organisational carbon emissions by 2030
- » Continuing to grow natural hazard information and mātāuranga (indigenous knowledge), as critical foundations for climate change adaptation and emergency management.

The effects of climate change are already being felt, heightening the impact of natural hazards, such as flooding, drought and coastal erosion, on Te Taitokerau. Events like ex-tropical cyclone Gabrielle have exposed the vulnerability of our whānau and communities to the effects of climate change and the need to build resilience across the region.

Our Civil Defence Emergency Management (CDEM) team's work is about ensuring our region is prepared for, and able to respond and recover from, these emergencies.

There is a raft of challenges in the emergency management space, including new requirements following legislative changes, the need to strengthen iwi and hapū relationships and collaboration around emergency management. To meet these growing needs, we need to increase the capacity of our CDEM team.

Our proposed option: Do this important mahi

Grow capacity to support climate policy development, zero carbon programme, delivery of climate resilience funding and natural hazards information. Develop early warning system for flooding for Te Taitokerau (largely funded by government funds). Bring on an additional three emergency management roles from year 2 of this plan (2025/2026) to meet increased needs.

The work we are proposing to do will cost \$4.55M over the next three years. Rates impact in the first year would be an average of \$9.98 extra per annual rates bill, which represents about 1.8% of the 11.05% total proposed increase. There would be no impact on debt levels.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in each of the following sections below, found in the 'Council activities' section of this document under Te aumangeatanga hapori Community resilience:

2.2 Climate change resilience (page 79)

2.3 Emergency management (page 81)

Another option: Bare minimum

We could not deliver any of the work outlined for climate change or emergency management.

This would mean delivery of the climate programme will stall and there will be more pressure placed on emergency services and CDEM. Partnership and engagement with communities required by legislation will be reduced and the zero carbon programme will stop being advanced. We would not be able to deliver on recommendations from recent CDEM review.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.

Another option: Do even more than proposed

Along with the climate change mahi outlined in our proposed option, we could do even more by adding more capacity for geospatial analysis to support resilience planning from 2024/25, and increase climate policy and zero carbon programme delivery from 2026/27.

Rates impact in the first year for this option would be an average of \$11.23 extra per annual rates bill, which is 0.22% on top of the 11.05% total proposed increase. There would be no impact on debt levels.

Joint emergency coordination centre – how should we fund the increased cost?

Since 2022 we've been collecting rates to go towards a purpose-built, multi-agency coordination centre to enable quicker responses to support affected communities. Funding is also being contributed by the three district councils.

While most regions now have a dedicated multiagency emergency coordination centre, there's no facility like this in Te Taitokerau.

Cost estimates for the centre were originally \$6.18M, but have now increased to \$7.23M due to increases in construction costs since the 2019 feasibility study was done.

While all efforts have been made to reduce construction costs and seek central government funding, a shortfall remains.

Our proposed option: Fund this shortfall

This would mean continuing to rate for the centre for two years longer, in order to fund the shortfall and continue with plans to build a multi-agency coordination centre.

Funding this shortfall will cost \$1.04M over the next three years. Rates impact in the first year would be an average of \$0.52 extra per annual rates bill, which represents about 0.11% of the 11.05% total proposed increase. This project is funded by borrowing (previously approved), however the proposed new contribution would not impact our overall debt level.

Another option: Look for other funding

Under this option, we'd stick to our current funding contribution, and try to secure the shortfall elsewhere (e.g. through central government).

However, while this would be better for rates, it creates the risk of delays and further cost increases. If we can not secure the extra funding, the build may not be able to go ahead at all.

This option would have no additional impact on rates or on debt levels.

Flood risk management – how should we fund the work that's needed?

Flooding has been identified as the highest-risk natural hazard we face in Te Taitokerau, and predictions of sea-level rise and increased rainfall intensity are putting extra pressure on whānau and communities.

There are several flood management schemes in place in high-risk areas to reduce risk to human life, to property and infrastructure. We borrow to fund these big projects, to spread the cost out over time.

Events like ex-tropical cyclone Gabrielle have highlighted that the impacts of flooding on Māori in Te Taitokerau are significant and disproportionate, and these impacts are likely to increase as climate change effects increase. We've worked with iwi and hapū to identify new work to help vulnerable communities in Whirinaki, Punaruku and Matangirau, and improve flood preparedness.

Below, you will find an overview of proposed new work and changes.

Our **Infrastructure strategy** outlines a 30-year plan for council's flood projection and control assets, helping us to make informed decisions in the short term while preparing for significant investments over the next 10 to 30 years. Read the full strategy here: **Te whakahaere waipuketanga – Infrastructure strategy: Flood management and control**



Proposed new work and changes to existing flood protection



Our proposed option: Do the new flood work

Fund the cost of increased borrowing for all of our existing flood management schemes, and start work on 12 new projects across the region.

The work we are proposing to do will cost \$6.56M over the next three years. Rates impact in the first year would be an average of \$0.80 extra per annual rates bill, which represents about 0.14% of the 11.05% total proposed increase. We would continue to borrow to fund the cost of this work. Borrowing is set to increase by \$2.8M over the first three years of the plan with \$4M of subsidy funding the balance.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in **2.1 Flood risk management (page 78)** found in the 'Council activities' section of this document under Te aumangeatanga hapori Community resilience.

Another option: Bare minimum

We could fund the cost of increased borrowing for existing schemes, and new projects where external funding has already been secured.

However, the following projects would not be funded, and flood vulnerability would remain in these places:

- » Tauranga Bay road raising
- » Paparoa township investigation
- » Whangārei Blue-Green network
- » Awanui new work
- » Dargaville flood adaptation

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). We would continue to borrow to fund the cost of the schemes that we do fund.

Changing the region-wide flood rate

Our region-wide flood infrastructure rate helps share the cost of flood risk management projects in Te Taitokerau. The region-wide rate funds 70% of the capital cost of new projects, and the remaining 30% is funded by local targeted rates that just apply to the affected area.

Currently the 70/30 split applies to capital works over \$0.5M (lower value projects, and things like investigation and design, are funded fully by the region-wide rate).

To better align with increasing costs, we are proposing to increase this threshold to \$1.0M.

Harbour safety and navigation – how should we meet the growing needs?

Keeping Northland's harbours, lakes and coastline safe for everyone to enjoy is part of our role as a regional council. We encourage safe boating behaviour, set rules for protecting the marine environment, provide pilotage for incoming cruise ships, and much more.

With increasing pressures like more cruise ships coming into the Bay of Islands, growth in recreational boating and increased involvement in national maritime safety initiatives, we need to grow our capacity to keep operating effectively. We are looking to bring on a new maritime officer from 2025, build capacity to work with iwi around recreational boat safety, and meet increased operating costs like maintenance and fuel. Together, this will cost about \$0.251M from 2024, rising to about \$0.410M by 2026. It is recognised that cruise ships bring economic benefits to the region, and an increase in revenue from cruise ships will offsets some of the impact on rates.

Our new maritime vessel is used as a pilot boat, helps maintain buoys and beacons, and responds to oil spills. It's critical to the safe and cost-effective running of our maritime operations, and the continued pilotage of cruise ships into the bay of Islands. Providing safe berthage for this vessel will cost \$0.85M in 2024. We would borrow to fund this, and spread the impact over 14 years, some of which will be offset by the income from cruise ship pilotage fees.

Our proposed option: Grow capacity

Grow our capacity to meet increased demands in harbour safety and navigation work, and fund the berth for our critical maritime vessel from borrowing to be paid back over time by rates.

The work we are proposing to do will cost \$1.05M over the next three years. Rates impact in the first year would be an average of \$2.97 extra per annual rates bill, which represents about 0.5% of the 11.05% total proposed increase. The impact on borrowing would be \$0.85M in year 1.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in **2.5 Harbour safety and navigation (page 82)** found in the 'Council activities' section of this document under Te aumangeatanga hapori Community resilience.

Another option: Bare minimum

We could fund the berth required for our new maritime vessel.

However, additional maritime roles, including summer enforcement officers, will not be funded, and work on maritime safety will not be able to continue at the same level.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation only alternative option). Impact on borrowing would be \$0.85M in year 1.

Public transport – how should we fund what’s needed to keep it moving?

Public transport like Whangārei’s CityLink buses reduces traffic congestion and pollution, and carbon emissions – which makes for a cleaner, greener Te Taitokerau.

Retaining and recruiting bus drivers is an ongoing challenge, and we’re proposing to increase funding for driver wages by \$0.145M a year to keep our public transport network moving. Around half would be paid for by NZ Transport Agency Waka Kotahi (NZTA) subsidies.

We also have some new work to do around investigating decarbonisation of the CityLink services, and re-tendering of Whangārei’s bus services, which together would cost \$0.2M a year for the next three years. This work would also be 54% subsidised by NZTA.

We acknowledge there is some uncertainty around the subsidies provided by NZTA, however the impact of not receiving this funding would be minimal. We would still be

able to increase the funding of driver wages and re-tender Whangārei’s bus service, although we would likely hold off on investigating decarbonisation of the CityLink services.

Our proposed option: Do this work

Increase funding for driver subsidies, investigate decarbonisation of the CityLink service, and fund the work needed to re-tender the Whangārei bus service.

The work we are proposing to do will cost \$1.04M over the next three years, with half funded by NZTA subsidies. For the Whangārei district ratepayers, the rates impact in the first year would be an average of \$1.87 extra per annual rates bill, which represents about 0.3% of the 11.05% total proposed increase. There would be no impact on debt levels.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in **2.6 Transport (page 83)** found in the 'Council activities' section of this document under Te aumangatanga hapori Community resilience.

Another option: Bare minimum

We could only fund the cost of re-tendering the Whangārei bus service and driver wage increase (both with 54% subsidy from NZTA).

This will mean increased emissions from aging diesel-powered buses, and not meeting emissions reduction targets.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.



Te hautūtanga ā-rohe

Regional leadership

Te Tiriti partnerships and relationships – how can we best strengthen these?

Our council's commitment to Te Tiriti o Waitangi continues to be honoured throughout all levels of our organisation. We see creating and sustaining meaningful partnerships with tāngata whenua as key to a thriving Te Taitokerau, and there's much more work to be done on this journey together.

Tāiki ē is the strategy and implementation plan for how we give effect to our Te Tiriti commitments, which was developed together with iwi and hapū representatives on our Te Taitokerau Māori and Council Working Party.

We have come a long way in this space, including the establishment of two Māori seats on council for the 2022 elections, but there is much more to be done to implement the actions in Tāiki ē.

Technical Māori expertise within council staff is stretched. As we develop significant projects we need more capacity to:

- » Support kaitiaki who are delivering critical mahi in partnership with council
- » Build cultural competency across the organisation
- » Resolve issues raised by iwi and hapū around resource consents and water quality
- » Better align funding processes for iwi and hapū
- » Deliver better shared outcomes for Te Taitokerau as a whole.

To meet these needs, we're keen to grow our capacity and resourcing in this space, and to strengthen our Te Tiriti partnerships and relationships.

Our proposed option: Grow capacity to deliver on Te Tiriti relationships

Grow our capacity to deliver on Tāiki ē (our Te Tiriti strategy and implementation plan) through more resourcing for technical Māori expertise and capability across the sector, and growing cultural competency across the organisation including kaupapa Māori adaptation work.

The work we are proposing to do will cost \$1.74M over the next three years. Rates impact in the first year would be an average of \$4.43 extra per annual rates bill, which represents about 0.8% of the 11.05% total proposed increase. There would be no impact on debt levels.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in **3.2 Māori partnerships (page 91)** found in the 'Council activities' section of this document under Te hautūtanga ā-rohe Regional leadership.

Another option: Bare minimum

We could only fund the existing independent tāngata whenua subcommittee advisors.

There would not be funding for translation at council meetings, and delivery of Tāiki ē would be much slower than agreed.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.

Supporting the mahi across council – what's needed to keep things running smoothly?

A lot of work goes on behind the scenes to make council's activities happen. As our region grows and we adapt to meet complex challenges and requirements, we need more resources to keep council running smoothly.

As the work we deliver as a regional council has expanded in recent years, and legal requirements around things like health and safety have increased, so has the pressure on our support services. We are also not immune to the impacts of inflation, which has been driving up costs across these vital services.

In our last Long Term Plan, we talked about the challenge we face with striking the right balance between maintaining efficient, fit-for-purpose support services and systems while keeping everything as cost-effective as possible.

The growth across our support services has not kept pace with growth across the rest of the council in the last few years. Our Human Resources, Finance, and IT teams are not able to provide the level of service needed to support operations delivery.

We need to invest in new roles across our support services so we are better able to support the needs across our 300-odd staff. With growth in our freshwater work, we also need an extra communications resource to help deliver it.

Our salary budget has fallen further behind as inflation has increased, creating issues around staff attraction and retention, and we are proposing to increase that too. We are also facing increased costs for insurance, systems licensing and systems maintenance.

Implementation of freshwater farm plans in Te Taitokerau will also require investment in a new integrated national farm data platform.

Our proposed option: Catch-up with growth

Support the growth in council work programmes by increasing staff capacity and investing in necessary licencing and systems. Grow the salary budget to help with staff attraction and retention. Meet increasing costs for insurance, systems licensing and maintenance.

The work we are proposing to do will cost \$12.8M over the next three years. Rates impact in the first year would be an average of \$31.01 extra per annual rates bill, which represents about 5.58% of the 11.05% total proposed increase. There would be no impact on debt levels.

Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in each of the following sections below, found in the 'Council activities' section of this document under Te hautūtanga ā-rohe Regional leadership:

3.1 Governance (page 91)

3.4 Community engagement (page 93)

3.6 Corporate services (page 94)

Another option: Bare minimum

We could still catch up on some of the essential areas we are already behind on, including the minimum required for health and safety, salaries, and IT operations. We would fund increased insurance and audit costs, licence costs and our agreed contribution to inter-council IT projects.

However, no additional funding would be applied to catching up the capacity of our internal support teams and systems, such as HR and IT systems, which would remain slow and inefficient. Some systems will become unsupported over time and cyber security risks will increase. Some projects will not receive communications support. Staff turnover may increase due to salaries not keeping up with the market.

This option would contribute to a total rates increase of 2.9% in year 1 (our inflation-only alternative option). There would be no impact on debt levels.

Additional likely consequences include:

- » IT systems and support will be lacking and the level of service will operate below expectations, introducing significant risk. Unsupported systems will introduce risk and document storage will be lacking.
- » Increased risk of cyber attack as we are not able to increase security posture.
- » Systems that support council operations will not be able to be maintained/developed – subscription to legislative compliance programme will lapse, scope of internal audits will be limited, processes for project planning, risk and strategy will remain ad-hoc, slow and inefficient.
- » Ability to support the organisations financial requirements and reporting will be reduced with slow turnaround and lower quality output.



Ētahi atu momo whakataunga

Other decisions

Emergency services, sporting facilities – should we stop our funding contributions to these activities?

As outlined in the section above, there is a fair bit of growth needed to meet national policy, community needs and increased pressures and growth across Te Taitokerau.

We are acutely aware of the impact on our ratepayers with the increased work we need to do. We can bring the cost down a little through efficiencies across our core business, but there are some things we are rating for that could be stopped to help curb rates rises.

We have been supporting emergency services in Te Taitokerau for a number of years through the 'Emergency Services Rate' – the rescue helicopter service, Coastguard, St Johns, Surf Lifesaving, Search and Rescue, and Far North Radio and Sea Rescue. They're unquestionably critical services, but funding them isn't part of our core role as a regional council.

Some funding models have significantly changed since we started funding these emergency services – for example, Northland's rescue helicopter service (the biggest recipient of our funding at \$0.535M a year) is now incorporated into Northern Rescue, ACC and the Manatū Hauora (Ministry of Health). For some, our funding is a small proportion of their overall budget. For smaller services, it may have a bigger impact.

Over the past eight years we have also been contributing to regionally-significant sporting facilities via the 'Regional Sporting Facilities Rate'. Originally this helped fund large projects across the region, but the projects listed on the Northland Sports Facilities plan are now much smaller, and not likely to achieve the purpose of the rate of having 'regional benefit'.

We are keen to keep our mahi (and your money) focussed on core business, like caring for te taiao, preparing communities for natural hazards and longer-term effects of climate change, and controlling pests. Our current funding runs to June 2024, and then we're proposing to stop our funding contributions for emergency services (\$1.11M a year) and sports facilities (\$1.59M a year), and instead redirect this money to help fund growth in our core business.

Our proposed option: Stop our funding contribution to emergency services and sporting facilities

Stop our funding contribution to emergency services and regional sporting facilities from June 2024. Redirect this \$2.7M a year of funding to reduce rate rises, and deliver core work as proposed throughout this document.

This reduces the rates increase in the first year by 4.98% or \$27.65 per annual rates bill bringing the total rates increase to 11.05%. There would be no impact on debt levels.

Other options

Continue the emergency services funding

Continue our funding contribution to support emergency services at current levels of funding (\$1.11M a year). Rate for an extra \$1.11M to cover the growth in core business.

Rates impact in the first year would be an average of \$11.40 extra per annual rates bill, which equates to a 2.35% increase.

On top of our proposed option this would make a total rates increase of 13.4% or \$69.65. There would be no impact on debt levels.

Continue the sporting facilities funding

Continue our funding contribution to help to fund smaller sporting facilities (\$1.59M a year). Rate for an extra \$1.59M to cover the growth in core business.

Rates impact in the first year would be an average of \$16.30 extra per annual rates bill, which equates to a 3.37% increase.

On top of our proposed option this would make a total rates increase of 14.42% or \$74.55. There would be no impact on debt levels.

Continue both

Continue to rate for our funding contribution of \$2.7M a year to support emergency services and regional sporting facilities.

Rates impact in the first year would be an average of \$27.65 extra per annual rates bill, which equates to a 5.72% increase.

On top of our proposed option this would make a total rates increase of 16.77% or \$85.95. There would be no impact on debt levels.

Reviewing reserves

Reserves help us to be able to have money ready to go when it's needed. We've made some minor changes to ensure that the reserves are accurate and fit-for-purpose. These changes include:

- » Changing the name of the Land Management Reserve to the Land and Freshwater Management Reserve, to align with the Land and Freshwater Management Rate.
- » Changing the name of the Equalisation Fund Reserve to the Equalisation Reserve, for simplicity.
- » Removal of the Kerikeri-Waipapa Rivers Reserve, as the funds in this reserve have been fully allocated; a new reserve will be set up for any future work on this project.
- » Alteration of Investment and Growth Reserve description of purpose wording to reflect the widened scope of funding into the reserve, and that the reserve is the primary source of funding for the operations of Northland Inc.
- » Addition to Property Reinvestment Reserve description of purpose wording to reflect that the gains from this reserve may be applied to operational spend for other activities where needed.
- » Alteration of Regional Project Reserve purpose wording for accuracy and simplicity.
- » Alteration of Capital Subsidy Reserve purpose wording for accuracy.
- » Vessel Replacement Reserve updated to include berthing facilities.
- » Addition to Equalisation Fund Reserve description of purpose wording to provide an example of reserve application (biosecurity incursions).
- » Addition to the Vessel Replacement Reserve description of purpose wording to reference new berthing facilities.

Updates to our policies

We're consulting on some of our policies as part of our long term plan consultation process. This includes our:

- » Revenue and financing policy
- » Financial contributions policy
- » He kaupapa here mō te noho rangapū ā-Tiriti me te Māori – Policy on Te Tiriti Partnerships with Māori
- » Significance and engagement policy
- » Rating policies.

These policies can be found in full in this document under the "Policies" section, with the exception of the rating policies (see below).

Revenue and financing policy

Our revenue and financing policy outlines our approach to funding our operating and capital expenses – in other words, how we pay for what we do. This policy has been amended where necessary to keep it up to date and accurate, including:

- » The policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 (Māori Land Act 1993), particularly when viewed in conjunction with council's Policy on Remissions and Postponement for Māori freehold land.
- » Terminology of 'fees/subsidy' has been split into 'fees and charges' and 'grants and subsidies' to keep in line with the financial statement terminology.
- » Both consents and hydrology advice and information have had 'fees/subsidy' removed as there is no income from this category associated with the activities.
- » Biosecurity has had 'grants and subsidies' added due to the split in wording mentioned above. This activity is funded by both fees and charges and grants and subsidies.
- » Both economic development activities and projects have had grants and subsidies added as these activities are also funded through these.
- » Passenger transport administration has had 'rates/general funds' removed, and grants and subsidies added. This activity is funded by grants and subsidies, fees and charges, and targeted rates.
- » Removal of the analysis and activity for *Civil Defence and Emergency Management: Funding for community projects and volunteer emergency services* and associated funding sources and mechanism as per council's proposal to stop this rate.
- » Removal of the analysis and activity for *Corporate Services: Regional Sporting Facilities* and associated funding sources and mechanism as per council's proposal to stop this rate.

The full draft policy can be found in the 'Policies' section of this document, and the statement of proposal can be found on our website: www.nrc.govt.nz/futureplan

Financial contribution policy

Our new Regional Plan for Northland (which is scheduled for adoption in late 2024) no longer provides for financial contributions as a condition of resource consent, so our policy has been updated to reflect this.

The full draft policy can be found in the 'Policies' section of this document, and the statement of proposal can be found on our website: www.nrc.govt.nz/futureplan

Policy on Te Tiriti Partnerships with Māori

This policy outlines how we intend to advance meaningful partnerships among tāngata whenua and Northland Regional Council in decision-making and work processes. The policy considers the relevant legislative context; He Whakaputanga (Declaration of Independence of New Zealand); Te Tiriti o Waitangi and treaty principles developed by the courts and the Waitangi Tribunal; te reo Māori as a taonga tuku iho (cultural treasure); and council's own values. It also focuses on council's strategy and action plan (Tāiki ē) to improve the capacity and capability of Māori to give effect to their aspirations. This policy commits to further building the cultural competency of council; outlines ways to foster and support partnerships, Māori representation and voice; and commits to enabling effective communication and positive interactions with Māori.

The policy has been updated as follows:

- » Under the heading Te Tiriti o Waitangi, there is recognition of the special importance placed by Te Taitokerau tangata whenua on He Whakaputanga and Te Tiriti, and on the findings of the Paparahi o te Raki inquiry, which concluded that the rangatira who signed Te Tiriti did not cede their sovereignty. Council's commitment to equitable participation for tangata whenua in council decision-making processes is also described.
- » Under the heading Legislative Context, detail has been provided on the key principles of the Treaty of Waitangi (including partnership, reciprocity, mutual benefit and active protection) and the associated obligations and duties of council. Active protection includes protecting te reo Māori. It is explained that council must take into account Treaty settlements in its policies, plans and processes. Mana Whakahono ā Rohe are also mentioned as a mechanism for Māori participation.
- » Council's mission statement has been updated (which is still currently a draft), and removes reference to council's vision (Te Pae Tawhiti) due to the likelihood of that changing in the proposed Long term plan.
- » Under Fostering Māori Participation, more prominence is given to council's governance structures to reflect a commitment to Māori representation and independent tangata whenua experts. The prioritisation and delivery of Tāiki ē is described as a key way of giving effect to council's Te Tiriti obligations. Supporting and resourcing the Tāngata Whenua Water Advisory Group (TWWAG) is also committed to in relation to the freshwater plan change, and to generally enhancing understanding of te mana me te mauri o te wai. More detail is provided on enhancing the cultural competency of council staff. Council commits to providing regular opportunities for Māori leaders, technicians, and kaitiaki in the region to learn about legislation, policies, regulations, plans and rules. Council also commits to providing opportunities

for Māori businesses and experts in accordance with its Māori services procurement policy.

The full draft policy can be found in the 'Policies' section of this document, and the statement of proposal can be found on our website: www.nrc.govt.nz/futureplan

Significance and engagement policy

The council's significance and engagement policy sets out when and how we will engage with our communities in our decision-making processes. The policy has had minor amendments, including:

- » Replacing the term 'issue' with 'matter' for consistency across the document.
- » Providing an explanation of Māori terms up front for clarity for the reader.
- » An alteration to the explanation of what 'involve/engage' means, to ensure better alignment with an internationally recognised engagement method.
- » Under 'we will always consider', the addition of reference to the role of Māori as kaitiaki in their rohe, and clarification that council will engage with Māori in a way that is meaningful and appropriate to them. This is because our review of the existing policy found that potential impacts on iwi or hapū were not sufficiently considered and these changes are to rectify that.
- » The addition of the Panguru Flood Scheme as a strategic asset, which it has become.
- » Under the 'reviewing this policy' statement, the removal of the reference to the electoral cycle as it is no longer required and simplifies the policy for the reader.
- » The addition of the Regional Economic Development Reserve to footnote three, relating to the expenditure limit threshold, as this reserve holds long-term investment funds.

The policy also has additions and alterations to the engagement thresholds for determining if a financial transaction is 'likely to be significant' (noting that any impact on rates is considered separately in this policy). Two or more of these thresholds must be triggered to require further consideration. The change increases the expenditure/financial transaction threshold from \$750,000 to \$1.3M. This is because the threshold is no longer appropriate for the level of revenue and transactions that council carries out. When the limit was set at \$750,000 in 2018 it was approximately 1.7% of council's total revenue. The limit is now proposed to increase to \$1.3M, which is the approximate equivalent of 1.7% of current council revenue (based on 2023/24). This is considered appropriate for the current council revenue and is intended to future-proof the policy for the next three years.

An additional threshold requiring consideration of adaptation to climate change for any new matter and an additional consideration for matters that have the potential

to impact on iwi or hapū have also been added. This is to ensure that any climate impacts are sufficiently considered in significant council decisions, in line with councils' strategy for tackling climate change, Nga Taumata o Te Moana, and the Te Taitokerau Climate Adaptation Strategy, and also to ensure that potential impacts on iwi or hapū are sufficiently considered. Neither of these issues were addressed in the existing policy.

The policy retains the requirement for council to consult before setting any new rate, increasing an existing targeted rate by any amount, or increasing an existing region-wide targeted rate by more than 2% (annually) above what was previously approved.

It also retains criteria for other decisions to be defined as 'significant' or 'likely to be significant'.

The full draft policy can be found in the 'Policies' section of this document, and the statement of proposal can be found on our website: www.nrc.govt.nz/futureplan

Rating policies

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's behalf. It is administratively efficient for Northland Regional Council to adopt policies on the remission and postponement of rates and penalties, and early payment of rates that are the same as those of the three district councils. The council does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (e.g. a policy, or part of a policy, related solely to water rates).

Our proposed rating policies for the Far North, Kaipara and Whangārei districts, and the statement of proposal that relates to these, can be found on our website: www.nrc.govt.nz/futureplan

Below is a summary of the proposed amendments to the policies that are relevant to Northland Regional Council.

It is noted that the policies support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).

Far North district

Far North District Council maintain 'Rating Relief' policies including a policy on 'Rates remission for Māori Freehold Land'. There are no proposed changes to these policies.

The full suite of policies on the remission, postponement and early payment of rates by Far North District Council can be found on their website: www.fndc.govt.nz

Kaipara district

Kaipara District Council maintains a 'Māori Freehold Land Rates Postponement and Remission Policy', 'a 'Rates Postponement and Remission Policy', 'and an 'Early Payment of Rates Policy'. There are no changes to policies that relate to rates collection on councils behalf.

The full suite of policies on the remission, postponement and early payment of rates by Kaipara District Council can be found on their website:

www.kaipara.govt.nz/longtermplan

Whangārei district

Whangārei District Council are proposing two new policies on remission of rates on abandoned land and on early payment of rates, along with some changes to existing policy wording for:

- » exclusions to the policy for remitting rates for community, sports and other organisations
- » exclusions to the policy on postponement of rates on specific farmland properties
- » expanding on the principles the Preamble to Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).

The proposed changes to the policy are set out in more detail in our statement of proposal on the draft rating policies, which you can find on our website: www.nrc.govt.nz/futureplan

The full suite of policies on the remission, postponement and early payment of rates proposed by Whangārei District Council can be found on their website:

<https://www.wdc.govt.nz/Council/Council-documents/LTP-Consultation>

User fees and charges

We're also consulting on our user fees and charges, including our principles and policies on charging, concurrently with the long term plan process. The draft policy, charges, and statement of proposal are in a separate document that can be found on our website: www.nrc.govt.nz/futureplan

More policies relevant to the Long Term Plan process can be found on our website, including:

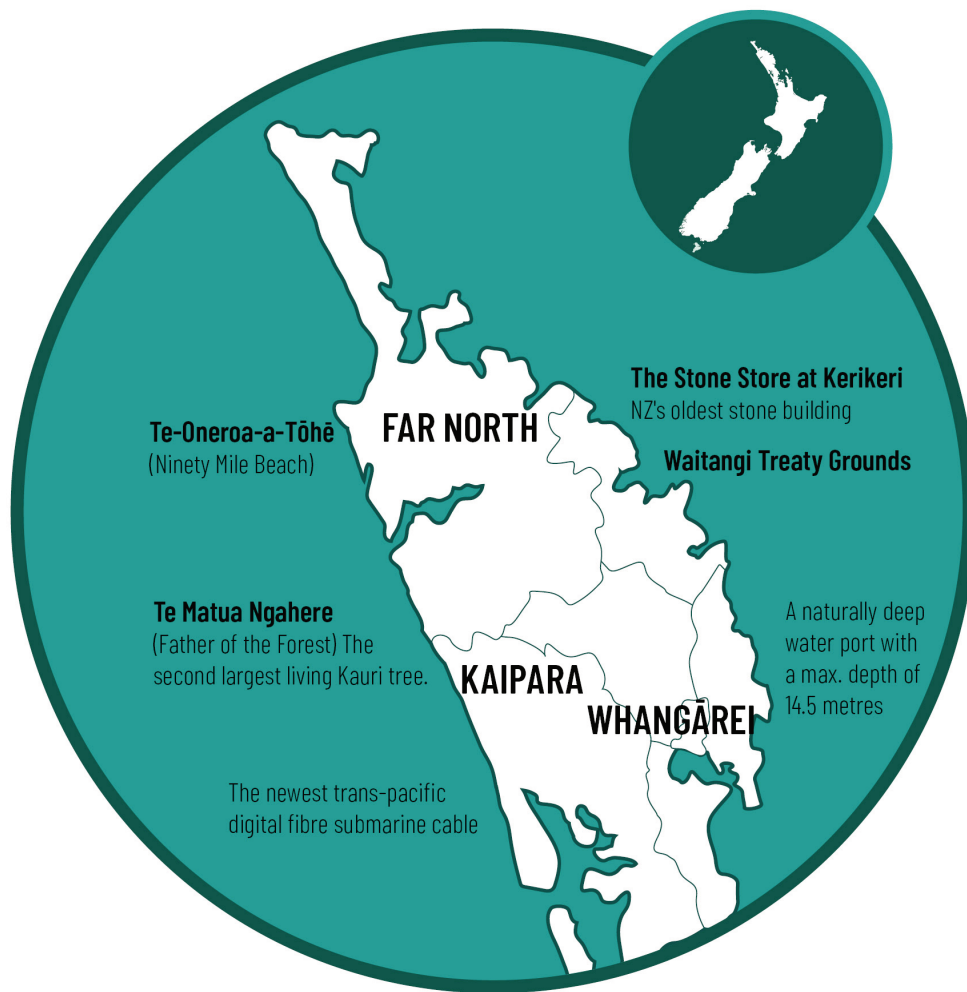
- » Statement of accounting policies
- » Treasury management policy (including the liability management and investment policy)
- » Policy on the appointment of directors to council organisations

You can find these on our website: www.nrc.govt.nz/futureplan

Tō tātou rohe

About our region





50%

OF NORTHLANDERS LIVE RURALLY

Compared to just over 16% nationally



36%

OF NORTHLANDERS IDENTIFY THEMSELVES AS MĀORI

Compared to 17% nationally



23%

OF THE REGIONAL WORKFORCE IS SELF EMPLOYED

Compared to 16% nationally



10%

OF REGIONAL GDP COMES FROM AGRICULTURE, FORESTRY AND FISHING

Compared to 5% nationally

2023	Far North	Whangārei	Kaipara	Northland
Population	74,000	101,900	27,300	203,900
GDP \$ Million	\$2,982	\$5,456	\$1,047	\$9,485
Avg. income	\$55,399	\$64,948	\$59,853	\$61,483
Unemployment	5.7%	3.8%	3.3%	4.5%



Northland's population is expected to reach

225,000

by 2034 at an average annual rate of 1%

Our place

Situated in the northernmost part of New Zealand's North Island, Te Taitokerau Northland is a place of unparalleled natural beauty and ecological significance. The region covers an area of 13,940 km², just over 5% of New Zealand's total area. From the stunning coastline with its golden beaches, rugged cliffs, and pristine islands to the lush forests and fertile farmland that stretches inland, our region offers a unique and picturesque environment.

The significance of Te Taitokerau is not only tied to its awe-inspiring taonga but also its historical and cultural heritage. This land has been home to the indigenous tāngata whenua for centuries, and their deep connection to the land and sea has left a lasting imprint on the region's identity. Today, we celebrate the rich cultural tapestry and work in partnership with local iwi and hapū to preserve and promote strong whanonga pono (values) and tūruapō / wawata / pohewa (vision).

Over the years, our region has faced various challenges, including environmental issues, climate change impacts and socio-economic disparities. We are determined to address these challenges head-on, fostering a resilient and prosperous future for all.

Our environment

Our natural taiao (world) is truly outstanding. Te Taitokerau Northland has more than 3,000km of coastline, 1.25 million hectares of land, excellent air quality and an abundance of freshwater. However, the region's environment is fragile and always at risk. We aim to be at the forefront of environmental stewardship, implementing strategies that preserve our natural heritage for generations to come.

Nearly half of our land is used for high-producing grassland, rendering Te Taitokerau Northland as the least urbanised region in the country; almost half the population resides in rural areas. Natural forest accounts for 22% of Te Taitokerau's land area, with exotic forests covering a further 15%. Since 1990, a concerted effort has been made to convert grassland areas to planted forest. Between 1996 and 2018, the area in exotic forest increased by 13,600 hectares. Most of the land that has been converted to exotic forest was previously used for grassland, and most of this occurred in the 1996 to 2001 period.

Maintaining and improving biodiversity in Te Taitokerau Northland is and continues to be a focus. Council and communities work hard to tackle non-native invasive animal and plant species. Almost 11,200 hectares of land in Te Taitokerau is now under QEII covenant, and Te Taitokerau has the largest number of covenants across all 16 regions of New Zealand. Kiwi-call counts have generally increased since the mid-2000s.

Despite our high rainfall compared to other parts of the country, clean water is one of Te Taitokerau Northland's scarcest resources. The main issues affecting river-water quality in Te Taitokerau are E.coli, phosphorus and sediment (particularly during storm events), degraded habitat quality and ecological health. The region is known for its excellent coastal water quality, and most of Te Taitokerau's coastline is suitable for swimming – there are only a few occasions when swimming-water quality exceeds guidelines at sites with significant freshwater input.

Our people

Te Taitokerau Northland was home to some of our country's first inhabitants. Since 2018 the region's population has increased by 10%, above New Zealand's overall increase of 7%. The Whangārei, Far North and Kaipara districts all experienced similar and relatively high growth rates. The region's population is estimated to be 203,900 as at June 2023, with forecasts indicating that the population could grow to about 225,000 by 2034.

The major causes of the Te Taitokerau Northland's growth are increasing longevity (which results in a growing group of elderly people), natural increase and net migration. Between 2014 and 2022, the region had a net gain of 800 international immigrants per year, equivalent to a 0.4% annual increase in population, which is much higher than a few years back when Te Taitokerau experienced a net international migration loss. There was a large peak in international migration in 2020 as New Zealanders returned home during the Covid-19 pandemic. Te Taitokerau recorded the largest percentage increase in population caused by net migration across the 16 regions of New Zealand in 2022.

Te Taitokerau Northland's unemployment rate, which had been relatively steady at 8% since the global financial crisis, has fallen to a historically low level of 3.4% in 2022 before rising to 4.5% in 2023. The large fall in unemployment since mid-2010s has predominately been Māori. The unemployment rate for Māori has dropped from a peak of around 18% in the mid-2010s to 5% in 2022. There is a continuous rise in young Māori with NCEA Level 2 or equivalent, and non-Māori are maintaining a steady increase too.

Although New Zealand's response to the Covid-19 pandemic crisis has been relatively effective and while parts of the Te Taitokerau Northland economy have bounced back largely unscathed, other parts have been hard hit, particularly the tourism sector. More recently, Cyclone Gabrielle severely damaged parts of Te Taitokerau resulting in ongoing impact for regional sectors and highlighting the need for further improvements.

Te Taitokerau Northland's median weekly household income was just over \$1700 in June 2023. Since 2018, the median weekly household income increased by 1% per annum in real terms, slightly below the national median increase of

1.3%. The relative importance of government transfers has fallen as a source of household income as earnings from wages and salaries and self-employment income has risen in recent years.

The number of empty dwellings in Te Taitokerau Northland has fallen due to the region's rising population. There was a total of 80,082 private dwellings in 2018. Despite the relatively low average incomes, Māori and non-Māori Northlanders have high home ownership rates. About half of Northlanders own or partially own their usual place of residency, slightly above the national average. One in 10 Northlanders report they don't have enough money to meet their daily needs: accommodation, food, clothing and other necessities.

Our culture

The cultural importance of Te Taitokerau Northland is profound and multifaceted, rooted in the rich history and traditions of the Māori people, as well as the region's contributions to New Zealand's national identity. Waitangi is one of New Zealand's most important historic sites, marking the place where Te Tiriti o Waitangi/the Treaty of Waitangi between Māori and the English was first signed.

Māori make up 36% of Te Taitokerau Northland's population compared to 17% nationally, while a much smaller proportion are of Asian origin. Generally, Northlanders express a higher degree of support for cultural activities. Te Taitokerau is a stronghold of Te Reo Māori and many Māori communities actively use and promote the language. Efforts to revitalise and preserve Te Reo Māori are particularly strong in the region, contributing to its survival and vitality.

Te Taitokerau Northland is not just New Zealand's historic gem, but is also a land of glorious coastal views, protected species and ancient kauri trees that encourages Northlanders' appreciation for the local ao tūroa (natural world). They recognise the critical environmental concerns we face, such as the state of freshwater and oceans, plant and animal life becoming extinct, and climate change risks. In fact, just over one-quarter of Northlanders are involved with environmental projects, compared to less than 20% nationally.

Social connection is a pillar of the Te Taitokerau Northland lifestyle. The people of Te Taitokerau have a strong sense of connection with others, which is a positive indicator for regional wellbeing. However, the quality of that connection may be limited. Only around 60% of Northlanders have a medium to high degree of trust for people; and only three-quarters of Northlanders feel it is easy or very easy to be themselves, both below the national average.

Our economy

Our vision for the next decade is to create a region that thrives economically by encouraging responsible growth and land use, embracing innovation, fostering wellbeing and nurturing a healthy environment. Between 2017 and 2022, the Te Taitokerau Northland economy grew at an annual rate of 3%, compared to 2.1% during the first half of the 2010s. This relatively high level of growth occurred despite the impacts of the Covid-19 virus and the lockdown and some extreme weather events such as the 2019/20 drought.

Whangārei district accounts for almost 60% of economic activity in the region. The Far North and Kaipara districts contribute a much smaller amount to the regional GDP (31% and 11% respectively). We have a strong manufacturing industry, followed by agriculture, forestry and fishing, then business and property services. While kiwifruit production rose to a record level, dairy, roundwood removals and avocado is falling. The closure of the Marsden Point oil refinery in Te Taitokerau Northland has a substantial impact on the contribution of the manufacturing industry to the regional economy.

The region has shown an impressive increase (27%) in the number of people employed since 2012, reaching nearly 81,000 filled jobs in 2022, both employed and self-employed. Remarkably, one in four positions in Te Taitokerau Northland are identified as being self-employed, the highest rate in New Zealand. After a 7% decrease caused by the global financial crisis, the number of businesses in the region has steadily grown to a new record high of 23,700 in 2023. Te Taitokerau's growth rate has been slightly faster than the New Zealand average.

Tourism is a vital economic driver in Te Taitokerau Northland. A total of 1.3 million guest nights were spent in our region for the year 2021/22. Domestic visitors have accounted for nearly 100% of guest nights recorded in Te Taitokerau over this period. Pre-pandemic, international visitors had accounted for around one-third of all guest nights in Te Taitokerau.

Finally, rates revenue received by council has increased from \$16.27M in the year ended June 2012 to \$38.1M in 2022. Council's rates revenue in 2021/22 was equivalent to \$189 per person living in Te Taitokerau Northland.

Rautaki Pūtea

Financial strategy



The financial strategy brings together financial forecasts from the Long Term Plan and a summary of issues that may affect council's finances. These inform council's overall financial direction.

The Local Government Act 2002 (LGA) requires every local authority to prepare and adopt a financial strategy as part of its Long Term Plan (section 101A).

The purpose of the strategy is to facilitate:

- » prudent financial management by providing a guide to consider proposals for funding and expenditure
- » consultation on our proposals for funding and expenditure by making the overall effects of those proposals on our local authority's services, rates, debt and investments transparent.

Note that all figures are GST exclusive, except when we are talking about rates we collect, which are GST inclusive.

SUIP = Separately Used or Inhabited Part of a rating unit

We aim to ensure that infrastructure is resilient in the face of future natural hazards; invest in environmental enhancement and economic growth; and deliver high-quality services.

To fund these activities, we must have a fair rating system, keep rates increases reasonable, achieve returns on investments that meet our risk and return policies, and carefully manage borrowing.

Our ongoing challenge is to achieve a balance between meeting community expectations, responding to legislative changes, and providing quality services, while keeping rates affordable.

Key issues and drivers

We have expanded our environmental work programmes to address the growing expectations from our communities and requirements from central government about the way we manage water, biodiversity, forestry, climate change, flood risks and other natural and physical resources.

New work involves increased cost, and we need to understand what level of investment ratepayers are willing to make towards achieving community aspirations. To help ratepayers make these important decisions, the Long Term Plan sets out the proposed programmes of work for the next 10 years, and the cost of funding these activities.

Overall, the areas of new and extended work in this Long Term Plan will mean significant rates increases.

The major areas are:

- » **Water:** implementation of the National Policy Statement for Freshwater Management has significant resource impacts for the council.
- » **Pests and predators:** we're continuing to contribute towards the government's ambitious goal to rid New Zealand of possums, rats and stoats by 2050.
- » **Climate change:** as weather events become more intense there is greater emphasis, including legislated obligation from central government, on ensuring the region has effective flood protection in place, and is planning for a changing climate.
- » **Support services:** we need to make sure that our systems are fit for purpose and able to keep up with the rate of change proposed in this Long Term Plan.

We are in a sound financial position.

Rates income for the 2023/24 year is expected to be \$47 million.

The council holds investment assets (including current cash and cash equivalents) with a market value of **\$269 million¹**. These investments are expected to provide annual investment income of approximately **\$12 million (2023/24)**. Investment income is used to further economic development and fund operations, thereby reducing the rating burden for all ratepayers.

At December 2023, the council held flood infrastructure assets valued at **\$39.1 million**.

At December 2023, council debt was **\$18.4 million**.

Looking ahead

Northland has experienced high levels of population growth over recent years and this is expected to continue over the next ten years although at a lower rate of increase. High-rainfall events are expected to continue, and our communities' ability to pay rates (including payment of rates arrears) remains an even greater issue.

While the Northland economy has been performing relatively well in recent years, with benefits spread throughout each district, high inflation and interest rates and the slow down in national and global economic growth

¹ . The council holds 22,142,907 shares in Marsden Maritime Holdings Limited (53.61%). These shares are recorded at an historical cost of \$7,827,563 (35 cents per share) in the council's balance sheet, but have a current share value (as at 22 December 2023) of \$99,643,082 (\$4.50 per share)

means there is significant uncertainty over the short to medium term. We will continue to take an active role in supporting sustainable regional economic development.

The world around us

National and international economic, environmental and political factors affect the council's finances. These factors can include future changes, interest rates, markets, legislation, natural hazards and climate change. Specifically, the cost of providing public transport is increasing due to rising contract costs and fuel prices.

Price increases associated with inflation are expected to continue to increase at a rate of between 1.9% and 2.9% per annum across all expenditure categories, except for salaries. Salary costs are expected to increase at approximately 3% per annum, with the exception of 2024/25 which will increase by approximately 6% and 2025/26 which will increase by approximately 5%.

There is also a growing skills shortage which represents a risk to future service delivery.

Population

Our population is expected to grow at an average rate of approximately 1% per annum over the life of this plan. This level of population change generally has very little impact on our services, and existing resources can cope with service demands without major adjustments. However, a slower population growth will lower the increase in rateable properties over the next 10 years, reducing the ability to distribute the rates burden across additional ratepayers.

The average age in Northland is increasing, with people aged 65 years or older accounting for 21% of the Northland population. We recognise that people in this age bracket are more likely to retire on low fixed incomes and rely predominantly on superannuation in their later years.

Economic growth

There has been a steady rise in Northland's gross domestic product (GDP) in the decade following the global financial crisis, with an average annual growth rate of 3% from 2012 to 2022. However, GDP is estimated to have fallen by 2.5% in 2023 due to the closure of the refining operations at Marsden Point. Excluding this, the Northland economy grew by 1.4% in 2023. There has been a steady rise in employment over the past ten years, with a corresponding lift in the median household income.

While the economy has been performing well, Northland's GDP per capita – an indicator of the region's standard of living – was still the third lowest among all 16 regions in New Zealand in 2023, and is about two-thirds of the national average.

Economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland, such as poor housing, health and education.

Land use

The Northland region has extensive development on floodplains. Over the past few years, the major land use change has been the conversion of pastoral land to horticulture. This is expected to continue over the next decade. Further land use may be driven by the implementation of the National Policy Statement for Freshwater Management and changes to the Emissions Trading Scheme. This may for example, see an expansion in forested area. However land use is not expected to significantly change within our region in a way that would significantly affect our services and costs over the next 10 years.

Weather

Climate change is predicted to cause higher temperatures and more extreme weather patterns in Northland, with rain events and periods of drought of greater intensity.

Projected increases in rainfall intensity and sea level rise will affect the coping capacity of our flood projection infrastructure, meaning more flood project work. Our infrastructure strategy (see page 41 of this document) identifies major flood-scheme projects over the next 30 years in Awanui, Kāeo-Whangaroa, Otiria-Moerewa, Kawakawa and the Whangārei urban area. Works are also soon to be implemented in Kerikeri-Waipapa, Matangirau, Kaipara Northern Wairoa, Whirinaki, Punuruku, Paparoa.

Payment of rates

Rates arrears are expected to continue. This issue predominately relates to the Far North district, where there are significant portions of Māori freehold land. Over the past three years, the Far North has collected about 88% of our rates compared with 96% in Kaipara and 96% in Whangārei. Similarly, the Far North collects around 18% of our rates arrears compared with 30% and 46% collected in Kaipara and Whangārei respectively. As a result, we had a net rates write-off of \$52,361 in the 2022/23 financial year (\$93,708 in 2021/22). We anticipate a similar level of rate write-offs in the years of this Long Term Plan.

We make an allowance for unpaid rates when setting our budget of \$650,000, funded from rates and general funds. The debt management teams of Northland's three district councils proactively manage our debt arrears collection, and we'll continue to work with them on solutions to reduce our rate arrears.

Approach to funding levels of service

We must balance our role and purpose (as defined in the Local Government Act 2002) with wider community desires and what we believe will make a positive difference. We

will listen to the community to ensure we are aware of their needs, and plan to maintain or increase the services we provide as efficiently as possible.

Efficient delivery of services must be carried out within the rating and borrowing limits set out in this financial strategy. We are confident that we can provide for the maintenance of existing levels of service, and increases where required, through prudent financial management and by focusing on the right activities.

We plan to increase spending on a number of new initiatives to meet government and community expectations, particularly of the council's role as environmental guardians:

- » continued investment in new flood projection schemes
- » freshwater and coastal water initiatives, including better science and government-subsidised programmes for land management
- » an increased pest control programme
- » providing for better partnerships with Māori
- » support services for increased core business.

The infrastructure strategy in this Long Term Plan sets out the council's role in managing flood risks, and how it intends to manage flood projection and control work assets. It helps us make informed decisions in the short term that position us to deal with major decisions and infrastructure investments in the future.

Investing in sustainable economic development

Council will continue to invest in sustainable economic development initiatives, as we believe this will make a positive difference to the economic wellbeing of Northland. Previously this investment was funded using a portion of council's investment income. Now it is funded through the **economic development rate** and investment returns from the **economic development reserve**. This funding will continue to be directed into council's **investment and growth reserve** (IGR), from which investment allocations will be made.

In addition to council's funding, both Kaipara District Council and the Far North District Council make an annual funding contribution to the IGR as part of their commitment as a joint shareholder of Northland Inc. Whangarei District Council proposed to also make such a contribution if they also become a shareholder. Council is able to make a discretionary additional contribution from the economic development reserve into the IGR as needed, provided the balance of the economic development reserve does not fall below \$13.5 million.

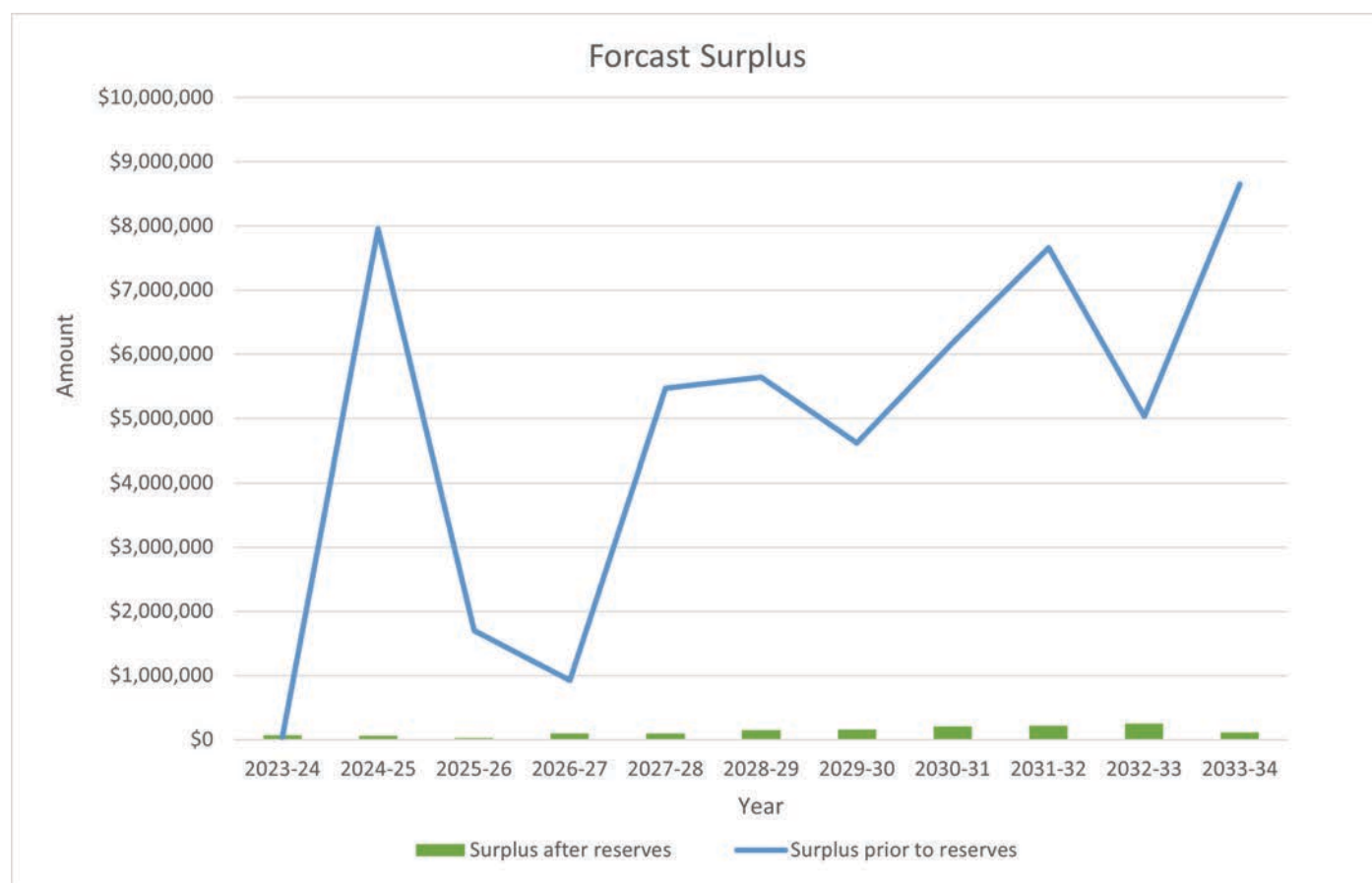
The objective of the IGR is to provide a fund from which strategic investments can be made to lift the long-term growth of the Northland economy. Council has adopted criteria and procedures for the allocation of funding, to govern the allocation of funding from the IGR. The IGR is used to provide operational funding for Northland Inc, to support the development of projects to an investment-ready stage, and to make investments into projects that enable them to be implemented. One of the key functions of Northland Inc is to be the gateway through which projects are assessed, development and recommended for funding from the IGR.

Maintaining a balanced budget

We aim to operate a balanced budget, meaning our operating expenditure, including depreciation, is covered by our available funding in each year. We are continuing to run the council with a small surplus. Our funding sources, including rates (targeted region-wide rates and specific targeted rates), investment income, user fees and charges, and grants and subsidies, continue to be sufficient to meet operating expenses.

We hold some of our funds in reserves, from which we can fund unexpected or unplanned expenditure. This enables us to extend and support increased service levels and a range of environmental and economic development initiatives, while limiting fluctuations in rate levels year to year.

We have forecast conservative surpluses after transfers to/from reserves of less than \$250,000 for the term of this plan.



Operating reserve

This reserve was established to ensure the stability of work programmes, employment and ongoing day-to-day operations of council by ensuring that the portion of annual operating costs intended to be funded from gains derived from council's managed funds is in the reserve, to cover any unanticipated loss in council funding arising from adverse economic conditions or volatility in financial markets.

Investments

Managing capital values

The capital value of our non-cash investments (investment property, forestry, and shares held in Marsden Maritime Holdings Limited) are subject to market fluctuations. Generally, over the long term, we consider the value will appreciate at a rate similar to, or greater than, inflation and therefore the real value will be maintained. This is important as it ensures the comparative value is maintained for the benefit of today's and tomorrow's ratepayers. However, because the fair value of these assets does not directly impact our day-to-day funding and cashflows, our forecast financial statements assume no fair-value movements over the 10-year period of this plan.

We review and decide on a continuing basis whether to re-capitalise cash and cash-equivalent investments (stocks, bonds and convertible notes) to maintain their real values. This decision is made after taking into account the current market conditions and our desire to subsidise rates.

The economic development reserve is available for economic development initiatives. To ensure the integrity of the fund, it should not move below \$13.5 million.

Increasing returns on investments

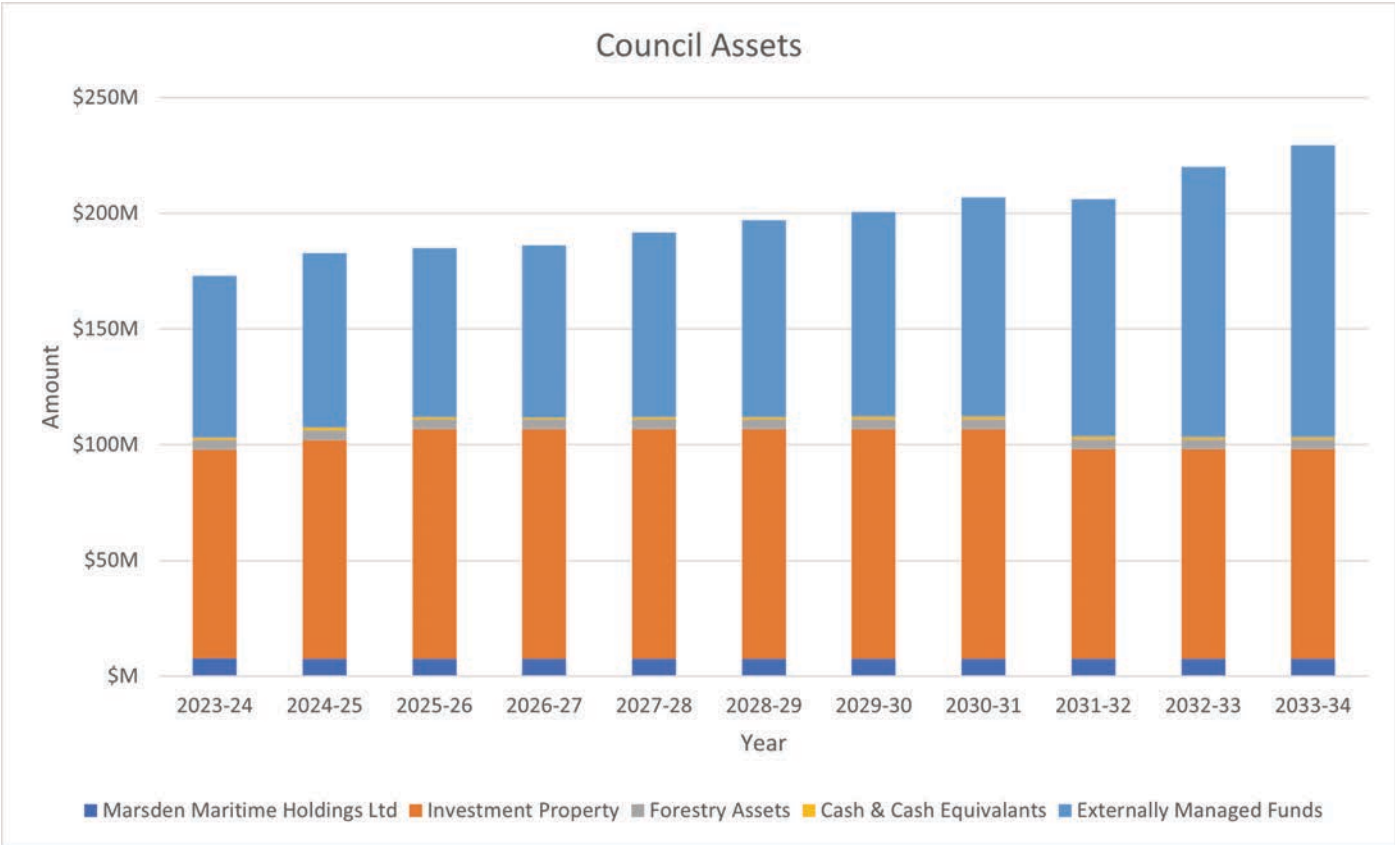
We hold investments on behalf of the Northland community to produce a revenue stream that reduces our reliance on rates revenue and/or supports the wider economic benefit of the region. We must balance the desire to increase investment returns against the need to safeguard ratepayers' assets so the benefits can be enjoyed by future generations. Investment returns can be affected by influences outside the council's control. As per its investment policy, the Council seeks to achieve a net realised return on its overall investment portfolio of 5% per annum, and a return of at least 7% per annum across its whole investment portfolio inclusive of unrealised revaluations.

The investment policy is informed by expert advice, and outlines how our investment portfolio is managed.

As an example of our reliance on investment income, a 1% decrease in forecast returns on investments (excluding forestry, which has highly variable returns year to year),

and a one-cent-per-share reduction in the dividend from Marsden Maritime Holdings Limited, will result in average

rates per rating unit or SUIP increasing by \$3.25 in a single year.



Marsden Maritime Holdings Limited (port company)

The objectives for holding shares in Marsden Maritime Holdings Limited are: to provide a revenue stream to be available to fund council work programmes and projects; to hold an investment asset on behalf of and for the benefit of Northland; and to hold a strategic asset (the LGA classifies a local authority's shareholding in a port company as a strategic asset).

Property

The objectives for holding investment property are: to provide a revenue stream to be available to fund council work programmes and projects; to hold assets on behalf of an regional community for strategic protection and development of the region; to meet statutory obligations in relation to endowment properties; and to achieve the best possible returns subject to the powers and provisions of the LGA, Public Bodies Leases Act 1969 and the Property Law Act 2007.

Forestry

The objectives for holding forestry investments are: to provide an income stream to be available for projects that contribute towards economic wellbeing for Northland; and

the development, maintenance and protection of the council's timber plantations to maximise long-term revenue, while meeting the council's environmental responsibilities.

Cash and cash equivalents

The objectives for holding investments in cash and cash equivalents are to maximise returns and to protect council's investment capital within the risk profile as set by Council.

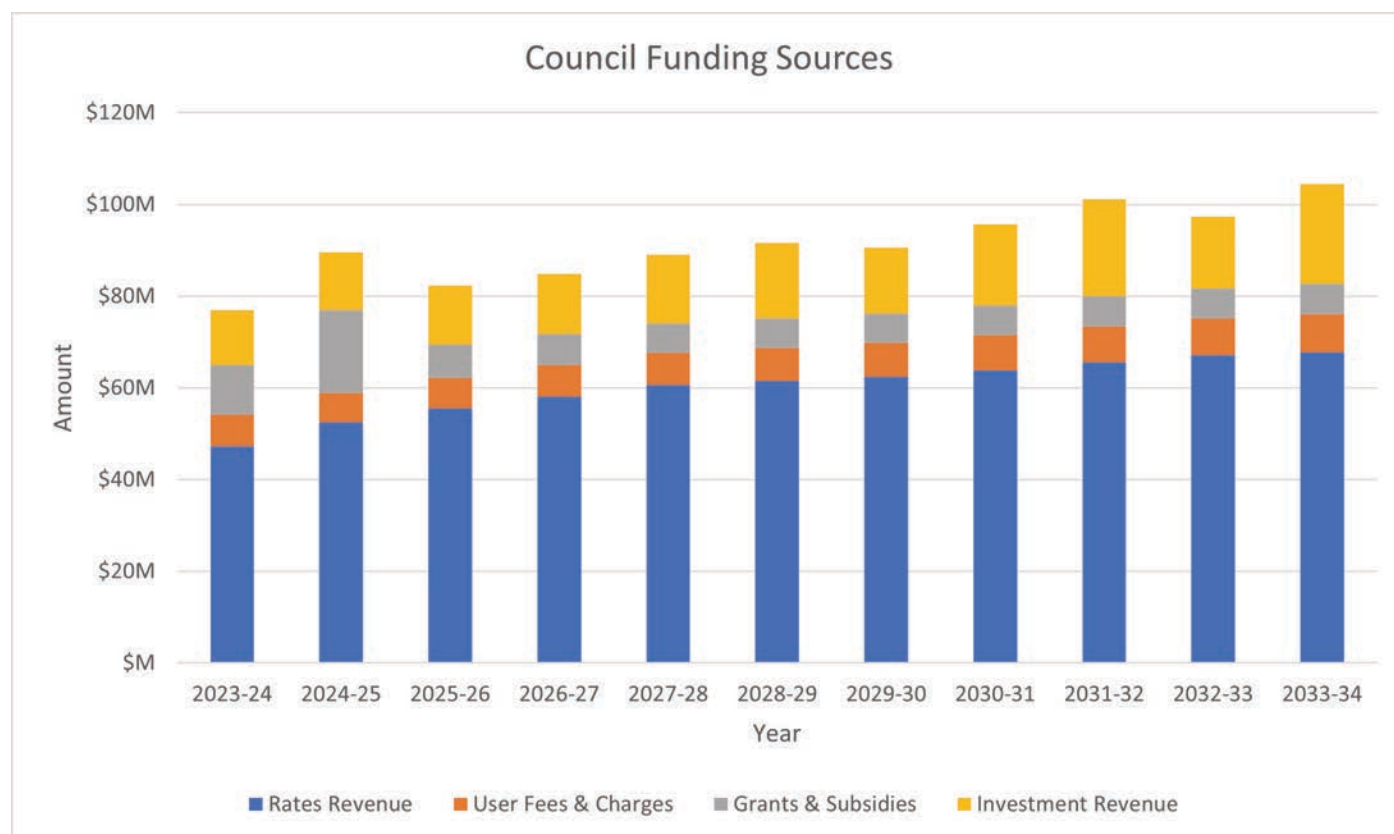
Externally managed funds

The objectives for holding investments in externally managed funds are to maximise returns and protect the council's investment capital. Further purposes of managed funds are defined in each fund's statement of investment policy and objectives.

Funding our expenditure

We pay for our activities through a range of funding sources. The way we fund each activity is set out in the revenue and financing policy, on page 183 of this document.

The proposed funding mix over the period of the Long Term Plan is set out in the graph below.



Rates

Rates limits

Total rates will not exceed 75% of total revenue.

Total rates increases will not exceed 15% on average per SUIP² in any one year.

Our rate limits represent a balance between:

- » addressing a range of issues facing the region
- » increased community and government expectations
- » continuing to manage our financial resources prudently by maintaining a strong and sustainable financial position, and
- » remaining mindful of the affordability of rates.

Over the 10 years of this proposed plan, the average annual rates increase is \$20.36 (3.2%) per rating unit or SUIP.

However, the average increases in 2024/25 and 2025/26 are, at \$45.87 (7.9%), much higher than the 10-year average. This is an anomaly caused by increases in service levels, particularly in flood risk reduction, improving freshwater management, Māori partnerships, support services and increased pest and predator management.

For the remaining eight years of this plan, much more modest increases on average per SUIP are forecast, between 0.48% (\$3.68) and 4.09% (\$26.64). We achieve this by continuing to use some of our investment earnings and reserves to help fund operating expenditure.

After the initial step-change in years one and two, we will smooth any rate increases over the following eight years, to help give ratepayers certainty about their rates bill. We'll do this by conservatively estimating expenditure that is highly variable, on the understanding that the equalisation reserve can be used for distinct and one-off costs if necessary. The equalisation reserve will maintain a minimum balance of \$250,000.

The council is confident it can continue to provide and maintain existing levels of service within the rates and borrowing limits, and provide the new initiatives.

Targeted region-wide rates

We use targeted region-wide rates to fund operational activities where it is impossible or impractical to clearly identify customers or users, or to fully recover costs from those who benefit from the situation or make the situation worse. Targeted region-wide rates are also used to fund those activities that the council considers provide a public benefit or public good.

The targeted region-wide rates are:

- » Council Services Rate
- » Land and Freshwater Management Rate

² SUIP = separately used or inhabited part of a rating unit

- » Pest Management Rate
- » Flood Infrastructure Rate
- » Emergency and Hazard Management Rate.

Specific targeted rates

The council will use specific targeted rates where it provides services to a specific area or group within the regional community but there is no mechanism to directly charge those who benefit from the situation or make the situation worse, or for transparency and accountability reasons. The activities funded may have a wider community benefit or public good, but a group derives a direct or greater benefit from the provision of the activity. Where appropriate, only this group will be targeted to pay for some or all of the service.

The specific targeted rates include:

- » Transport rates (Whangārei and Far North)
- » River management rates (Awanui, Kaihū, Kāeo-Whangaroa, Whangārei urban, and Taumārere rivers)
- » Regional economic development rate

All flood schemes that have both operational and capital works are managed to spread the cost (and loan repayment, if any) over a suitable period that takes into account the period of benefit, inter-generational equity and affordability. The river management rates are constant throughout the term of the plan. Where external grant funding is available to contribute to flood works, rates may change to reflect this.

The transport rates are not proposed to increase by BERL inflation in this plan. We may consider these rates for inflation adjustment in the future.

Balancing affordability and who pays

Getting the right balance in terms of who benefits and who pays for services, against affordability, wider social benefits and important flood projection and control work infrastructure, is essential. These elements are closely scrutinised when the council proposes and establishes its rates.

The same scrutiny is applied (private versus public benefit) in setting user fees and charges. The way that we fund each activity is set out in the revenue and financing policy on page 183 of this document. The user fees and charges are set out in the charging policy on our website: www.nrc.govt.nz/futureplan

Managing our infrastructure assets: flood projection and control

All the council's infrastructure assets are related to our river management activity. They include stopbanks, floodgates and other river scheme assets to protect areas from flooding.

We currently have flood control infrastructure assets in place in Awanui, Kāeo-Whangaroa, Whangārei, Otiria-Moerewa and Panguru. The value of these infrastructure assets is \$39 million (at 30 June 2023). More detailed information can be found in the Te whakahaere waipuketanga - Infrastructure strategy: Flood management and control and on the council's website nrc.govt.nz/environment/natural-hazards-portal/river-flooding/

In response to demand, the infrastructure strategy provides for new and extended flood schemes. Assets also need to be maintained so they keep on functioning as expected. In conjunction with the affected communities, we aim to find the right balance between providing the necessary infrastructure and the ability of affected communities (and the region) to pay. The capital cost of providing new capital flood scheme works will be split between the targeted flood infrastructure rate (70%) and the specific flood/river scheme rates for Awanui, Kāeo-Whangaroa, Whangārei urban rivers, Kawakawa and Otiria-Moerewa (30%). Further detail on the criteria applicable to this 70/30 split can be found in the Te whakahaere waipuketanga - Infrastructure strategy: Flood management and control

The following table shows the cost of these capital works.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)
Kāeo	1,535	-	250	500	-	-	-	-	-	-
Awanui	-	65	65	85	275	190	170	-	-	-
Whangārei urban rivers	-	130	450	-	-	-	-	-	-	-
Whangārei mitigation	-	-	-	-	-	-	-	-	-	-
Kawakawa	200	-	-	-	-	-	-	-	-	-
Otiria-Moerewa - new	885	-	-	-	-	-	-	-	-	-
Marae flood schemes - new	630	40	30	-	-	-	-	-	-	-
Whirinaki - new	800	-	-	-	-	-	-	-	-	-
Punuruku - new	735	-	-	-	-	-	-	-	-	-
Paparoa - new	-	-	65	65	170	-	-	-	-	-
Matangirau - new	565	-	-	-	-	-	-	-	-	-
Kerikeri-Waipapa - new	-	-	130	65	170	170	-	-	-	-
Kaipara Northern Wairoa - new	-	-	65	65	170	170	-	-	-	-
TOTAL	5,350	235	1,055	780	785	530	170	-	-	-

Borrowing

Borrowing is intended to achieve a degree of inter-generational equity. It allows ratepayers to fund projects over an extended period of time, in part reflecting the lifetime of the asset or project, and the benefits from it. The council can borrow externally, or internally from its reserves. The council may borrow externally to fund infrastructure assets where investment returns are forecast to exceed external borrowing costs. This approach will be reviewed. The council's liability management policy is informed by expert advice, and contains the criteria by which our borrowing decisions are made.

The council is a non-rated, guaranteeing participant of the Local Government Funding Agency (LGFA). The council's projected borrowing over the period of this plan peaks at \$36.5M in 2030/31, which is well within our current borrowing policy limit of \$88.3M. As a guarantor member council guarantees the obligations of the LGFA. The guarantee provides for a proportionate liability based on the relative share of total rates revenue of all guarantors. Standard and Poor's ascribe a AA+ credit rating to the LGFA with a positive outlook (i.e. may improve to AAA, the highest possible credit rating). This credit rating implies a 0.15% probability of default over the next five years. Therefore, the risk associated with council being a guaranteeing member of the LGFA is considered to be low.³

Borrowing limits Total revenue is defined as cash earnings from rates, government grants and subsidies (excluding one off grants or subsidies), user charges, interest, dividends, financial and other revenue, and excludes

³ As assessed against the financial threshold set out in council's significance and engagement policy

⁴ Section 21(1) of the Local Government (Financial Reporting and Prudence) Regulations 2014 states that a local authority meets the debt servicing benchmark for a year if its borrowing costs for the year are equal to, or less than, 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) for the year.

non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total consolidated debt, less liquid financial assets and investments. Net interest is defined as the amount equal to all interest and financing costs, less interest income for the relevant period. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

- » Net debt will not exceed 175% of total revenue.
- » Net interest will not exceed 10% of total revenue⁴.
- » Liquidity will be greater than 110%.

Compliance with these limits over the 10 years of the Long Term Plan is demonstrated in the financial prudence section on page 177 of this document.

Policy on securities for borrowing

To borrow money externally, we must offer our lenders some securities, just like residents do with their mortgage. Like most councils, we usually secure our debt against our rates revenue.

When we borrow externally, we provide a debenture trust deed prior to accessing funds. Under a debenture trust deed, our borrowing is secured by a floating charge over all council rates assessed under the Local Government (Rating) Act 2002. In such circumstances, the security offered by the council ranks equally ('pari passu') for all stock issues by the council.

Where appropriate, we may seek project financing that may have a charge over a project or specific assets rather than rates. Physical assets will only be charged where:

- » there is a direct relationship between the debt and the purchase or construction of the asset which it funds (such as an operating lease or project finance)
- » the council considers a charge over physical assets to be appropriate, and
- » any pledging of physical assets complies with the terms and conditions contained within the debenture trust deed.

The council may use its reserve and special funds, and refers to this activity as 'internal borrowing'. The use of special funds and reserve funds (and internal borrowing of special funds/reserve funds and other funds) will be on an unsecured basis.

Loans for infrastructure assets

The capital infrastructure of our river management schemes is expected to have a useful life of up to 150 years. The council used internal and external borrowing for the Whangārei urban, Kāeo-Whangaroa and Awanui river schemes.

The council will borrow externally to fund future river schemes and any other large infrastructure projects as they arise. The maximum loan period is 30 years. The actual loan period is determined after considering the extent of the capital works and the period of benefit, affordability, and commitment of future generations. Rates will be collected to ensure the council has sufficient funds to repay these loans when they are due. The rates collected will be held and invested in managed funds until the loans are due.

In some cases we are unable to borrow for the equivalent period for which the rate has been set. In these cases a partial loan repayment will be made at the end of the loan period and a new loan raised for the residual amount. Whenever possible this is avoided as it represents an elevated interest rate risk.

Internal borrowing rates

In determining the internal borrowing rate, council considers the long-term returns that it earns on its reserves/investments. The actual internal borrowing rate is subject to change and is reviewed by the council annually.

For the purposes of budgeting, the cost of internally borrowed funds is 4% per annum. Interest may be applied to a reserve balance when in surplus by \$50,000 or more funds at a rate of 3% plus the 90-day bank bill rate.

If there are marked changes to the cost of borrowing or the return available on safe investments, the council may (by special resolution) set an internal borrowing rate that reflects the actual market conditions at the time the internal loan is established.

Te whakahaere waipuketanga

Infrastructure strategy: Flood management and control



Overview

This strategy has been prepared for flood risk management infrastructure as required under the Local Government Act 2002, section 101B. The Local Government Act (LGA) 2002 Amendment Act 2014 included provisions that require councils to prepare an infrastructure strategy for at least a 30-year period, and to incorporate this into long-term plans. The purpose of this strategy is to:

- » identify significant infrastructure issues over the period of this strategy
- » identify the principal options for managing those issues, and the implications of those options
- » outline how Northland Regional Council (the council) intends to manage its flood projection assets, and what the most likely scenario is for the management of these assets.

This strategy presents a 30-year plan for the council's flood projection and control assets. It will help us make informed decisions in the short term that will position us to deal with the major decisions and investments that will occur in the next 10-30 years.

Northland's flood scheme infrastructure currently comprises six main flood management schemes: the Awanui flood scheme; Otiria/Moerewa flood scheme, the Kāeo-Whangaroa flood scheme; the Hopua te Nihotetea detention dam in Whangārei; flood management works in the Kerikeri-Waipapa catchment, and flood management works in the small Hokianga settlement of Panguru. These schemes have a combined asset value of \$39 million.

The Whangārei, Otiria/Moerewa, Kāeo-Whangaroa, Kerikeri-Waipapa and Panguru flood schemes have been constructed in the past 10 years, so the assets are relatively new. An upgrade of a section of stopbanks in the Awanui scheme through Kaitia is currently underway as well as works in Otiria/Moerewa. We anticipate that maintenance/upgrade on these new assets over the period of this infrastructure strategy will be limited. New capital expenditure is planned to extend the Kāeo-Whangaroa, Taumarere, Hokianga and Whangārei flood schemes within the first 10 years of this strategy.

The Awanui flood scheme is much older, and its assets are variable in age and condition. This scheme is also much more extensive than the other two schemes, in terms of the length of stopbanks and the spillway, and the number of floodgates that the council is responsible for. Maintenance and renewal costs are significantly higher. A review of the Awanui flood scheme identified a number of major upgrades that are likely to be required, which are included in this infrastructure strategy as well as in other financial planning included in this Long Term Plan.

Northland context

Northland is a long, narrow peninsula with a subtropical climate. It has a land area of 13,286km², of which 526km² is classified as alluvial and estuarine plains and low terraces, much of which is prone to flooding. More than 50% of the land is in pasture and 10% in forests. Northland's mainland coastline is 3,127km long, and a high proportion of the population live in coastal settlements, including the main urban centres of Whangārei and Dargaville. The region, therefore, has a relatively high exposure to potential sea level rise and future coastal inundation, and this is clearly shown in council's coastal flood hazard maps.

River flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region's exposure to high-intensity rainfall events. River flooding affects many of Northland's main urban centres and smaller townships. It presents a risk to human life, disrupts communications and access, and damages property and infrastructure. River flood hazard has been mapped for the entire Northland Region.

Demand assumptions

Unlike the demand for a number of other infrastructure types, the demand for flood projection and control works is not directly related to population growth. Instead, demand is driven by:

- » the geographical extent of population centres and assets sited within floodplain areas
- » public perceptions of flood risk, and acceptable levels of flood risk
- » population density within at-risk areas, which has a bearing on level of service expectations.

Future demand for flood projection works can be reduced via alternative interventions such as land use planning, managed retreat from at-risk areas, and investment in improving the resilience of assets located within at-risk areas. Effective land use planning requires at-risk areas to be mapped with some precision. The council commissioned a land information LIDAR (Light Detection and Ranging) survey across the whole region, which has enabled flood risk to be mapped across all catchments and around the coast.

We consider that population growth within floodplains is unlikely to make a significant difference to the funding basis of flood schemes, or on the demand for services over the timeframe of this strategy, especially in rural areas. This is primarily due to improved land use planning, based on more accurate flood mapping. However, identifying flood risk areas across the whole region, including areas that may be affected by future climate change, does have the potential to change public perception of flood risk. If sea

level rise becomes evident to the public, public demand for flood projection works in coastal areas is likely to increase significantly over the timeframe of this strategy.

In 2008 we identified 26 river catchments where we considered the risks from river flooding were highest to communities and essential infrastructure throughout Northland – the Priority Rivers Flood Risk Reduction Project. The rivers and streams in these priority catchments pose potential threats to life, buildings, road access, infrastructure and agriculture. River management plans were developed for these 26 catchments, documenting the potential flood risks and identifying mitigation options to reduce the impacts of flooding. In 2018, two additional river catchment flood models were developed for Waipū and Paparoa. In 2021 Regionwide river flood modelling was undertaken to allow the council and the community to better understand the risk areas and potential impact on Northland communities. In 2023 a Strategic Flood Risk Management Project was undertaken to prioritise the flood adaptation works programme, the capital works programme proposed below has been prioritised based on this project.

In many cases it is not physically possible, nor affordable, to provide communities with total protection from flooding in Northland. In this context, we work with communities to identify at-risk areas, develop community response plans and issue flood warnings to reduce flood risks.

Vision for the community over the next 30 years

The overall vision for this strategy is to progressively reduce the flood risk to defined and achievable levels in a cost-effective manner, integrating environmental and climate change considerations.

A starting point for this vision is the assumption that if no intervention was made, existing levels of service would gradually reduce due to asset deterioration and projected climate change effects.

When looking ahead, we expect flood projection will be a major activity for us. The vision includes pro-active consultation and planning to put in place strategies and structures that will endure well beyond the timeframe of this strategy.

Overview of flood projection assets

Existing flood projection infrastructure

At the current time, we have flood control infrastructure in place to reduce flood risk in four scheme areas:

- » Awanui flood scheme (asset value of **\$27,897,000**)
- » Kāeo-Whangaroa flood scheme (asset value of **\$1,058,272**)
- » Whangārei (asset value of **\$8,975,000**)
 - » Hopua te Nihotetea detention dam, part of the Whangārei urban rivers flood scheme
 - » Woods Road flood wall, part of the Whangārei urban rivers flood scheme
- » Panguru flood scheme (asset value **\$1,208,422**).

Details of each scheme are shown in the following table.

Summary of existing flood projection infrastructure

	Total value of assets (NRC Annual Report 2023)	Types of assets	Age of assets	Annual Depreciation (2023)	Level of service objective (flood protection)	Current level of Service
Awanui flood scheme	\$27,897,000	89.9km of stopbanks and 142 floodgates	Stopbanks: varies, majority constructed prior to 1970 Floodgates: average 35 years	\$282,414	Urban areas: 1:100 years Rural areas: 1:20 years	Urban Kaitiāia: 1:100 years (upgrade 2023) Rural areas: <10 years
Otiria-Moerewa flood scheme	Formal value assessment not yet done as project was under construction during 2023 valuation.		Assets under construction 2023	N/A not calculated: works underway 2023	TBC	TBC
Kāeo-Whangaroa flood scheme	\$1,058,272	30,000cu m of stopbanks, 1 spillway, 1 flood wall and 4 floodgates	All assets constructed in 2013/14	\$7,605	Township: 1:20 years	Township: <1:20 years
Whangārei urban rivers flood scheme	Hopua te Nihotetea dam and Woods Road flood wall: \$8,975,000	Detention dam: 18m high Flood wall: 112m long	Dam constructed 2014/15 Flood wall constructed 2019	Dam: \$79,610 Flood wall: \$8,847	Urban CBD: 1:50 years	Urban CBD: <1:20 years
Kerikeri-Waipapa flood scheme	Formal value assessment not yet done as project was under construction during 2023 valuation.		Assets constructed 2023	N/A not calculated: works completed 2023		TBC
Panguru flood scheme	\$1,208,422	1.6km of stopbanks, 60m spillway and one floodgate	Stopbanks: varies, some newly constructed 2019/20	\$12,329	1:10 years for West Coast Road 1:5 years for Otengi Road	1:10 years for West Coast Road 1:5 years for Otengi Road

Awanui flood scheme

The key levels of service for the Awanui flood scheme are contained within the scheme's asset management plan, including specific details on how we renew or replace our existing assets. Renewing floodgates and maintaining stopbank assets is scheduled to be undertaken prior to the end of expected life.

Kāeo-Whangaroa flood scheme

The key levels of service for the Kāeo-Whangaroa flood scheme are contained within the scheme's asset management plan, including specific details on how we renew or replace our existing assets.

The completed stage one of the Kāeo-Whangaroa flood scheme was designed to prevent high-velocity floodwaters from Kāeo River flowing through the township. While the Kāeo stopbanks are designed to be above the 1:100-year flood level, the township is still exposed to flooding from the Waikare Creek as well as from backwater from the Kāeo

River. This Long Term Plan includes implementation of stage two of the Kāeo flood scheme. Other Kāeo-Whangaroa river works to be implemented under this Long Term Plan include the construction of a new floodway at Matangirau.

Whangārei urban rivers flood scheme

Hopua te Nihotetea detention dam and Woods Road flood mitigation works

The key levels of service for the Hopua te Nihotetea (Kotuku Street) detention dam and the Woods Road flood projection works (flood wall) are contained within the Whangārei urban rivers asset management plan, including specific details on how we renew or replace our existing assets. We do not anticipate that the Hopua te Nihotetea dam or the Woods Road flood wall will require significant renewal or replacement expenditure in the first 30 years of operation (having been constructed in 2014/15 and 2019/20 respectively).

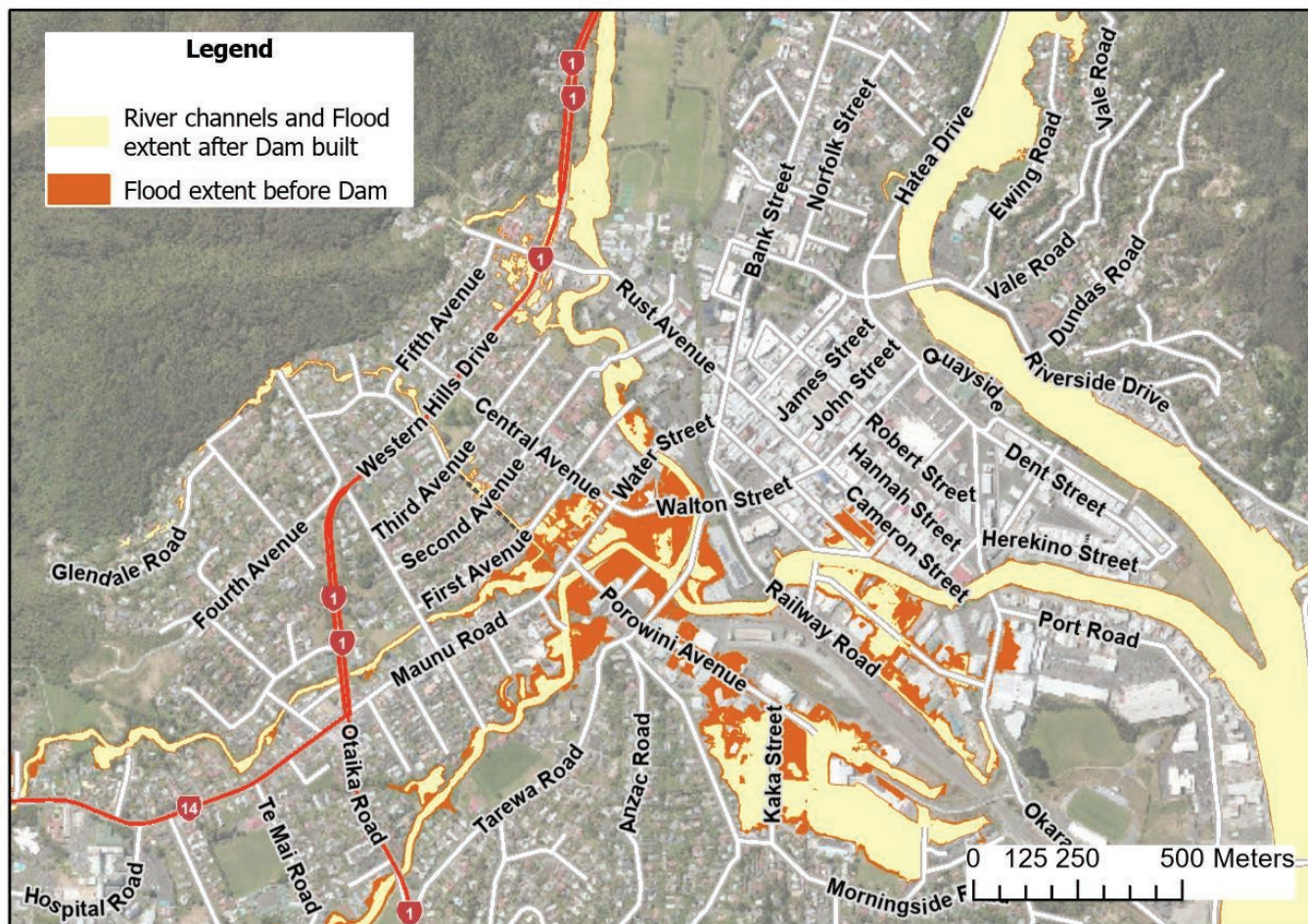
Panguru flood scheme

The key levels of service for the Panguru river scheme are contained within the scheme's asset management plan. We do not anticipate that the Panguru scheme will require

significant renewal or replacement expenditure in the first 30 years of operation.

Details of the Otiri-Moerewa and Kerikeri-Waipapa works to be included in next infrastructure strategy once complete/as-built information available.

Impact of the Hopua te Nihotetea detention dam on the 1:50-year flood extent in the CBD



Significant issues, options and implications

The most significant high-level strategic issues facing our flood projection and control infrastructure are outlined in the table below, with options to address them. Decisions over specific works options for existing and proposed flood schemes are outlined later in this document.

Strategic overview of issues and options for flood projection assets

Issue	Issue summary	Principal options	Implication of options	Preferred option
Climate change	If climate change projections are realised, protecting floodplains and low-lying coastal areas will become less sustainable and more expensive over time. Levels of service associated with flood projection assets will gradually reduce and public demand for protection will be likely to increase. There may also be a need for council to increase its role in providing coastal protection.	Protect Retreat Accommodate	Depending on the context, this may be a preferable short- to medium-term approach but costs will gradually increase over time, especially for coastal areas vulnerable to sea level rise. There is potential for managed or unmanaged retreat from at-risk areas. The main implications are loss of land or development potential, and likely expectation for compensation. Land use planning to regulate new development is a first step in a retreat strategy. A strategy of less intervention means lower initial cost. Gradual adaptation over time through more resilient buildings and infrastructure. Requires acceptance of reducing levels of service over time.	The preferred option is likely to be location and context specific. The various options may each be suitable for different areas. Consultation and planning through an adaptive pathways planning process is required to determine optimal adaptation options.
Renewal/ replacement of assets	Ageing assets will require renewal or replacement at end of design life.	Renewal at end of design life to design standard/level. Renewal at end of design life with upgrade to maintain/increase level of service. Replace with alternative structure, including potential relocation of asset.	Depends on design standard but likely to result in reduction of level of service over time. Short-term saving relative to other options. Maintains level of service for a finite period of time but without flexibility to re-configure areas to be protected to achieve efficiencies. Consistent with a managed retreat option from areas that have highest residual risk, and are more expensive to defend. High initial cost due to asset relocation and lost land. Opportunity to set back stopbanks and create wider flow paths to raise level of service.	The Kāeo, Panguru and Whangārei flood schemes require no renewal or replacement over the next 30 years. Awanui flood scheme assets are being renewed currently (stopbanks through township).
Demand for services	Demand for services likely to increase due to region-wide mapping of flood risk. Increased demand is anticipated if/when climate change effects become readily apparent.	Limit increase in demand by identifying at-risk areas, and promote regulatory approach to risk avoidance for new development. Limit number of schemes/extent of existing schemes.	Not directly related to management of flood protection assets, but critical to limiting increase in future demand. Fails to meet current demand, or anticipated increase in demand. Lower flood scheme cost but higher flood damage cost.	Limit increase in demand through land use planning and respond to future demand by expanding number of flood protection schemes.

		Increase number of schemes, and extent of existing schemes.	Responds to current demand, and anticipated increase in demand. Higher flood scheme cost. Flood damage cost minimised.	
Levels of service (existing schemes)	Levels of service are not always well defined or met. Actual level of service from existing assets is likely to reduce over time due to climate change impacts and geomorphological changes.	Upgrade existing assets in the Awanui flood scheme to meet current levels of service.	Limited initial cost to meet current intended levels of service.	Upgrade and expand assets for existing flood schemes to meet target levels of service.
		Upgrade and expand assets.	Considerable investment required to reduce flood risk to urban Kaitiāia.	
Public health and environmental outcomes	Flood schemes are required to prevent or reduce public health and environmental impacts associated with flood events. Levels of service and resilience for scheme assets are likely to be affected by new regulation such as a National Policy Statement for Natural Hazards, and the outcomes from independent reviews (such as into the Edgecumbe flooding of April 2017).	Implications and principal options are unclear until the regulation or information is made available. Presumption is that flood protection assets will need to comply with any new requirements.	Complying with new requirements is likely to incur a cost. Non-compliance is likely to incur a liability risk, however there should be a grace period over which compliance with new requirements can be achieved.	Comply with new requirements in a cost-effective manner.
Resilience of infrastructure	Resilience of flood protection infrastructure may be compromised due to structural failure, or effects of climate change.	Maintain assets to design standard. River channel banks through urban Kaitiāia require targeted toe protection to ensure bank stability.	New scheme works at Whangārei and Kāeo are designed to be resilient over the next 100 years. Kaitiāia river bank stabilisation works to be undertaken. Potential liability risk if these works are not completed.	Implement measures to safeguard resilience of flood channels that protect urban areas.

Recurrent themes in the preceding table are the affordability and resilience of assets, and uncertainty associated with current and future flood risk.

Affordability relates to the ability to continue to invest in the maintenance, renewal and upgrade of infrastructure, and depends on the condition of the assets, what increases in service level are required, and the ability of ratepayers to fund the works. We will continue to strive to ensure that the flood projection and control works are affordable by providing options that can be sustained on both a financial and an operational basis. Funding policies have been reviewed for flood scheme works, and under the 2018 Long Term Plan a Flood Infrastructure Rate will fund 70% of qualifying capital works on flood schemes to reduce the burden on the local targeted rate.

Ensuring our infrastructure assets are resilient in the face of future climate change and natural hazards is important in continuing to protect our communities in flood-prone areas. Flood scheme works implemented since 2010 have been designed to be resilient in a 1:100-year event, and

allowing for climate change effects in line with the Ministry for the Environment's publication 'Coastal hazards and climate change: guidance for local government' (2017)¹.

While we have modelled flood risk and gained an understanding of the risk profile, a degree of uncertainty remains. Floodplains and river channels are dynamic, and it is not possible for us to model all potential storm profiles and flood scenarios, including the potential for structural failure of flood projection assets and long-term accretion of floodplains. Climate change effects are currently predicted to fall within a wide range, and it is likely that over the course of the next 30 years, climate change projections will be refined, resulting in greater certainty. Additional hydrological data collected over time will also facilitate more accurate modelling of flood dynamics. The data is collected by the NRC Hydrology department, and collaboration is important to ensure resources allocated accordingly. This will facilitate the design process, especially in relation to the timing of replacement or upgrading of affected scheme assets.

¹ <https://storymaps.arcgis.com/stories/dfca2596e9c4412bac068a6fb462c1ea>

Management of future flood projection works

Significant decisions have been made on management of flood projection works in Northland, including which new flood schemes to construct, and which existing schemes should be expanded or upgraded to increase levels of service.

Significant decisions about capital expenditure

A timeline of new flood infrastructure projects, including upgrades to existing and new schemes, is shown in the following image. The timing of future decisions required for these flood schemes is also identified. As can be seen from the timeline below, work on the flood schemes is planned to be undertaken within the period of the Long Term Plan 2024–2034.

This infrastructure strategy includes a capital works programme of up to \$19.2 million over the first 10 years and operational expenditure of \$18.6 million over the same time frame.

Proposed funding methods

Flood control schemes have historically been funded by targeted rates collected from the properties that are within the defined catchment area of each scheme. Funding for large capital works projects has been borrowed from the council and repaid over a set period from the revenue received from targeted rates. Occasionally these works also receive grant subsidies from central government.

Under the 2018 – 2028 Long Term Plan a Flood Infrastructure Rate was adopted so that new qualifying capital works for flood projection will receive at least a 70% subsidy. The remaining 30% will be collected from the local targeted rate, which will also be used to cover all on-going operational and maintenance costs of each scheme. The Flood Infrastructure Rate is assessed at a region-wide level to address priority areas and for smaller settlements with a significant flood risk but low rating base. The region-wide flood infrastructure rate funds all of council's wider flood

management activities. A number of criteria apply to new work to be part-funded by the flood infrastructure rate. These criteria were adopted in the 2018/19 year and apply every year following unless otherwise resolved by decision of council.

- » The work must take place in an area that has been identified as a priority rivers area. This currently includes rivers and catchments where priority has been allocated on the basis of flood risk to lives, buildings, road access, infrastructure and agriculture.
- » The new rate would fund work for high risk urban or residential areas only, with protection schemes for farmland alone excluded.
- » There must be demonstrable community support for the works.
- » Funding would only apply to new capital work, with any operational work required funded by targeted rates.
- » The new rate would fund 70% of the cost of work where the total cost is \$1,000,000 or more, with the balance of the work funded from targeted rates on the area.

In areas where proposed capital works will cost less than \$1,000,000, and it is not practicable to establish a targeted rate, the new flood infrastructure rate will fund 100% of the cost of the flood works. It may not be practicable to establish a targeted rate where there are less than 1,000 rating units, where the benefits of the flood works are limited to a very small area, or where the rate to be collected would amount to less than \$100,000 a year.

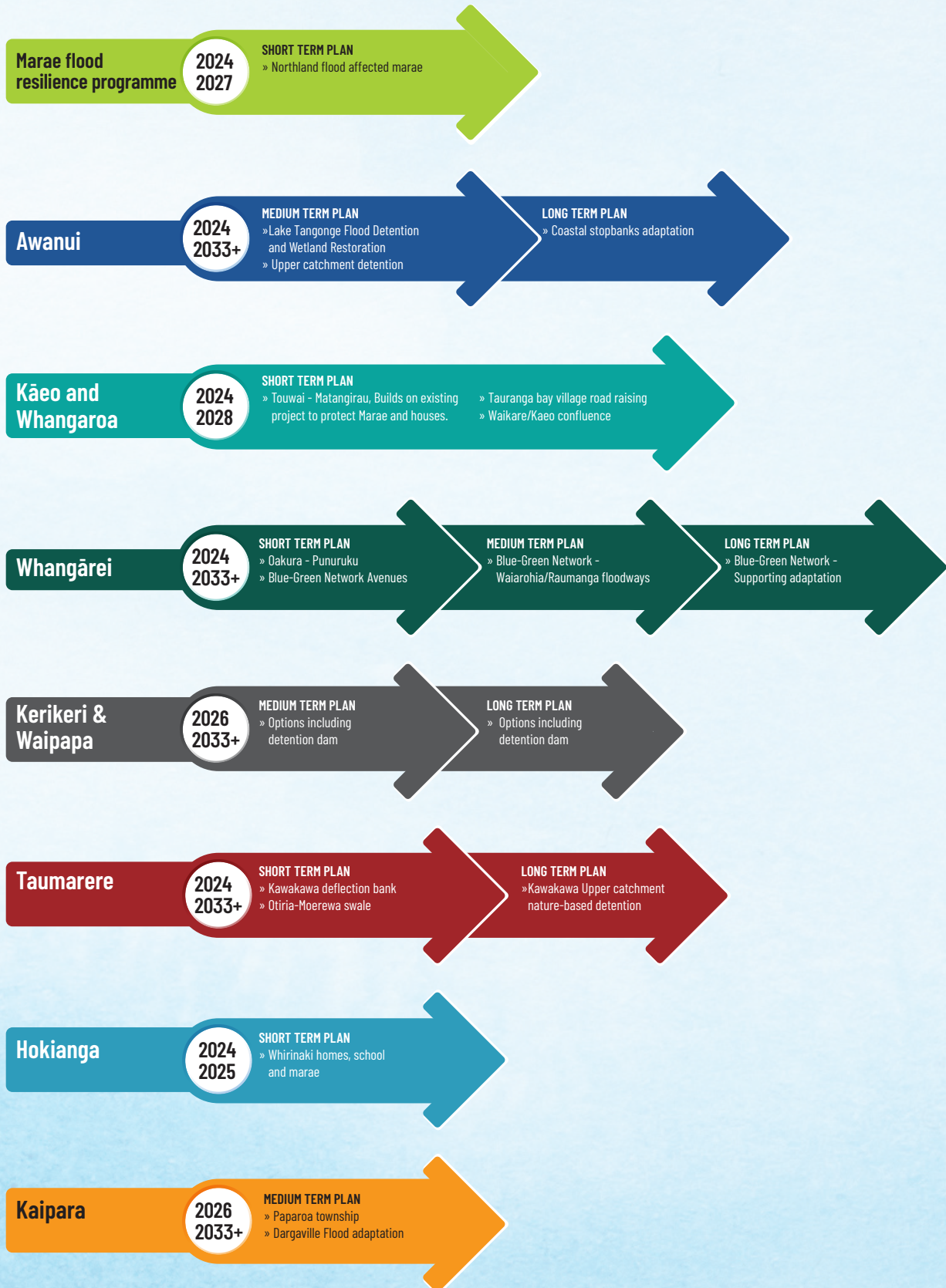
Note that the region-wide rate will cover the cost of investigation and design of all schemes, with the 70/30 split applying to construction work over the agreed limit.

Central Government has approved funding for flood resilience. This funding has been split between a number of projects in the significant decisions about capital expenditure table below. The Far North District Council has also provided funding to reduce flood risk in the Far North region. The value of the funding is shown in the table below. The total funding from a flood infrastructure rate and local targeted rates will decrease for relevant projects relative to this external funding.

External funding approved 2023

Total fund	
Flood resilience fund	\$4.2M
Far North District Council fund	\$650,000

Flood Infrastructure Plan



Significant decisions about capital expenditure

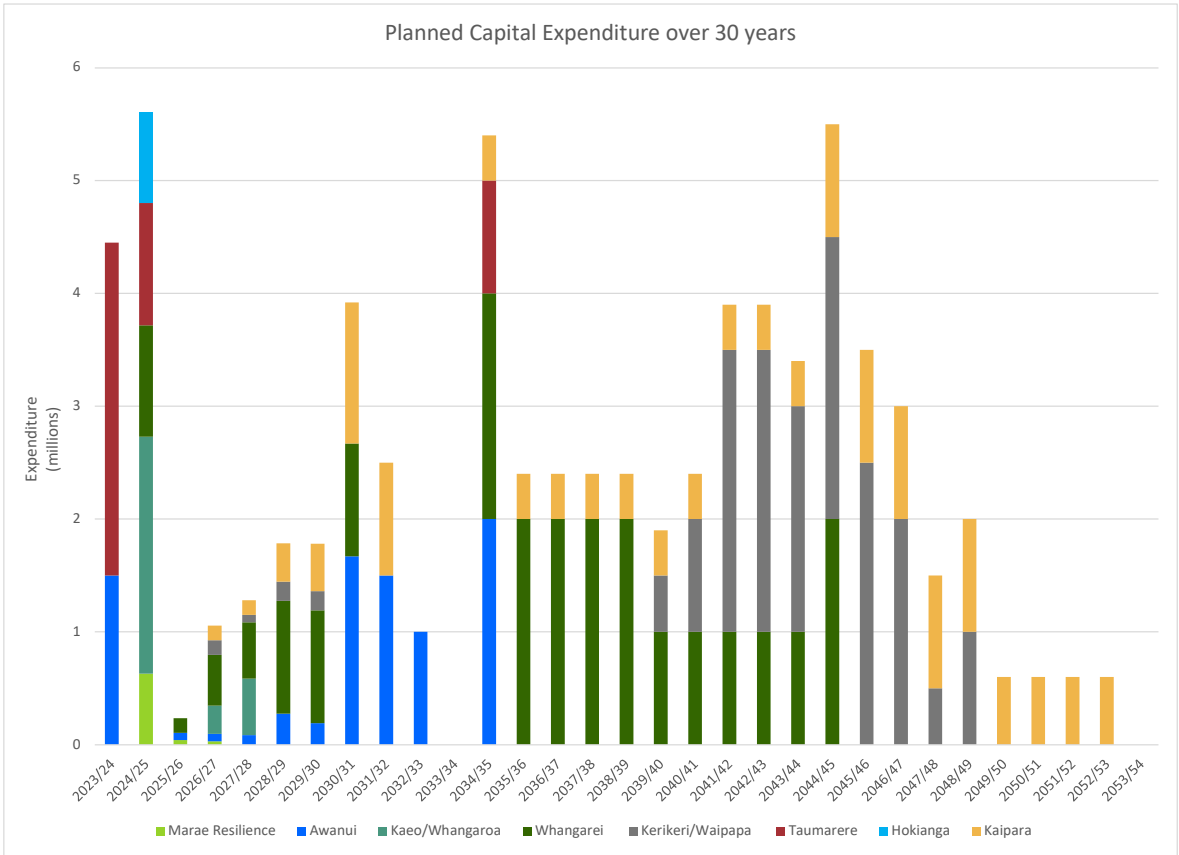
	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Marae flood resilience programme	Northland flood-affected Marae	Design and construction: \$700,000	2024-2027	LTP 2024
	Engagement, investigations, design and implementation work to systematically work with 35 flood-affected marae to reduce flooding impacts	(\$600,000 of this is externally funded)	(LTP years 1-3)	
Awanui flood scheme	Upper catchment detention	Investigation and preliminary design: \$300,000	2028-2033+	LTP 2027
		Construction: \$3 million	(LTP years 5-10+)	
		Total resources: \$3.3 million		
	Lake Tangonge Flood Detention and Wetland Restoration	Investigation: \$250,000	2028-2029	LTP 2027
		(LTP year 5-6)		
	Coastal stopbanks adaptation	Investigation and preliminary design: \$300,000	2025-2033+	LTP 2024
		Construction: \$3 million	(LTP years 2-33+)	
		Total resources: \$3.3 million		
Kāeo-Whangaroa flood scheme	Matangirau flood scheme	Floodway construction/channel benching	2024-2025	LTP 2024
	Floodway (1.5km), including 1km upstream and 500m downstream of Wainui Road.	Total resources: \$565,000	(LTP years 1)	
		(\$300,000 already funded in Kaeo rate)		
	Kāeo-Whangaroa flood scheme	Investigation and design: \$202,000	2024-2025	LTP 2024
	Adjusted stage two works:	Construction: \$1,333,000	(LTP years 1)	
	creek widening, re-alignment and bank extension.	Total resources: \$1,535,000 (\$885,000 funding Central Government, \$650,000 funding FNDC)		
	Tauranga Bay village road raising	Construction: \$750,000	2026-2028	LTP 2024
			(LTP years 3-4)	
Kerikeri/ Waipapa flood scheme	Options including detention dam	Investigation and design: \$535,000	2026-2030	LTP 2024
		Construction: \$17 million	(LTP years 3-6)	LTP 2037
		Total resources: \$17,535,000	2039-2049	
			(LTP years 16 - 25)	
Taumārere	Kawakawa deflection bank	Construction: \$650,000	2024-2025	LTP 2024
		(plus \$350,000 externally funded)	(LTP years 1-2)	
	Otiria-Moerewa Swale	Investigation and design: \$235,000	2024-2025	LTP 2024
		Construction: \$650,000	(LTP years 1-2)	
		Total resources: \$885,000		
		(including \$735,000 externally funded)		
	Kawakawa Upper Catchment nature based detention	Investigation and design: \$300,000	2024 - 2026 (LTP years 1 - 3)	LTP 2024
		(this \$300,000 is externally funded)	2033+	LTP 2033
		Construction \$1 million	(Year 11-15)	
Hokianga Whirinaki flood reduction	Whirinaki homes, school and marae flood reduction	Investigation and design: \$800,000	2024-2026	LTP 2024
		(\$800,000 externally funded)	(LTP years 2)	

Kaipara flood reduction	Paparoa township flood reduction	Investigation and design: \$300,000	2026-2028 (LTP years 3-5)	LTP 2024
	Dargaville Flood Adaptation	Investigation and design: \$470,000 Construction \$12 million	2026-2029 (LTP years 3-6) 2033+ (Year 11-15)	LTP 2024 LTP 2033
Whangārei flood scheme	Punuruku Road flood reduction	Investigation, design and construction: \$735,000 (\$635,000 funded externally)	2024-2025 (LTP years 1)	LTP 2024
	Blue-green Network - Avenues	Investigation and preliminary design: \$180,000	2026 -2027 (LTP year 3)	LTP 2024
	Blue-Green Network -Waiarohia/Raumanga floodways	Investigation and preliminary design: \$300,000	2025-2026 (LTP years 2-3)	LTP 2024
	Blue-Green Network - supporting adaption	Investigation: \$100,000	2026 -2027 (LTP year 3)	LTP 2024

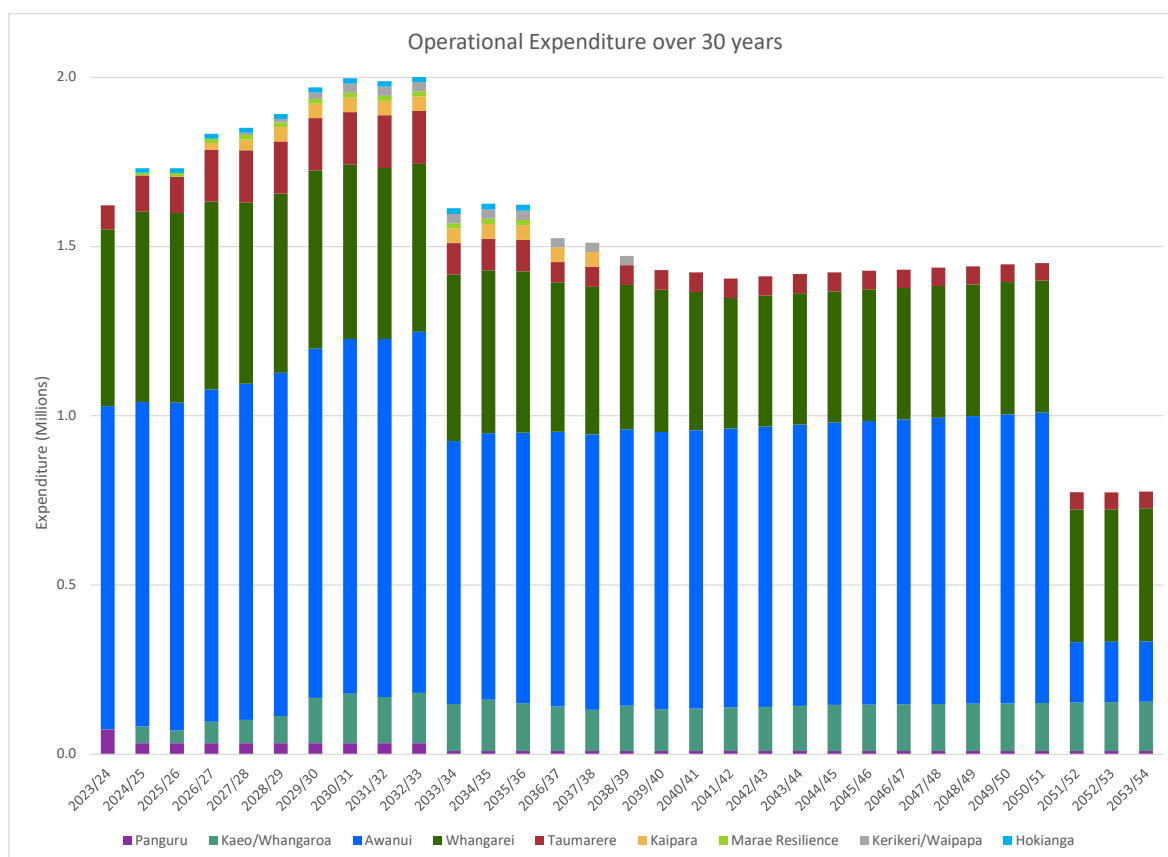
Indicative estimates of projected and operating expenditure

Our indicative estimates of the projected capital and operational expenditure for flood scheme assets over 30 years are provided below:

Projected capital expenditure



Projected capital expenditure



Operational Expenditure

Asset maintenance and renewal expenditure is a relatively small cost that is used to ensure existing flood control assets are replaced as they reach the end of their design life. Operational expenditure is the cost associated with running the five existing river management schemes, including items such as insurance, interest repayment and general maintenance.

All our scheme assets carry full insurance replacement cover, including cover for the risk of natural hazards. We also ensure that operational expenditure is budgeted at a level sufficient to undertake maintenance to scheme assets from minor storm damage (i.e. damage that is not sufficient to lodge an insurance claim for). The maintenance programme includes repair and long-term renewal of stopbank assets and, therefore, no depreciation is applied to stopbank assets within the operational spend budget.

Route Resilience

Coupled with Northland Regional Council's statutory role as the Region's Catchment Authority and responsibilities under the Soil Conservation and Rivers Control Act 1941 the Northland Regional Council plays a significant role in

strengthening route resilience within the Northland Region. Council has a principal responsibility in risk identification and assessment. This involves collaboration between the following teams internally; Hydrology, River Management, Civil Defence and Emergency Management, and Climate Action teams. The work involves the collection of data, identification of areas of flood risk, and the development of emergency plans, early warning systems and working alongside Lifeline groups to reduce infrastructure outage risks and minimise restoration time when outages occur.

Route resilience will remain a major challenge for the region as a result of climate change. Therefore, the assessment of route resilience and the works necessary to achieve a high level of resilience from flooding on Northland's State Highway network is needed. This cannot be solved by isolated planning activities between agencies or by localised planning within communities. A regional view of route resilience needs to be established and maintained over time and Northland Regional Council has a key responsibility to ensure a regional plan for route resilience is identified and actions and opportunities taken.

In addition to internal collaboration, the Northland Regional Council will actively collaborate with key external stakeholders, including the Government, Northland Transportation Alliance (NTA), NZ Transport Agency Waka Kotahi (NZTA), Iwi and District Councils, with each

contributing expertise in risk identification and assessment to inform the external stakeholders' roading asset management and Northland Regional Council's catchment management.

Key assumptions

In developing this infrastructure strategy, we have identified a number of key assumptions that we have made in determining our future planning and expenditure estimates. These are summarised in the following table.

Area	Assumption	Level of uncertainty (low to high)	Nature of that uncertainty	Potential effects of that uncertainty
Life cycle of significant infrastructure assets	Significant renewal expenditure for newly constructed assets will not be required over the first 30 years of asset life.	Medium	Stopbank settlement rates and failure of ancillary components	Increased expenditure
	Accuracy of asset data and flood modelling underlying the financial projections is sufficiently robust.	Medium to low	Flood modelling assumptions. Large, low-probability events have the potential to shift probability estimates.	Increased expenditure
	Potential structural failures are able to be detected and remedied before they occur.	Medium	River bank and stopbank conditional surveys are successful in identifying risk.	Flooding of protected areas if structural failure occurs.
	Future sea level rise associated with climate change, and increases in extreme rainfall intensities, do not exceed existing projections.	Low	More rapid sea level rise would lead to more frequent over-topping of coastal stopbanks and higher tailwater conditions for coastal river basins.	Higher cost of protecting and draining low-lying coastal areas. May trigger managed retreat strategy earlier than anticipated.
Growth or decline in the demand for relevant services	Population growth/decline and land use development in floodplains is not expected to be a significant driver.	Low	Accuracy of growth projections and effectiveness of land use planning	Significant additional growth and development in flood-prone areas will lead to additional flood risk and drive additional demand for protection.
	Public perception of flood risk may change, and demand may increase as climate change effects become apparent.	High	Public perception about climate change and personal risk	Changes in public perception of risk are hard to anticipate and may lead to a sudden increase in demand, especially when coastal flooding becomes more frequent due to sea level rise.
	New legislation (e.g. National Adaptation Plan process, Freshwater Plan or National Policy Statement on natural hazards or climate change) may place requirements on regional councils to provide coastal protection.	Medium	Legislative framework	The question of responsibility for coastal hazard management, response and funding remains unsettled. Sea level rise is likely to bring about legislative change in the future which may result in a greater role for regional councils to provide adaptation solutions, including protection or managed retreat.
Increases or decreases in relevant levels of service	Adequate provision has been made for the projected impacts of climate change in scheme designs based on Ministry for the Environment climate change projections.	Low	Climate change tracks along high-end projections, resulting in lower levels of service.	Effect is low, as scheme adaptation can take place over decadal timescales, but ultimately there will be increased costs to maintain levels of service or implement a retreat strategy.

Adequate operational expenditure is provided to maintain scheme service levels.	Medium	Estimation of extent of maintenance works required	Reduce level of service or increase expenditure to maintain level of service.
Level of service standards for urban areas may eventually be adopted at a national level, following public enquiries into flood events.	Medium	May require urban flood schemes to meet a higher level of service.	Review and change potential funding mechanisms to enable national standards to be met.

Mahi hāoho mō te āhuarangi

Climate action



Introduction

Climate change is one of our generation's biggest challenges. The next ten years are crucial for undertaking action that will have long-lasting impacts well into the future.

Our response to climate change is driven by our desire to demonstrate leadership and enable action within our communities and is underpinned by national direction. Councils have legislative responsibility to address the risks from climate change, including direction under the National Emissions Reduction Plan and the National Adaptation Plan.

Climate impacts in Taitokerau

In Northland, the effects of climate change will increasingly disrupt our water, land, ecosystems, people and economy. This will fundamentally influence the way council does business.

Climate change impacts have the potential to create an existential threat to homes, businesses, cultural taonga and community values. An increasing risk of sea level rise and floods, combined with existing patterns of land use, mean that traditional land values will come under increasing pressure.

Northland communities are particularly exposed to climate change. Many of our settlements and roads sit on low-lying land and are exposed to sea level rise and river flooding. Some remote communities will face further pressure and potential isolation as climate-driven natural hazards impact with increasing regularity and severity. Landslips pose a risk to our critical infrastructure. Negative impacts on human health will also affect our communities' overall resilience.

Being at the northern tip of an island nation means a warmer climate is likely to drive many of our indigenous species and ecological communities south to cooler regions, or result in localised extinctions. This will alter the makeup of habitats and leave voids that are likely to be filled by invasive exotic species.

Our economy relies on primary-industry exports that are increasingly susceptible to droughts, wildfires, floods, pests and diseases. Water supply systems are vulnerable to prolonged droughts. But with risk comes opportunity, and work is already underway to position ourselves to take advantage of opportunities offered by a changing climate.

Our climate strategies

Northland Regional Council has adopted two climate strategies over the last three years. Both strategies are equally important but have different roles:

Nga Taumata o Te Moana: our strategy for tackling climate change

nrc.govt.nz/resource-library/summary/plans-and-policies/climate-change/

Adopted in July 2021, NRC's strategy for tackling climate change guides NRC's own activities and how we'll work to address climate change. It identifies actions under three pou:

- » adaptation
- » emissions reduction
- » carbon removal

It acknowledges the urgent need for change, and the vital role council plays in addressing climate change to protect current and future generations and help build a thriving, resilient future.

Te Taitokerau Climate Adaptation Strategy

<https://catt.org.nz/>

Endorsed by the Joint Climate Change Adaptation Committee and adopted by all four Northland councils in April 2022, the strategy and specifically focuses on adaptation, recognising the need to adapt to the changes in climate we are seeing already, and those we expect to see even if global emissions are brought under control.

The strategy reflects our intent to partner more closely with tangata whenua and sets out a range of actions to be supported.

Our Climate Programme

Since the adoption of the two strategies, focus has moved from planning into action, including:

- » consolidation of work programmes,
- » strengthening of partnerships
- » building internal capability and capacity
- » building a monitoring and reporting framework to track where we are getting the best 'bang for buck'.



Our Climate Programme has been consolidated into seven themes that encompass all the climate related work we do. Each theme is accompanied by a key objective

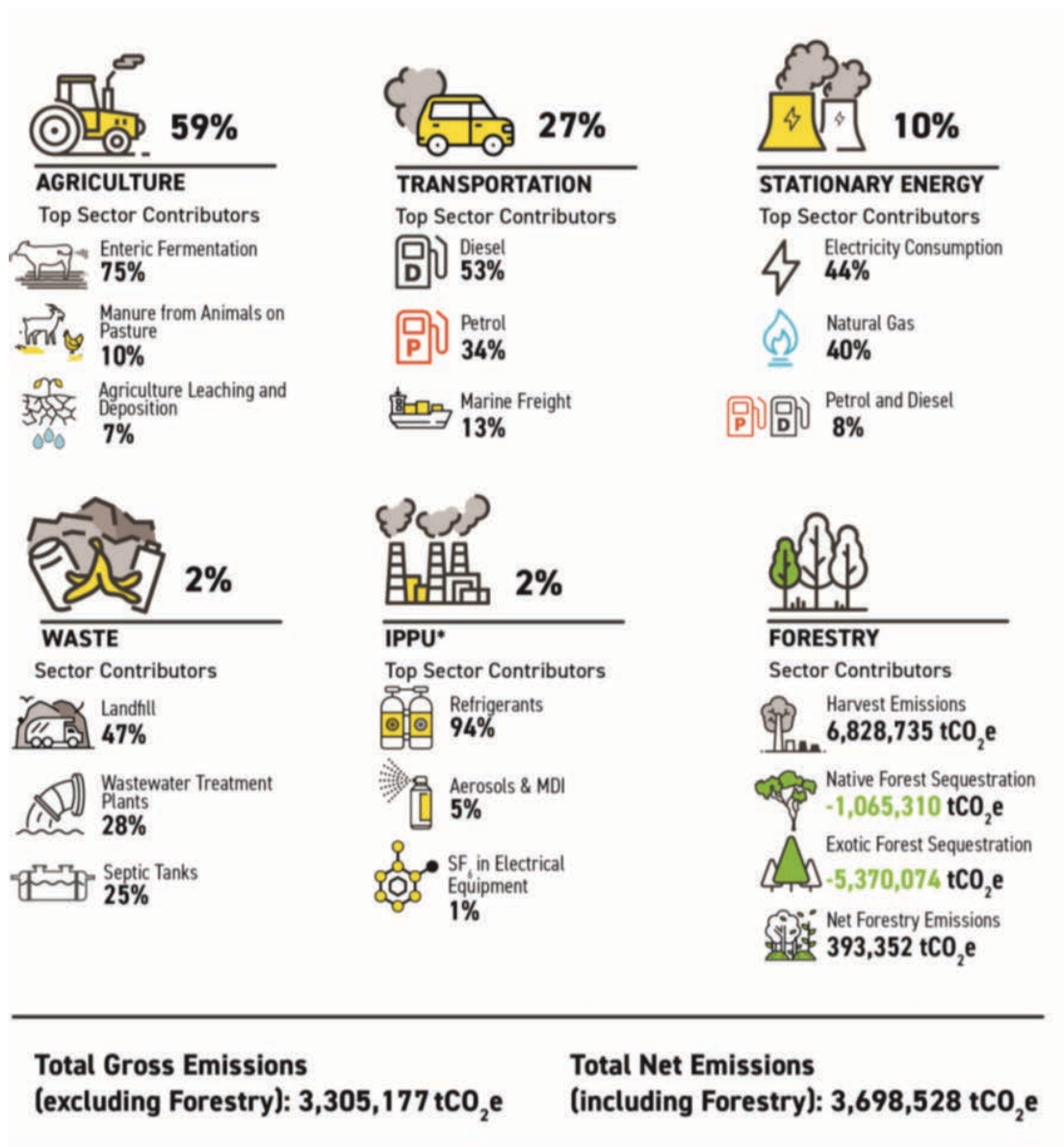
Reducing emissions and sequestering carbon

It's vital that we reduce greenhouse gas emissions as soon as possible. The scale of this change will require significant changes to how we power and plan our economies and communities, however it also presents a unique opportunity to create a safer, healthier, more prosperous and socially cohesive future.

Through the Climate Change Response (Carbon Zero) Act 2002, the New Zealand Government has committed to reducing emissions to net zero by 2050¹.

While New Zealand's overall emissions are comparatively small, our per capita emissions are some of the highest. In Northland (between 1 July 2021 and 30 June 2022) agriculture (59%) and transport (27%) account for the most significant contributions to regionwide emissions (see figure below).

¹ The Act sets a target for net emissions for all greenhouse gases (except biogenic methane) to zero by 2050. Emissions from biogenic methane is required to be reduced to 24-47% below 2017 levels by 2050, including to 10% below 2017 levels by 2030.



*IPPU = Industrial Processes and Product Use

Northland Regions emissions for Financial Year 2022 (July 2021-30 June 2022), sourced from Te Tai Tokerau GHG Emissions Inventory 2022

Council is supporting a regional shift to a net-zero emissions economy, and has expanding roles under the resource management system to regulate air pollution (including greenhouse gases) and ensure that our plans and policies 'have regard to' national emissions reduction and adaptation plans. We have a role in the continued restoration, protection and enhancement of nature-based carbon sequestration systems such as forests, wetlands and mangroves.

In 2023, Council adopted gross emissions reduction targets for the organisation of 50% by 2030 and 90% by 2050. This also includes achieving net-zero and climate-positive status by 2050, by way of a corporate Emissions Reduction Plan nrc.govt.nz/environment/climate-action/what-is-nrc-doing/reduce-emissions/

Climate change assumptions

There is clear scientific evidence that carbon emissions from human activities are causing our climate to change rapidly. It is less clear what the scale, timing and intensity of the impacts will be, and stark differences in expected impacts from scenarios. Regardless of emissions, some impacts are certain and will require adaptation. For instance, we know that the pace of sea level change is increasing - at least 20 cm of sea level rise will occur by 2050².

To be able to plan, significant assumptions need to be made about the nature, scale and timing of expected climate impacts. Even if all countries implemented their pledges

² Based on central government guidance on how best to plan for sea level rise, August 2022: <https://environment.govt.nz/assets/publications/Files/Interim-guidance-on-the-use-of-new-sea-level-rise-projections-August-2022.pdf>

to reduce emissions, impacts would still occur – for example global average temperature would likely rise by nearly 3 degrees at the end of this century.³

The long-term horizon of this plan and our infrastructure strategy makes it imperative that climate change is built into planning and decision-making. It is best practice to make decisions with regard to a variety of climate scenarios, from most to least optimistic. These assumptions are built into the infrastructure strategy via the Flood Adaptation Te Taitokerau project – stress testing performance of interventions under climate change and choices around Levels of Service are a core part of natural hazard risk management.

There are also specific assumptions on the impact of any changes to the Emissions Trading Scheme on forestry holdings, and budget and insurance assumptions for disasters. All of our Long Term Plan 2024–2034 assumptions are set out in Significant forecasting assumptions of this plan.

Impacts on council activities

Climate action is already embedded in much of what we do. Notable Council activities that are both impacted by, and contribute to, the management of climate change are:

Biodiversity

Monitoring dune lake levels, responding to habitat loss, predation pressures and biodiversity and species loss as a result of climate change.

Climate change-specific KPIs (Key Performance Indicators) are included in this LTP (Long Term Plan) in relation to wetlands and high-value water bodies. See section 1.3 of Group Activities. Te taiao Natural environment.

Biosecurity

Identifying emerging risks and responding to different invasive species migrating in response to a warmer climate and reprioritising resources as needed.

Catchment management

Managing the increase of afforestation for environmental concerns and climate change resilience. Grants to monitor the impacts of climate change on fresh or coastal waterways and for land re-generation projects that support carbon removal and improved environmental resilience.

Climate action and natural hazards

In addition to driving climate response via the two climate strategies: We carry out natural hazard mapping (nrc.govt.nz/environment/natural-hazards-portal) deliver targeted pūtea (grant funding) to build climate adaptation capacity in communities, and work with district council and

tangata whenua partners (via the Climate Resilience Fund) to support flax-roots adaptation initiatives in communities where it is most needed.

Climate change-specific KPIs are included in this LTP in relation to monitoring the climate programme work packages, organisational emissions, and allocation of the climate resilience fund. See section 2.2 of Group Activities. Te aumangeatanga hapori Community resilience

Community engagement

Engagement and communications resource to support service delivery for large-scale programmes like the Climate Programme, and support for responses to extreme weather events such as flooding and droughts.

Corporate Services

Ensuring our internal plans and policies reflect our organisational climate aspirations and continued improvement, requiring climate considerations as part of every procurement process and Council decision. Investing in appropriate zero emissions assets and technology for the organisation, including car, bus and boat fleets.

Climate change-specific KPIs are included in this LTP in relation to fleet decarbonisation. See section 3.6 of Group Activities. Te hautūtanga ā-rohe Regional leadership

Economic development

Managing research and analysis of issues to ensure the region's economy is moving toward being a thriving and resilient economy. Te Rerenga | Taitokerau's Economic Wellbeing Pathway will have climate issues, emerging opportunities and solutions at its heart.

Climate change-specific KPIs are included in this LTP in relation to zero carbon. See section 3.3 of Group Activities. Te hautūtanga ā-rohe Regional leadership.

Emergency management

Supporting risk reduction, readiness, response and recovery from climate driven hazards like storms, floods, droughts. Working with community groups, iwi and hapu and lifelines utilities.

Climate change-specific KPIs are included in this LTP in relation to community response plans and CDEM group plan work programme actions. See section 2.3 of Group Activities. Te aumangeatanga hapori Community resilience.

Flood risk management

Heavy investment in built flood risk management schemes across Taitokerau, development of flood warning systems and adaptation to evolving risks over time. Incorporating the predicted increase in the frequency and severity of flooding when working with communities, identifying flood risk management options and providing flood mapping to help guide development.

³ See UNEP's 2023 Emissions Gap Report <https://www.unep.org/resources/emissions-gap-report-2023>

Climate change-specific KPIs are included in this LTP in relation to flood prevention. See section 2.1 of Group Activities. Te aumangeatanga hapori Community resilience.

Māori partnerships

Supporting tangata whenua in undertaking planning and action to address the effects of climate change through partnership and capacity building.

Planning and policy

Working to reflect best practice climate action to ensure our regional plans and policies are 'future fit'. Managing water availability and allocation limits in consideration of climate change.

Science and natural resources

Regular monitoring of lake levels, river flows, coastal changes and groundwater that builds understanding of changes in water availability and manage flows during dry periods. Continued monitoring and analysis of weather and climate (e.g. droughts, groundwater, river levels) to inform planning, policy, and emergency response.

Climate change-specific KPIs are included in this LTP in relation to flood-level monitoring. See section 1.1 of Group Activities. Te taiao Natural environment.

Transport

Working with communities and agencies to reduce emissions by providing efficient, low-emissions and accessible public transport, and promoting walking and cycling.

Climate change-specific KPIs are included in this LTP in relation to bus emissions. See section 2.6 of Group Activities. Te aumangeatanga hapori Community resilience.

Reducing risks

Climate risks are increasingly becoming a key consideration for organisations and businesses. Under the Climate Change Response (Carbon Zero) Act 2002, councils may be

requested to provide information on climate risks and governance, impacts, risk management processes, metrics and targets or anything else.

Natural hazards

Managing the significant risk of climate and natural hazards for our communities and our assets is one of our core functions. We continue to invest in up-to-date natural hazard modelling, mapping and support high volumes of public enquiries. We are taking a strategic approach to identifying areas susceptible to natural hazards in our region and continue to work with district councils to incorporate the latest information into land use plans and consents.

Our award winning Natural Hazards Portal acts as a one-stop-shop for natural hazards like coastal flooding, tsunami, erosion and river flooding in the region. We are also working with partner agencies like Toka Tū Ake | the Earthquake Commission and the Ministry for the Environment to ensure that our communities have access to the best information about natural hazard risks.

Community adaptation planning

Our climate programme identifies community adaptation plans (CAPs) as a key mechanism for reducing risks from climate change over the short, medium and long term. CAPs are produced at different scales and based on our best understanding of a range of natural hazards, community objectives, different risk management options (see Figure below), eventually recommending a series of options that continue to meet community objectives over time. Each plan is future focused, agile enough to respond to uncertain climate futures and will ensure reduced risk across Te Taitokerau.

We continue to support council, community and iwi or hapū-led projects in the Far North, Whangārei and Kaipara Districts.



The four primary options when working through how best to adapt to the impacts of a changing climate in a particular community or neighbourhood. Image sourced from <https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/adapting-to-climate-change/community-led-retreat>

Ngā mahi a te kaunihera

Council activities



Our services and activities

This section summarises our activities and sets out the key services we intend to deliver during the 2024-2034 period. We have identified the significant aspects of each service and set performance measures and targets for these so you can assess the level of service we intend to provide – this means the quantum, quality or extent of the service you can expect. We report on these performance measures and targets in our annual reports, which we aim to adopt in October each year.

We also carry out comprehensive internal monitoring of the delivery of our programmes of work, which in some cases will contribute to measures included in our long term plan. Detailed activity management plans support all the programmes of work.

This section sets out:

- » our groups of activities
- » any intended changes from our current levels of service for each activity (as set out in our most recent Long Term Plan, 2021-2031), and the rationale for these changes
- » the proposed performance measures for each activity
- » changes to costs and the reason for any material change to the cost of delivering the activity.

Our council intends to deliver the proposed levels of service through three activity areas. The grouping of these activities remains the same from our last Long Term Plan 2021-2031, being:

- » Te Taiao | Natural environment
- » Te aumangatanga hapori | Community resilience
- » Te hautūtanga ā-rohe | Regional leadership

Note to readers:

The services, performance measures and targets set out in this document are proposed. They may change as a result of feedback received from the community during formal consultation and subsequent council deliberation. The final service information will be included in the council's Long Term Plan 2024-2034, which will be adopted by 1 July 2024.

For each performance measure in this section, we have provided the most recent performance result available to enable readers to compare targets with current performance. Where new measures have been added, there has not been a measure of current performance available at the time of writing.

All dollar figures outlined in this section are based on present value. These will be adjusted for inflation each year during the term of the plan.

Explaining costs and how they affect rates:

When we talk about costs, we'll either refer to capital spend (typically one-off costs associated with major purchases or infrastructure assets, which are funded from various sources and don't directly affect your rates), operating spend (ongoing costs of a project, usually funded directly by rates), or a mixture of both.

Projects involving high capital spend will have a relatively reduced direct impact on rates, as the cost is spread over multiple years. So projects of similar total cost will impact rates differently based on the mix of operational and capital spend.

Te taiao

Natural environment

Manaaki Taiao

Care for the natural environment

Manaaki Tāngata

Care for people

Haere Whakamua

Progress forward

Te Taitokerau's natural resources are critical to the wellbeing of the region and its community.

The range of activities required to manage our natural resources is captured in this natural environment group of activities: it combines our focus on quality data and science, programmes of protection and enhancement, and management via council's regulatory and planning responsibilities. Our natural environment work relies on collaboration with other agencies, communities and landowners to achieve great outcomes.

The natural environment group of activities relates to two of our community outcomes and includes the following:

Community outcome: Healthy waters, land and air

- » Science
- » Catchment management
- » Planning and policy
- » Consents
- » Compliance monitoring

Community outcome: Protected and flourishing native life

- » Biodiversity
- » Biosecurity

Through this group of activities, we're working to:

- » Develop high-quality environmental information and advice to support our legislative functions and policy development, with a big focus on water.
- » Collaborate with landowners, iwi/hapū and catchment communities to plan and fund afforestation and planting, wetland and riparian management, looking after lakes, and growing poplars for soil conservation.
- » Ensure appropriate planning and systems are in place for sustainably managing resources and delivering our legislative functions, including plans and policies, processing resource consents, and carrying out extensive monitoring.
- » Monitor compliance with consents we've granted and our regional plan rules, investigate environmental complaints, provide a collection and disposal service for waste chemicals, and maintain records on potentially contaminated land.
- » Maintain and improve ecosystems through habitat interventions and restoration, while building enduring relationships with landowners, iwi/hapū and other agencies.
- » Collaborate with other agencies, iwi/hapū and communities to identify, control and remove new pests before they can affect ecosystems, and manage existing pest species.

Any **significant negative effects** to the community, which are anticipated as a result of delivering any of the activities within the **natural environment** group of activities, have been identified and mitigated. This includes having sound and robust consent processes to ensure that contentious consent applications, or those with a perceived negative effect, are appropriately considered. We also ensure that our planning and policy processes are robust and inclusive to minimise negative impacts on communities as a result of rules and regulation.

Changes to levels of service

The levels of service provided by each activity in the natural environment group are proposed to either remain the same or increase as a result of this Long Term Plan. We're not proposing to change the way we group these activities.

Changes to costs

The cost of delivering the levels of service for the natural environment group of activities has been maintained as much as possible, with efficiencies and budget reallocation applied where ever feasible. However, the overall cost proposed by new work across these activities would mean \$1.91M per year (on average) of new operational spend over the next three years and \$0.07M per year (on average) of new capital spend over the first three years of the plan, noting that \$1.11M of this is funded through efficiencies. Under council's significance and engagement policy, this is considered 'significant' when the impact on rates are assessed and 'likely to be significant' when assessed against the financial threshold (\$750,000). The spend is considered here as a material change to the cost of this service.

This change in cost has occurred as council continues to respond to demand from central government and the community to do more to protect Northland's natural environment. There's an increasing policy focus on water management, biodiversity, and a maintained focus on biosecurity. The increase in cost for the service represents a continuation in the work that will be delivered across each of the activities, and is required to work toward council's community outcomes of 'Healthy waters, land and air' and 'Protected and flourishing native life'.



1.1 Science

Changes proposed

The level of service for science will increase in line with the need to support council activities and respond to legislative requirements. This includes improvements to our storm tracking, Metservice forecast data, and air quality monitoring network. It also includes a data automation tool and capital expenditure, covered by government funding, to purchase drones. There are some changes proposed to the way we measure this activity:

- » The level of service statements have been redrafted to move the focus from just making information available, to ensuring that communities and agencies can access accurate information, including information on when standards aren't met. The statements also focus on maintaining a healthy environment with visible improvements.
- » The existing three measures relating to the percentage of environmental networks monitored for water quality and quantity, and ecology, with the results being made available to the community; the percentage of time that flood level monitoring is accurate and made available to the community; and the percentage of time continuous monitoring of airsheds is achieved, with any exceedances reported and made available to the community have all been adjusted slightly, however retain the overall purpose.
- » The previous measure relating to the percentage of data from routinely monitored sites that meets quality standards and is made available to the community within 12 months of collection has been removed as it is covered by two of the measures noted above.

Proposed levels of service, measures and targets

1.1.1 Communities are able to access accurate information on the health of Northland's rivers, lakes, estuaries and harbours, and see improvements in the waters ability to support aquatic ecosystems, recreational activities and cultural values.

1.1.2 Communities and agencies are provided with quality information on water quantity and water resources including rainfall, river flow, groundwater and flood levels.

1.1.3 Healthy air quality is maintained and monitored, with the community made aware if standards aren't being met.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results and reports made openly accessible* ¹	100%	100%			
Percentage of time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made openly accessible*	100%	100%			
Percentage of time that continuous monitoring of air sheds is achieved, with any exceedances of National Environmental Standards reported and made openly accessible*.	100%	100%			

1 *'openly accessible' means available on NRCs website

Changes to the cost of delivering services

- » We're proposing to invest in a storm tracking system that tracks storms in real time down to 500m, and uses radar technology to show rainfall at any location in Northland. The system includes capabilities that forecasts out 4-6 hours, which will help communities plan and prepare for storm events, therefore minimising the effects of flash flooding. We're budgeting operational spend of \$50,000 per year from 2024/25 (ongoing) for this system.
- » We're also proposing to invest in additional data provided by Metservice for predicted rainfall that can input into the Kaitaia flood forecast model, which can predict how high the Awanui River will be when it flows into Kaitaia. We're budgeting operational spend of \$25,000 per year from 2024/25 (ongoing) for this data.

- » To maintain and increase the level of service on monitoring air quality, we need budget to replace our existing air monitoring instruments and for new equipment to monitor currently unmonitored airshed. We're budgeting operational spend of \$6,358 in 2024/25, \$6,625 in 2025/26, \$6,904 in 2026/27, increasing annually to \$9,208 by 2033/34. Additional capital spend of \$57,000 in 2024/25, \$71,000 in 2025/26, \$72,000 in 2026/27, and fluctuating spend between \$5,000 - \$74,000 over the remaining seven years of the plan (ongoing).
- » We collect huge amounts of data, which underpins much of the work we do, however can be very time consuming to process. We've developed a data automation tool with Orbica Ltd, which uses a computer to process our continuous water level data in place of a staff member manually reviewing and correcting this. The tool seeks to reduce the current backlog of unprocessed data by automating quality assurance process. We're budgeting operational spend of \$80,000 in 2024/25 for this tool.

We propose to fund the cost increase of providing this service from three rates, **land and fresh water management , flood infrastructure** and **CDEM & hazard management**. Capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

1.2 Catchment management

Changes proposed

The level of service for catchment management will increase in line with the need to support council activities and respond to legislative requirements. This includes implementation of Fresh Water Farm Plan regulations, however this is balanced by a reduction in the amount of funding granted from the Environment Fund in 2024/25 and 2025/26, which will be put on hold while staff focus on implementing new regulations. There are a number of changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted to focus on sustainable land and soil conservation management that is restoring the mauri of Northlands freshwater, with support expanded to include education. The level of service now also specifically includes giving effect to te Mana me te Mauri o te Wai.
- » A new measure around the percentage of freshwater management units that have sustainable land use projects underway has been developed in response to the focus of Land Management Advisors working with tangata whenua, community groups and land owners across the region to promote sustainable land use and support eligible projects.
- » The existing measure relating to the number of subsidised poplar poles provided for erosion-prone land by the council-owned nursery has been retained, however the target has been reframed to hectares of planting on Highly Erodible Land supported by the supply of poplar/willow material, and hectares of fencing carried out to support retirement of erosion prone land, both with a view to supporting the implementation of Te Mana me te mauri o Te Wai.
- » The existing measure around the percentage of Environment Fund allocation that proceeds to completion of successful projects that meet council objectives has not been retained as the scope and timing of projects has changed reducing the efficiency of annual reporting, and the internal capacity to allocate the fund has shifted to respond to changes in legislation.
- » The existing measure on the successful delivery of Kaipara Moana Remediation Project (KMR) workplan milestones through the contribution of financial, governance, staff and technical support has not been retained as the community is better informed through KMR's annual reporting.
- » The existing measure around the percentage of routinely monitored river sites with a Water Quality Index score of 'Excellent' or 'Good' has not been retained as it is now at odds with targets for freshwater set in the Freshwater Plan Change, and the broader requirements of the NPS around ecosystem health.

Proposed levels of service, measures and targets

1.2 Sustainable land and soil conservation management, including advice, funding support and education, is restoring the mauri of Northland's fresh water, wetlands and estuaries and giving effect to te Mana me te Mauri o te Wai.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
-----------------------------------	----------------	---------	---------	---------	------------

Hectares of space planting on Highly Erodible Land supported by the supply of poplar/willow material and Hectares of fencing carried out to support retirement of erosion-prone land, with a view to supporting the implementation of Te Mana me te mauri o Te Wai.	8,440 poles - achieved	60ha of space planting and 70ha of retirement fencing per year
Percentage of freshwater management units where council is providing sustainable land management support ¹ for action to restore the mauri of fresh water	New measure	100% of freshwater management units are receiving support

¹ support means contribution of staff and financial support via existing funds.

Changes to the cost of delivering services

- » We're proposing to utilise a portion of the **Land management reserve** to fund the implementation of Freshwater farm plan regulations. We're budgeting operational spend of \$175,000 in each of 2024/25, 2025/26, and 2026/27 for this.
- » We're proposing to utilise efficiencies found to fund a portion of the depreciation adjustment for the catchment management activity. We're budgeting operational spend of \$4,336 in 2024/25, \$16,167 in 2025/26, \$18,592 in 2026/27 (ongoing) for this.
- » We're proposing to pause grant funding from the Environment Fund for 2024/25 and 2025/26 while staff focus on implementing new regulations. This will have no impact on rates, with any retained funds being used to support the new regulatory requirements.

1.3 Biodiversity

Changes proposed

The level of service for biodiversity will be maintained in line with the need to support council activities and respond to legislative requirements. This includes redirection of funding to support the dune lakes Kaitiaki partnership project. The existing two measures for this activity have been retained in their entirety and two new measures are proposed:

- » The level of service statement has been redrafted to include reference to forests rather than rivers, and to specifically reference Te Mana o te Taiao (Aotearoa NZ Biodiversity Strategy).
- » A new measure on the number of natural wetlands that are identified, and monitored for condition and improvement, in accordance with four-yearly wetland programme, and climate programme.
- » A new measure on high value water bodies vulnerable to the effects of climate change being identified and monitored, and work continuing to improve their resilience.

Proposed levels of service, measures and targets

1.3 The indigenous biodiversity and ecosystems of Northland's forests, wetlands, lakes and coastal margins are maintained and enhanced, in line with Te Mana o te Taiao – Aotearoa NZ Biodiversity Strategy.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Number of plants provided through CoastCare programme each year	16,838 - achieved	15,000 or more			
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management ¹ with stock excluded	18 lakes - not achieved	20 lakes			
Number of natural wetlands that are identified, and monitored for condition and improvement, in accordance with four-yearly wetland programme, and climate programme.	New measure	15 per year, for a total of 60 over a four year period.			
High value water bodies vulnerable to the effects of climate change are identified and monitored, and work continues to improve their resilience.	New measure	100% of high value water bodies			

¹ Active management includes basic care standards for lakes: nutrient management, ecological monitoring, submerged weed surveillance, and weed and pest control if necessary

Changes to the cost of delivering services

While we're not proposing any new spend in this area, we're proposing to redirect \$150,000 of the Environment fund ongoing from 2024/25 to the Dune lakes Kaitiaki partnership project in order to continue the delivery of this activity.

This will have no impact on rates, as the Environment Fund is already budgeted.

1.4 Biosecurity

Changes proposed

The level of service for biosecurity will increase in line with the need to support council activities and respond to legislative requirements. This includes refocusing our spending within this activity as new biosecurity challenges emerge and the status of existing threats evolve - we need to reprioritise our efforts and funding to match. While the existing measure around hull surveying for marine pests remains, the following changes are proposed for how we measure this activity:

- » Of the two level of service statements, the first has been redrafted to reference achieving a tangible reduction in pests with specific references to the marine environment and the role of communities added, and the second remains unchanged.
- » A new measure on the percentage of indicators contained within the Biosecurity operational plan that are achieved to support implementation of the Regional Pest Management Plan and Marine Pathways Plan.
- » As a result of an expanded range of pest management partnerships, measuring hectares under Community Pest Control Area Plans is no longer meaningful, therefore this measure has not been retained.

Proposed levels of service, measures and targets

1.4.1 A tangible reduction in pests is achieved on land and in the marine environment, through engaged communities, landowners and Mana Whenua, as directed by the biosecurity operational plan.

1.4.2 The introduction and spread of marine pests is slowed through inter-regional management

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of KPI's contained within the Biosecurity operational Plan that are achieved to support implementation of the Regional Pest Management Plan and Marine Pathways Plan.	New measure	90% of KPIs			
Number of vessel hulls sureveyed for marine pests each year as part of the marine biosecurity surveillance programme.	2,037 hulls inspected - achieved	At least 2000			

Changes to the cost of delivering services

- » We're proposing to use the **Equalisation Fund Reserve** to fund monitoring and support of Caulerpa eradication. We're utilising operational spend of \$100,000 in 2024/25, \$100,000 in 2025/26 and \$10,000 in 2026/27 for caulerpa eradication.
- » We're proposing to use budget from the **Freshwater Improvement Fund** to employ a fixed term officer to undertake a review of the Regional Pest and Marine Pathways Management Plan. We're allocating operational spend of \$118,000 in 2024/25 and \$116,000 in 2025/26 for this position, plus capital spend of \$1,600 in 2024/25.
- » We're proposing to reallocate a portion of the budget for our work on biosecurity partnerships for the operational spend required to review the Regional Pest and Marine Pathways Management Plan. We're reallocating operational spend of \$10,000 in 2025/26 and \$20,000 in both 2026/27 and 2027/28 for this.
- » We're proposing to reallocate a portion of the budget for our work on kauri dieback and biosecurity partnerships for two new officers to support Rāhui Tapu/marine protected area fishing regulations. We're reallocating operational spend of \$237,338 in 2024/25, and \$235,793 2025/26 (ongoing) for this support.

- » We're proposing to reallocate a portion of the budget for our work on kauri dieback and biosecurity partnerships for operating costs associated with Rāhui Tapu/marine protected area fishing regulations. We're reallocating operational spend of \$106,000 in 2024/25, and \$117,040 in 2025/26 (ongoing) for this.
- » We're proposing to reallocate a portion of the budget for our work on biosecurity partnerships for an additional officer for Kaitiaki Pest Fish Mahi Tahi. We're reallocating operational spend of \$79,000 in 2024/25, and \$90,000 in 2025/26 (ongoing) for this work.
- » We're proposing to reallocate a portion of the budget for our work on biosecurity partnerships for operating costs associated with Kaitiaki Pest Fish Mahi Tahi. We're reallocating operational spend of \$20,000 in 2024/25, \$40,000 in 2025/26, \$70,000 in 2026/27, \$100,000 in 2027/28, and \$130,000 2028/29 (ongoing).
- » We're proposing to reallocate a portion of the budget for our work on biosecurity partnerships for the bat-wing passion flower incursion response. We're reallocating operational spend of \$100,000 in 2024/25 (ongoing) for this.

This work will have no impact on rates, as it is being funded by reallocation from existing budgets, and existing reserve funds.

1.5 Planning and policy

Changes proposed

The level of service for planning and policy will increase in line with the need to support council activities and respond to legislative requirements. This includes delivery of the freshwater plan change, national policy statements, current resource management reforms (in response to new coalition government agreements), and the second-generation freshwater plan change. While the existing measure around percentage of environmental planning legislative requirements achieved each year will largely remain (reframed) , the following changes are proposed for how we measure this activity:

- » The level of service statement has been redrafted to reference Northlands environmental aspirations, with specific reference to Ta Mana me te Mauri o te Wai.
- » A new measure that the principle of Te Mana me o te Mauri o te Wai is included in all stages of development of the freshwater plan change.

Proposed levels of service, measures and targets

1.5 Northlands aspirations for sustainable land, freshwater and coastal management are being supported through quality planning processes with Te Mana me te Mauri o te Wai embedded in freshwater planning.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Development and review of Councils Regional Policy Statement and Regional Plan, is compliant with legislative process requirements and timeframes.	Not achieved due to a delay in the five-year efficiency and effectiveness review of the RPS	100% of the time			
The principle of Te Mana me o te Mauri o te Wai is included in all stages of development of the freshwater plan change.	New measure	Included in all stages of draft and proposed			

Changes to the cost of delivering services

- » We're required by legislation to do a freshwater plan change to our Regional Plan for Northland in order to implement the National Policy Statement for Freshwater Management. We're budgeting operational spend of \$155,000 in 2024/25, \$225,800 in 2025/26, \$50,000 in 2026/27, \$120,000 in 2027/28 and 2028/29, and \$20,000 in 2029/30 for this.
- » In response to current resource management reforms, and the removal of the Natural and Built Environment and the Spatial Planning acts, we're proposing to undertake a review of the Regional Policy Statement for Northland. We're budgeting operational spend of \$50,000 in 2026/27 and \$100,000 in 2027/2028 for this.
- » We need to continue to implement the National Policy Statement for Freshwater Management, including future amendments that have been signalled by Central Government. We're budgeting operational spend of \$570,000 in 2026/27, \$630,000 in 2027/28, \$630,000 in 2028/29, \$300,000 in 2029/30, \$250,000 in 2030/31, and \$250,000 in 2031/32 for this.

- » We need budget to support the implementation of policy related actions in the freshwater action plan developed as part of the freshwater plan change, such as modelling and engagement. We're budgeting operational spend of \$60,000 in 2025/26, \$100,000 in 2026/27, \$120,000 in 2027/28, and \$160,000 in 2028/29 for this.

We propose to fund the cost increase of providing this service from the **council services rate**. No capital spend is planned. Change is currently underway at central government level, which will likely impact the planning and policy proposals. We'll be monitoring these changes and will make any necessary alterations to budgets during council deliberations in May.

1.6 Consents

Changes proposed

The level of service for consents will increase in line with the need to support council activities and respond to legislative requirements. This includes increasing the capacity of the consents processing team to keep up with the higher workload as a result of legislative changes. While the level of service statement has been slightly reworded to be outcome focussed, the way we measure this activity remains largely unchanged with the exception of an additional measure on the percentage of resource consent applications for the renewal of a discharge permit that Council makes a decision on within 4 years of the lodged date.

Proposed levels of service, measures and targets

1.6 Efficient processing of resource consents that results in consistent implementation of regional plan rules across private and community developments.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of all resource consent applications that are processed within the statutory timeframes	99.7% - not achieved	100% of applications			
The percentage of resource consent applications for the renewal of a discharge permit that Council makes a decision on within 4 years of the lodged date	New measure	100%			

Changes to the cost of delivering services

- » We're proposing to increase the capacity of the consents processing team by two officers, over three years. We're budgeting operational spend of \$88,589 in 2024/25, \$102,571 in 2025/26, \$209,390 in 2026/27, and \$207,845 in 2027/28 (ongoing) for this, plus capital spend of \$1,600 in 2024/25 and \$1,600 in 2026/27 to support these positions.

We propose to fund the cost increase of providing this service from the **council services rate**, and the capital expenditure from **council's retained earnings**.

1.7 Compliance monitoring

Changes proposed

The level of service for compliance will increase in line with the need to support council activities and respond to legislative requirements. This includes increasing the capacity of the compliance monitoring team and purchasing field equipment to support the mahi of this team. While the level of service statement has been slightly reworded, the way we measure this activity remains largely unchanged with the exception of a new measure on the percentage of significant non-compliant graded events that have enforcement action taken.

Proposed levels of service, measures and targets

1.7 Timely and effective compliance monitoring of resource consents, and response to reported environmental incidents					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of consents that are monitored as per the council's consent monitoring programme	96% - achieved	90% or more			

Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	87% - achieved	80% or more
Percentage of significant non-compliant graded events that have enforcement action taken	New measure	100%

Changes to the cost of delivering services

- » We're proposing to increase the capacity of the compliance monitoring team by two officers, over two years. We're budgeting operational spend of \$116,455 in 2024/25, \$254,099 in 2025/26, \$252,554 in 2026/27, (ongoing) for this. Plus capital spend of \$1,600 in 2024/25 and \$1,600 in 2025/26 to support these positions.
- » A change in the department structure of the Water Quality Field Operations (WQFO) and Compliance Monitoring teams has resulted in a shortfall in field equipment budget for the Compliance Monitoring team. We're therefore budgeting operational spend of \$10,000 in 2024/25 (ongoing) for this.
- » We're proposing to reallocate \$100,000 of the Freshwater Improvement Fund in 2024/25 towards engaging and fostering relationships on our fish passage project with a ready, willing and trained collective (Nga Kaitiaki o Nga Wai Māori), which represent seven hapū in the upper Wairoa catchment.

We propose to fund the cost increase of providing this service from the **land and fresh water management rate**, and the capital expenditure from **council's retained earnings**.

Northland Regional Council: Funding impact statement for 2024–2034 for natural environment group activities

	Annual Plan 2023/24 \$(000)	Year 1 2024/25 \$(000)	Year 2 2025/26 \$(000)	Year 3 2026/27 \$(000)	Year 4 2027/28 \$(000)	Year 5 2028/29 \$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	24,356	29,457	31,535	32,602	34,121	34,909
Grants and subsidies for operating purposes	5,573	5,252	1,083	886	490	490
Fees Charges and targeted rates for water supply	2,870	2,759	2,900	2,966	3,079	3,093
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	9	-	0	0	0	0
Total operating funding	32,808	37,469	35,518	36,454	37,690	38,492
Applications of operating funding						
Payments to staff and suppliers	31,755	34,598	31,906	32,928	31,718	32,496
Finance costs	42	60	90	128	128	128
Internal charges and overheads applied	9,683	10,805	11,094	11,377	11,634	11,894
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	41,480	45,463	43,090	44,433	43,480	44,518
Surplus/(Deficit) of operating funding	(8,672)	(7,994)	(7,572)	(7,979)	(5,790)	(6,026)
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	564	564	564	717	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	564	564	564	717	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	474	316	371	386	158	165
- To replace existing assets	388	201	261	273	310	373
Increase/(Decrease) in reserves	(1,032)	(726)	(687)	(993)	321	321
Increase/(Decrease) in investments	(7,938)	(7,221)	(6,953)	(6,928)	(6,579)	(6,885)
Total applications of capital funding	(8,108)	(7,430)	(7,008)	(7,262)	(5,790)	(6,026)
Surplus/(Deficit) from capital funding	8,672	7,994	7,572	7,979	5,790	6,026
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Sources of operating funding					
0	0	0	0	0	General Rates, uniform annual general charges, rates penalties
35,568	36,490	37,547	38,507	39,192	Targeted rates (other than targeted water rates)
490	490	490	440	440	Grants and subsidies for operating purposes
3,151	3,268	3,281	3,338	3,456	Fees Charges and targeted rates for water supply
0	0	0	0	0	Internal charges and overheads recovered
-	-	-	-	-	Local authorities fuel tax, fines, infringement fees and other receipts
-	-	-	-	-	Debt Funding
39,209	40,248	41,318	42,285	43,088	Total operating funding
Applications of operating funding					
32,764	33,427	34,209	34,841	35,769	Payments to staff and suppliers
128	128	128	128	0	Finance costs
12,119	12,396	12,678	12,962	13,253	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
45,011	45,951	47,015	47,931	49,022	Total applications of operating funding
(5,802)	(5,703)	(5,697)	(5,646)	(5,934)	Surplus/(Deficit) of operating funding
Sources of capital funding					
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
-	-	-	-	-	- Increase/(Decrease) in debt
-	-	-	-	-	- Gross proceed from asset sales
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	Total sources of capital funding
Applications of capital funding					
Capital expenditure					
- To meet additional demands					
230	97	98	164	160	- To improve levels of service
473	497	360	351	278	- To replace existing assets
189	321	321	171	-	- Increase/(Decrease) in reserves
(6,694)	(6,617)	(6,476)	(6,332)	(6,372)	Increase/(Decrease) in investments
(5,802)	(5,703)	(5,697)	(5,646)	(5,934)	Total applications of capital funding
5,802	5,703	5,697	5,646	5,934	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Te aumangeatanga hapori

Community resilience

Kia mate ururoa, kei mate wheke

Fight like a shark, not an octopus

Te Taitokerau is an incredible place to live, play and make a living, but it's vulnerable to flooding, drought and the growing effects of climate change. The region covers a significant area, on land and out on the water. Council is continually working to improve Northland's safety and resilience, and stay one step ahead of the next challenge we're likely to face.

Our community resilience group of activities pulls together different aspects of resilience. This mahi involves our efforts to keep people safe on the roads and on the water; identifying, assessing and providing information on natural hazards, in particular working to protect Northland communities from flood hazards; building resilience to climate change impacts and emergency situations, and responding when we need to. All these activities rely heavily on collaboration with our communities, tangata whenua, other agencies and landowners to achieve shared goals.

Community outcome: Carbon neutral, resilient communities in a changing climate

- » Flood risk management. This is required as a group of activities on its own under the Local Government Act, but is included here as part of the community resilience package. It has a separate funding impact statement at the end of this section
- » Climate change resilience
- » Emergency management

Community outcome: Safe and resilient transport networks

- » Oil pollution response
- » Harbour safety and navigation
- » Transport

Through this group of activities, we're working to:

- » Collaborate with communities to identify and map areas at risk of flooding, develop strategies to reduce and mitigate the risk as much as possible, and guide future development.
- » Coordinate climate change adaptation planning across Northland, while investigating, mapping and planning for the natural hazards we already face.
- » Work in partnership with other agencies to reduce the risk of major natural hazards that can have a big impact on the region, and ensure we are ready, we know how to respond, and we can recover as quickly as possible.
- » Ensure the risk of oil spills is reduced, and the impact of any spill is safely minimised with the smallest possible impact on the marine environment.
- » Manage our ports and harbours safely, providing guidance to those out on the water and responding to maritime incidents and other issues.
- » Ensure there is a region-wide approach to transport planning and safety, and people can move around the region on buses and Total Mobility services.

Any **significant negative effects** to the community as a result of delivering the **community resilience** activity have been identified and addressed. For flood protection schemes, cost-benefit analyses are used to determine the negative effects on the community and identify the level of risk that the community is willing to accept.

Changes to levels of service

The levels of service provided by each of the activities in the community resilience group are proposed to either remain the same or increase as a result of this Long Term Plan. We're not proposing to change the way we group these activities.

Changes to costs

The cost of delivering the levels of service for the community resilience group of activities has been maintained as much as possible, with efficiencies and budget reallocation applied where ever feasible. However, the overall cost of proposed new work across these activities would mean \$2.08M per year (on average) of new operational spend over the next three years and \$2.7M of new capital spend, noting that \$1.74M of this is funded through government funding. Under council's significance and engagement policy, this is considered 'significant' when the impact on rates are assessed and 'likely to be significant' when assessed against the financial threshold (\$750,000). The spend is considered here as a material change to the cost of this service.

This change in cost has occurred as council continues to respond to and mitigate risks, plan for projected effects of climate change, and ensure the organisation is future-proofed for these challenges. We also continue responding to a drive towards being carbon neutral and providing alternative modes of transport for the community.



2.1 Flood risk management

Changes proposed

The level of service for flood risk management is proposed to increase in line with the completion of new flood infrastructure and resilience projects, and the investigation in to future projects. There are some changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted to reflect the role of council in flood risk management, and the breadth of council activities that contribute to achieving improvements in the safety of people and property through this activity.
- » The current measure has been retained, however a new measure has also been added on the percentage of actions implemented to reduce flood risk across the region, particularly in the most vulnerable communities, as set out in the flood adaptation work programme.

Proposed levels of service, measures and targets

2.1 The safety of people and property continues to improve with Northland Regional Council leading actions under the flood adaptation work programme across it's policy and planning, flood protection, CDEM, Regional Land Transport Planning, catchment management, and adaptation activities

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Number of flood events occurring as a result of failures of flood protection systems below specified design levels, for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes	Zero	Zero			
Percentage of actions implemented to reduce flood risk across the region, particularly in the most vulnerable communities, as set out in the flood adaptation work programme.	New measure	100% of actions implemented as per the flood adaptation work programme.			

Changes to the cost of delivering services

- » To fund existing large scale flood risk management projects, we have a number of targeted rates that repay the money borrowed to build the scheme. We've had to adjust some targeted rates slightly due to the increased cost of borrowing and others to reflect external funding that has been received. The increased costs will apply to the **Kaeo-Whangaroa, Awanui, and Whangārei targeted rates**, while the decreased costs will apply to the **Kawakawa and Otiria-Moerewa targeted rates**. In addition, to compensate for increased borrowing costs we've had to increase the **Region wide flood infrastructure rate** by approximately 0.33%.
- » We're proposing to fund a Marae flood resilience programme, which looks to undertake engagement, investigations, design and implementation work with 35 flood-affected marae in Northland. We're budgeting capital spend of \$630,000 in 2024/25, \$40,000 in 2025/26 and \$30,000 in 2026/27 for this work with government funding covering \$600,000 of that cost in 2024/25. Our portion of the cost will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing to move to the construction phase of an existing plan to raise the road in Tauranga Bay village. We're budgeting capital spend of \$250,000 in 2026/27 and \$500,000 in 2027/28 for this work. The work will be funded by both the **Region wide flood infrastructure rate** and the targeted **Kāeo-Whangaroa rivers management rate**.
- » We're proposing to build on an existing project to construct the Wahamiti Lane Swale to provide flood mitigation to Otiria Marae and KiwiRail Yard. We're budgeting capital spend of \$885,000 in 2024/25 for this work, with government funding covering \$735,000 of that cost. Our portion of the cost will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing to carry out investigation and design into flood reduction works in Paparoa township. We're budgeting capital spend of \$65,000 in both 2026/27 and 2027/28, and \$170,000 in 2028/29 for this work, which will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing to carry out investigation and design into flood reduction works in Whirinaki. We're budgeting capital spend of \$800,000 in 2024/25 for this work, with government funding covering \$700,000 of that cost. Our portion of the cost will be funded by the **Region wide flood infrastructure rate**.

- » We're proposing to build on an existing project to protect the marae and houses in Matangirau by floodway construction/channel benching. We're budgeting capital spend of \$565,000 in 2024/25 for this work with government funding covering \$300,000 of that cost. Our portion of the cost will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing to carry out investigation, design and construction to reduce road flooding in Punaruku. We're budgeting capital spend of \$735,000 in 2024/25 for this work with government funding covering \$635,000 of that cost. Our portion of the cost will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing investigation and preliminary design to support long-term planning and implementation of flood adaptation in Whangārei avenues. We're budgeting capital spend of \$180,000 in 2026/27 for this work.
- » We're proposing investigation and preliminary design to support long-term planning and implementation of flood adaptation in Waiarohia/Raumanga floodways. We're budgeting capital spend of \$130,000 in 2025/26 and \$170,000 in 2026/27 for this work.
- » We're proposing modelling, risk and feasibility assessments to support long-term planning and implementation of flood adaptation in Whangārei. We're budgeting capital spend of \$100,000 in 2026/27 for this work.

The cost of Whangārei flood works will be funded by the Region wide flood infrastructure rate.

- » We're undertaking a project to reduce the flood risk across the Kerikeri/Waipapa area, in collaboration with the Far North District Council, which may include a combined water supply/ flood detention dam. We're budgeting capital spend of \$130,000 in 2026/27, \$65,000 in 2027/28, and \$170,000 in both 2028/29 and 2029/30 for this work, which will be funded by the **Region wide flood infrastructure rate**.
- » We're undertaking investigations to determine investment pathways for coastal stopbanks considering storm surge and sea level rise at Awanui. We're budgeting capital spend of \$65,000 in both 2025/26 and 2026/27, and \$85,000 in 2027/28, and 2028/29, for this work.
- » We're undertaking investigations and design work into upper catchment detention in Awanui. We're budgeting capital spend of \$65,000 in both 2028/29 and 2029/30, and \$170,000 in 2030/31 for this work.
- » We're proposing to investigate nature-based solution to reduce flood risk for the Awanui catchment. We're budgeting capital spend of \$125,000 in both 2028/29 and 2029/30 for this work.

The cost of Awanui flood works will be funded by the Region wide flood infrastructure rate.

- » We're undertaking a project to support adaptation planning and solution design for current and future flood risk in Dargaville, in collaboration with the Kaipara District Council. We're budgeting capital spend of \$65,000 in both 2026/27 and 2027/28, and \$170,000 in both 2028/29 and 2029/30 for this work, which will be funded by the **Region wide flood infrastructure rate**.
- » We're proposing to increase the amount previously approved for investigation and design work into nature based detention in the Kawakawa upper catchment. We previously had capital spend of \$450,000 approved to be spent in 2023/24, and we also received government funding of \$350,000 in 2023/24 towards this work. However the capital spend required has since increased, and an additional \$200,000 in 2024/25 is required. The work will be funded by both the **Region wide flood infrastructure rate** and the targeted **Taumārere rivers management rate**.

We propose to fund the increased capital spend required for providing the flood risk management work from borrowing, which is then to be repaid by the **Region wide flood infrastructure rate** and **targeted rates** as set out above.

2.2 Climate change resilience

Changes proposed

The level of service for climate change resilience is proposed to increase in line with the need to adapt to increasingly heightened impacts of natural hazards, and a legislative requirement to respond to carbon emission targets and climate change. There are some changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted to be outcome based, with a focus on a resilient region resulting from council-led initiatives.

- » The existing measure on the development, delivery and implementation of key regional climate change plans and documents has been retained, however reframed to reference the number of outputs progressed in line with the monitoring, evaluation and reporting (MER) framework, across each of the seven climate programme work packages that support the Nga Taumata o Te Moana and Te Taitokerau Climate Adaptation Strategy.
- » A new measure on the reduction in organisational emissions, in line with agreed targets in the Emissions Reduction Plan has been included.
- » A new measure on the percentage of councils Climate Resilience Fund allocated to Northland's most vulnerable communities in accordance with funding criteria has been included.

Proposed levels of service, measures and targets

2.2 Northland is more resilient to the effects of climate change, with Northland Regional Council leading promotion, collaboration and coordination of resilience-building and carbon reduction initiatives to deliver climate resilient development region-wide.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Number of outputs progressed in line with the monitoring, evaluation and reporting (MER) framework, across each of the seven climate programme work packages that support the Nga Taumata o Te Moana and Te Taitokerau Climate Adaptation Strategy	New measure	Target: 100%			
Reduction in organisational emissions, in line with agreed targets in the Emissions Reduction Plan	New measure	50% reduction in GHG emissions by 2030, 90% reduction and net zero by 2050			
Percentage of councils Climate Resilience Fund allocated to Northland's most vulnerable communities in accordance with funding criteria	New measure	100% of allocations			

Changes to the cost of delivering services

- » We're proposing to increase the capacity of our climate action mahi by employing a climate policy advisor to provide specific critical advice on emerging climate policy impacts, risks and opportunities, and support on zero carbon transition. We're budgeting operational spend of \$106,361 in 2024/25, and \$123,986 in 2025/26 (ongoing) for this, plus capital spend of \$1,600 in 2024/25 to support this position.
- » We're proposing to increase the capacity of our climate action mahi by employing regional adaptation kaupapa Maori co-leads to provide regional support for new hazard modelling to identify exposure, risk and vulnerability in Community Adaptation Planning undertaken by the district councils. We're budgeting operational spend of \$364,571 in 2024/25, \$389,968 in 2025/26 and 2026/27, increasing to \$589,968 in 2027/28 (ongoing) for this, plus capital spend of \$3,200 in 2024/25 to support these positions (1.6 FTE). Please note that this is a cross activity initiative with Māori partnerships found under 3.2 in Regional leadership below.
- » We're proposing to increase the capacity of our climate action mahi by employing a zero carbon transition officer supporting feasibility studies for GHG reduction and offsetting (fleet optimisation, solar etc.), carbon tracking, promoting community and business initiatives. We're budgeting operational spend of \$256,862 in 2024/25, \$255,318 in 2025/26 and 2026/27, and \$130,318 (ongoing) for this, plus capital spend of \$1,600 in 2024/25 to support this position.
- » We're proposing to engage external contractors to develop an integrated flood intelligence model that will improve our understanding of riverine, overland and tidal/storm-surge flooding in Dargaville and the Northern Wairoa catchment as it happens (live) as well as long-term trends. We're budgeting operational spend of \$150,000 in 2025/26 for this.
- » We're proposing preliminary feasibility investigations and development toward a fit-for-purpose flood early warning system that uses now-casting weather data and advanced analysis (e.g. machine learning) to predict flooding ahead of time, in response to real-time weather event information. We're budgeting capital spend of \$225,000 in 2024/25, \$75,000 in 2025/26 and \$100,000 in each 2026/27, 2027/28 and 2028/29 for this. We're also receiving government funding of \$150,000 in 2024/25 towards the project.

- » We're proposing to increase the capacity of our climate action mahi by employing an officer to support the Climate Resilience Fund by expanding the reach of it and enabling additional community climate resilience. We're also proposing to increase the Climate Resilience Fund. We're budgeting operational spend of \$75,924 in 2024/25, \$87,325 in 2025/26, and \$487,325 in 2026/27 (ongoing) for this, plus capital spend of \$1,600 in 2024/25 to support this position.
- » We're proposing to increase the capacity of our climate action mahi by employing a natural hazard officer to respond to natural hazard queries, provide technical support to district councils undertaking concurrent Community Adaptation Planning, and continue to advance the NatHaz programme to support other internal departments at council. We're budgeting operational spend of \$88,870 in 2025/26 and \$87,325 in 2026/27 (ongoing) for this, plus capital spend of \$1,600 in 2025/26 to support this position.

We propose to fund the cost increase for providing this service primarily from the **civil defence and hazard management rate**. It's planned that **council's retained earnings** will pay for the capital expenditure, and the **council services rate** will fund depreciation.

Do even more

There is always more mahi to be done in this space and as an option to do more, we've proposed:

- » Geospatial analyst to support resilience planning: operational spend of \$106,361 in 2024/25 and \$123,986 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25
- » Climate policy advisor 0.50 FTE: operational spend of \$45,669 in 2026/27 and \$44,124 in 2027/28 (ongoing), plus capital spend of \$1,600 in 2026/27
- » Zero carbon work programme office 0.50 FTE: operational spend of \$45,669 in 2026/27 and \$44,124 in 2027/28 (ongoing), plus capital spend of \$1,600 in 2026/27

2.3 Emergency management

Changes proposed

The level of service for emergency management is proposed to increase in line with the need to continue to deliver cyclone recovery and the most efficient emergency response coordination. There are some changes proposed to the way we measure this activity:

- » The level of service statement has been re-worded and expanded slightly to emphasise the importance of informing communities.
- » The existing measure on the percentage of engaged communities subject to significant hazards that are supported to develop community response plans to guide their responses has not been retained.
- » A new measure on the number of up-to-date community response plans and marae preparedness plans in place across the region has been included.
- » A new measure on the number of objectives outlined in the Northland CDEM Group plan work programme, across Māori engagement, reduction, readiness, response and recovery, that are progressed and reported on quarterly has been included.

Proposed levels of service, measures and targets

2.3 Communities are well informed and supported to understand, plan for and respond to risks and emergencies as they arise.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Number of up-to-date community response plans and marae preparedness plans in place across the region	New measure	Maintain or increase (from baseline)			
Number of objectives outlined in the Northland CDEM Group plan work programme, across Māori engagement, reduction, readiness, response and recovery, that are progressed and reported on quarterly	New measure	100% of objectives outlined in the plan are progressed			

Changes to the cost of delivering services

- » We're proposing to retain two officers, and the work they currently undertake, within our emergency management team that were previously funded externally to support the recovery of Cyclone Gabrielle. We're budgeting operational spend of \$256,246 in 2025/26 and \$253,157 in 2026/27 (ongoing) for this, plus capital spend of \$3200 in 2025/26 to support these positions.
- » Following a review of the emergency management team in 2022, a recommendation was made to restructure. Following this recommendation, we're proposing an emergency management team lead. We're budgeting operational spend of \$109,230 in 2026/27 and \$107,686 in 2027/28 (ongoing) for this, plus capital spend of \$1600 in 2026/27 to support this position.

We propose to fund the cost increase of providing this service from, borrowing for the cost of the Civil Defence Emergency Management Centre, the **civil defence and hazard management rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

2.4 Oil pollution response

Changes proposed

The level of service provided for oil pollution response remains unchanged. The level of service statement has been re-worded to focus on the outcome of a lowered risk to Northland's coastline.

Proposed levels of service, measures and targets

2.4 The risk to Northlands coastline from oil spills is significantly reduced by an efficient oil pollution response system					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
A regional oil spill response plan is maintained, including a minimum of up to 30 up-to-date trained responders.	35 responders - achieved	Minimum of 30 responders 100% of the time			

Changes to the cost of delivering services

There are no material changes to the cost of delivering the oil spill response activity.

2.5 Harbour safety and navigation

Changes proposed

The level of service for harbour safety and navigation is proposed to increase in line with the need to keep up with increased demand and supporting new initiatives.

- » The level of service statement has been reworded to focus on the outcome of safe and sustainable navigation.
- » While the existing measure on safely managing marine activities will remain, a new measure for every replacement vessel to have a rigorous assessment undertaken to demonstrate suitability for electrification has been added.

Proposed levels of service, measures and targets

2.5 Navigation on Northlands waters is safe and sustainable with well-managed systems.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of time that Marine activities are safely managed, with operational Harbour Safety Management Systems that comply with the national Port and Harbour Marine Safety Code.	95% - not achieved	100% of the time			
For every replacement vessel a rigorous assessment process is undertaken to demonstrate suitability for electrification.	New measure	100% of the time			

Changes to the cost of delivering services

- » We're proposing to employ an additional maritime officer to cope with the increased demand on services, enabling the continuity of services provided whilst managing leave and wellbeing of the current staff. We're budgeting operational spend of \$99,346 in 2025/26 and \$97,801 in 2026/27 (ongoing) for this, plus capital spend of \$1600 in 2025/26 to support this position.
- » We've replaced our existing maritime vessel, which we use as a pilot vessel and other essential harbour safety mahi, and now we need somewhere safe and practical to keep this vessel. We're therefore proposing to purchase a 27-year lease for a permanent berth in Opuia Marina. We're budgeting operational spend of \$850,000 in 2024/25 for this.
- » We're proposing to support voluntary iwi navigation safety honorary enforcement officers by providing at least 150 hours per year of navigation safety advice and enforcement in respective rohe, plus a honorarium to each officer. We're budgeting operational spend of \$24,000 in 2024/25, \$48,000 in 2025/26, and \$85,000 in 2026/27 (ongoing) to support these positions.
- » We're proposing to invest in a remote viewing camera in the Bay of Islands, which will allow visibility of sea conditions before cruise ships arrive, and remote monitoring of the ships whilst at anchor. This improves safety and early decision making. We're budgeting capital spend of \$20,000 in 2024/25 for this.
- » The operating budget in our maritime team is currently not covering the costs of the mahi this team does. This is due to previous budget cuts, cost increases to the likes of fuel, equipment, travel, maintenance, debris disposal, on call services etc. We're therefore proposing to increase this budget to ensure that important navigational safety initiatives do not fall short. We're budgeting operational spend of \$151,190 in each 2024/25, 2025/26, 2026/27 and \$136,190 in 2027/28 (ongoing) to account for this.
- » We're proposing to employ a part time maritime enforcement officer to conduct on water patrols over the summer period, and to educate water users on safety rules and where necessary issue infringement notices. This is due to an increase in demand for this service over summer. We're budgeting operational spend of \$20,000 in 2024/25 of (ongoing) for this position.

The maritime operations bring in external income, particularly from pilotage of the cruise ships into the Bay of Islands. The increase in cruise ships has increased workload for the team, however the additional income will offset the increase in budget needed to maintain the same levels of service. The cruise industry also brings in substantial economic benefits to the region as a whole boosting tourism income.

We propose to fund the cost increase of providing this service from, borrowing for the cost of the marina berth, the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

2.6 Transport

Changes proposed

The level of service for transport remains the same, however we need to retender some services, increase driver wages, and look into options to de-carbonise some of the bus fleet. While the measure on passenger satisfaction has been retained, there are some changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted to include a focus on sustainable and safe transport networks that support Northland communities.
- » The existing measure on the achievement of key Northland transport deliverables has not been retained as road safety is no longer under councils responsibilities.
- » A new measure on the delivery of major infrastructure projects set out in the Regional Land Transport Plan is monitored with any progress issues reported to the Regional Transport Committee quarterly has been added.
- » A new measure on council's vehicle fleet continuing to de-carbonise in accordance with Emissions Reduction Plan targets, with an electric alternative considered for every vehicle replacement has been added.
- » A new measure on the bus fleet being electrified in line with national Emissions Reduction Plan targets and council's Emission Reduction Plan targets has been added.

Proposed levels of service, measures and targets

2.6 Northland communities are supported by resilient and sustainable transport networks, and can travel safely with as little impact on the environment as possible.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of passengers surveyed on the Whangārei, Kaitiāia and Mid-North bus services every two years that are satisfied with the overall service provided	Not achieved	90%			
Delivery of major infrastructure projects set out in the Regional Land Transport Plan is monitored with any progress issues reported to the Regional Transport Committee quarterly.	New measure	Quarterly reporting on progress			
Council's vehicle fleet continues to de-carbonise in accordance with Emissions Reduction Plan targets, with an electric alternative considered for every vehicle replacement.	New measure	100% of the time			
The bus fleet is electrified in line with national ERP targets and NRC's ERP targets.	New measure	Y1 – Feasibility study		Y3 – Secure budget required via LTP	

Changes to the cost of delivering services

- » We're proposing to fund the consultancy costs associated with the re-tendering process for the urban bus service in Whangārei. We're budgeting operational spend of \$100,000 in each 2024/25, 2025/26, and 2026/27 for this, however we're assuming the NZ Transport Agency Waka Kotahi subsidy of 54% stays in place, which will cover \$54,000 in each of these years. Our portion would be funded by the targeted **Whangārei transport rate**.
- » The government has directed that all bus drivers employed by companies operating council contracted bus services have their wages increased. Council has already agreed to a bus driver wage increase for the next two years, however we're proposing that this funding is available long term. We're budgeting operational spend of \$145,945 in 2024/25, 2025/26, and 2026/27 (ongoing) for this, however we're assuming the NZ Transport Agency Waka Kotahi subsidy of 54% stays in place, which will cover \$78,810 in each of these years. Our portion would be funded by the targeted **Whangārei transport rate**.
- » We're proposing to undertake a feasibility and viability study into the de-carbonisation of the CityLink Whangārei Bus Service. This study will provide a more accurate picture of how best to replace the diesel buses presently operated with zero-emission buses, the supporting infrastructure required, and the potential costs involved. We're budgeting operational spend of \$100,000 in each 2024/25, 2025/26, and 2026/27 for this, however we're assuming the NZ Transport Agency Waka Kotahi subsidy of 54% stays in place, which will cover \$54,000 in each of these years. Our portion would be funded by the targeted **Whangārei transport rate**.

Northland Regional Council: Funding impact statement for 2024-2034 for community resilience group activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	8,292	9,228	9,171	9,747	10,186	9,885
Grants and subsidies for operating purposes	5,347	6,502	5,186	5,216	5,138	5,168
Fees Charges and targeted rates for water supply	2,857	2,950	3,055	3,165	3,280	3,399
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	26	30	32	50	50	65
Total operating funding	16,522	18,710	17,444	18,178	18,654	18,517
Applications of operating funding						
Payments to staff and suppliers	11,556	13,494	12,009	12,184	12,155	12,344
Finance costs	123	275	425	425	425	425
Internal charges and overheads applied	1,895	2,226	2,286	2,344	2,397	2,451
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	13,574	15,995	14,720	14,953	14,977	15,220
Surplus/(Deficit) of operating funding	2,948	2,715	2,724	3,225	3,677	3,297
Sources of capital funding						
Subsidies and grants for capital purposes	-	1,218	465	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	6,795	4,353	615	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	6,795	5,571	1,080	-	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	6,185	6,396	1,157	105	107	109
- To replace existing assets	1,333	-	-	-	-	-
Increase/(Decrease) in reserves	504	1,678	768	237	233	245
Increase/(Decrease) in investments	1,721	212	1,879	2,883	3,337	2,943
Total applications of capital funding	9,743	8,286	3,804	3,225	3,677	3,297
Surplus/(Deficit) from capital funding	(2,948)	(2,715)	(2,724)	(3,225)	(3,677)	(3,297)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Sources of operating funding					
-	-	-	-	-	- General Rates, uniform annual general charges, rates penalties
9,971	10,165	10,419	10,623	10,904	Targeted rates (other than targeted water rates)
5,198	5,227	5,257	5,287	5,316	Grants and subsidies for operating purposes
3,521	3,646	3,777	3,911	4,053	Fees Charges and targeted rates for water supply
-	-	-	-	-	- Internal charges and overheads recovered
81	99	118	140	162	Local authorities fuel tax, fines, infringement fees and other receipts
18,771	19,137	19,571	19,960	20,436	Total operating funding
Applications of operating funding					
12,535	12,728	12,925	13,125	13,329	Payments to staff and suppliers
425	425	425	425	425	Finance costs
2,497	2,554	2,612	2,671	2,731	Internal charges and overheads applied
-	-	-	-	-	- Other operating funding applications
15,458	15,708	15,962	16,221	16,485	Total applications of operating funding
3,314	3,430	3,609	3,740	3,950	Surplus/(Deficit) of operating funding
Sources of capital funding					
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
-	-	-	-	-	- Increase/(Decrease) in debt
-	-	-	-	-	- Gross proceed from asset sales
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	Total sources of capital funding
Applications of capital funding					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
-	-	-	-	-	- To improve levels of service
-	57	-	-	24	- To replace existing assets
257	271	286	302	321	Increase/(Decrease) in reserves
3,057	3,102	3,323	3,438	3,605	Increase/(Decrease) in investments
3,314	3,430	3,609	3,740	3,950	Total applications of capital funding
(3,314)	(3,430)	(3,609)	(3,740)	(3,950)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Northland Regional Council: Funding impact statement for 2024–2034 for river management

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	4,764	4,753	4,790	4,945	5,071	5,144
Grants and subsidies for operating purposes	-	650	0	-	-	-
Fees Charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	4	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	122	69	127	186	252	324
Total operating funding	4,890	5,472	4,917	5,131	5,323	5,468
Applications of operating funding						
Payments to staff and suppliers	1,782	1,427	1,350	1,445	2,423	1,504
Finance costs	535	607	602	696	746	774
Internal charges and overheads applied	586	594	610	625	639	654
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	2,903	2,628	2,562	2,766	3,808	2,932
Surplus/(Deficit) of operating funding	1,987	2,844	2,355	2,365	1,515	2,536
Sources of capital funding						
Subsidies and grants for capital purposes	-	3,985	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	1,365	235	1,055	780	785
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	5,350	235	1,055	780	785
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	4	5,600	235	1,057	780	785
- To replace existing assets	-	-	-	-	-	-
Increase/(Decrease) in reserves	1,076	5,965	1,534	1,501	1,563	1,594
Increase/(Decrease) in investments	907	(3,371)	821	862	(48)	942
Total applications of capital funding	1,987	8,194	2,590	3,420	2,295	3,321
Surplus/(Deficit) from capital funding	(1,987)	(2,844)	(2,355)	(2,365)	(1,515)	(2,536)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Sources of operating funding					
-	-	-	-	-	- General rates, uniform annual general charges, rates penalties
5,216	5,288	5,361	5,436	4,716	Targeted rates (other than targeted water rates)
-	-	-	-	-	- Grants and subsidies for operating purposes
-	-	-	-	-	- Fees charges and targeted rates for water supply
0	0	-	-	-	- Internal charges and overheads recovered
398	472	547	625	364	Local authorities fuel tax, fines, infringement fees and other receipts
5,614	5,760	5,908	6,061	5,080	Total operating funding
Applications of operating funding					
1,545	1,577	1,611	1,652	1,680	Payments to staff and suppliers
807	843	852	837	420	Finance costs
666	681	697	712	728	Internal charges and overheads applied
-	-	-	-	-	- Other operating funding applications
3,018	3,100	3,160	3,201	2,828	Total applications of operating funding
2,596	2,660	2,748	2,860	2,252	Surplus/(Deficit) of operating funding
Sources of capital funding					
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
530	170	-	-	-	- Increase/(Decrease) in debt
-	-	-	-	-	- Gross proceed from asset sales
-	-	-	-	-	- Lump sum contributions
530	170	-	-	-	Total sources of capital funding
Applications of capital funding					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
530	170	-	-	-	- To improve levels of service
-	-	-	-	-	- To replace existing assets
1,614	1,640	1,690	1,761	1,125	Increase/(Decrease) in reserves
982	1,020	1,058	1,099	1,127	Increase/(Decrease) in investments
3,126	2,830	2,748	2,860	2,252	Total applications of capital funding
(2,596)	(2,660)	(2,748)	(2,860)	(2,252)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Te hautūtanga ā-rohe

Regional leadership

Mā te kotahitanga

E whai kaha ai tātou

In unity we have strength

There's a lot we do that our community can see, touch and experience, such as trapping pests, planting or riding buses. But many of the things we do are less visible, yet critical to the successful operation of council. Having a good understanding of the wants and needs of Northland's people to inform strong leadership and decision-making, ensuring that we're ahead of the game with statutory obligations to Māori and that we're transparent and accessible - this underpins all that we do as regional leaders.

The regional leadership group of activities sets out what we're doing in these areas, and encompasses the essential corporate and support functions required to ensure we're running in the most efficient, accountable and legislatively compliant manner. It also captures the work we're doing to promote sustainable economic development for Te Taitokerau.

Community outcome: Meaningful partnerships with Tangata whenua under Te Tiriti

» Māori partnerships

Community outcome: A sustainable, innovative and equitable economy

» Economic development

Community outcome: Efficient, progressive and transparent council systems

» Governance

» Community engagement

» Customer services

» Corporate services

Through this group of activities, we're working to:

- » Ensure we are a culturally competent council, that we uphold the Crown's Treaty of Waitangi obligations, and develop increasingly effective partnerships with Māori.
- » Support sustainable economic development in Northland through promotion, investment and monitoring, championing regionally significant infrastructure, and building a business-friendly council environment.
- » Provide effective, transparent governance on behalf of the community, and be a strong advocate for Northland, while ensuring that we operate within our statutory requirements.
- » Keep our communities informed, and make it as simple as possible for them to get involved in our processes.
- » Be accessible and make all interactions with our customers as smooth as possible.
- » Ensure we have quality, future-proofed systems in place to support all the work we carry out for the environment, economy and community.

There are no **significant negative effects** to the community anticipated as a result of delivering any of the activities within the **regional leadership** group of activities.

Changes to level of service

The levels of service provided by each of the activities in the regional leadership group are proposed to either remain the same or increase as a result of this Long Term Plan. We're not proposing to change the way we group these activities.

Changes to costs

The cost of delivering the levels of service for the regional leadership group of activities has been maintained as much as possible, with efficiencies and budget reallocation applied where ever feasible. However, the overall cost proposed by new work across these activities would mean \$4.63M per year (on average) of new operational spend over the next three years and \$0.23M of new capital spend, noting that \$0.66M of this is funded through efficiencies and central government funding. Under council's significance and engagement policy, this is considered 'significant' when the impact on rates are assessed and 'likely to be significant' when assessed against the financial threshold (\$750,000). The spend is considered here as a material change to the cost of this service.

This change in cost has occurred in response to an ongoing increasing need for robust, reliable systems and technology to support the organisation, remain legislatively compliant and reduce cybersecurity risks, particularly as a result of the increased remote working capabilities and many meetings etc now held online.



3.1 Governance

Changes proposed

While the level of service provided remains unchanged, and the two existing measures on official information requests and elected members attending council meetings have been retained, a new measure on the percentage of time that council decisions actively involve the community, in accordance with council's Significance and Engagement Policy has been included.

Proposed levels of service, measures and targets

3.1 Council maintains effective and transparent democratic processes					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of official information requests that are responded to within 20 working days	97% - not achieved	100%			
Percentage of time that elected members attend council meetings	97.25% - achieved	90%			
Percentage of time that council decisions actively involve the community, in accordance with council's Significance and Engagement Policy	New measure	100%			

Changes to the cost of delivering services

- » We're proposing to redirect some of the budget allocated to this activity to employ a kaitohutuhu matua/principal advisor to support to the Chair and Chief Executive Officer by providing strategic organisational or operational advice, insights, information, or collateral, and facilitating and actioning matters for governance. We're budgeting operational spend of \$148,905 in 2024/25 and \$147,360 from 2025/26 to 2033/34 (ongoing) for this position.

3.2 Māori partnerships

Changes proposed

The level of service for Māori partnerships is proposed to increase in line with councils continued commitment to build enduring relationships with Māori and deliver on Tāiki ē (our Te Tiriti strategy and implementation plan). While two of the existing measure on completing a Treaty health check annually and all councillors and executive leadership team participating in annual core competency training have been retained, there are a number of changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted and expanded to include a focus on enduring relationships, delivery on the aspirations of Māori and strong outcomes for Te Taitokerau.
- » A new measure on the percentage of council employees that undertake cultural competency training within 12 months of employment, and complete a refresher every three years has been added.
- » A new measure on percentage of Mana Whakahono ā Rohe agreements established that meet key statutory obligations, reflecting mutually beneficial and respectful negotiations between council and iwi/hapū has been added.
- » A new measure on the level of satisfaction of tāngata whenua with council's relationships and partnerships with them has been added.
- » A new measure on the percentage of priority actions set out in Tāiki e NRC Te Tiriti Strategy and Implementation Plan, that are commenced within the timeframes identified in the plan (as endorsed by TTMAC) has been added.
- » A new measure on the number of marae and hapū allocated funding to undertake mātauranga māori monitoring, with a commitment to informing council policy development and decision making has been added.

Proposed levels of service, measures and targets

3.2 Enduring relationships between council and Māori are working to deliver on the aspirations of Māori, and strong outcomes for Te Taitokerau, supported by capable and skilled leaders.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
An independent Treaty Health Check is completed bi-annually, and recommendations from this are being implemented.	Not achieved	Annual completion with implementation underway			
Percentage of councillors and executive leadership team that participate in annual core cultural competency training annually.	100% - achieved	100%			
Percentage of council employees that undertake cultural competency training within 12 months of employment, and complete a refresher every three years.	New measure	100%			
Percentage of Mana Whakahono ā Rohe agreements established that meet key statutory obligations, reflecting mutually beneficial and respectful negotiations between council and iwi/hapū.	New measure	100% of agreements compliant			
Level of satisfaction of tāngata whenua with council's relationships and partnerships with them.	New measure	Satisfaction levels increase annually, up to 80% by 2034.			
Percentage of priority actions set out in Tāiki e NRC Te Tiriti Strategy and Implementation Plan, that are commenced within the timeframes identified in the plan (as endorsed by TTMAC).	New measure	100% of actions			
Percentage of tangāta whenua environmental funding that is allocated to iwi and hapū to enhance and enable mātauranga Māori outcomes that inform council policy development and decision making.	New measure	100% of funding allocated			

Changes to the cost of delivering services

- » Please note that there is a cross activity initiative for regional adaptation kaupapa Maori co-leads with climate change resilience found under 2.2 in Community resilience above.
- » Council has committed to funding two independent tāngata whenua members (with voting rights) on each of the Infrastructure, and Audit, Risk, and Finance committees respectively in a commitment to strengthen Māori representation and expertise in governance roles. We're budgeting operational spend of \$44,080 in 2024/25 (ongoing) for these positions.
- » Council is committed to te reo Māori being valued as an official language of Aotearoa and has contracted a te reo Māori services interpreter to ensure that both councillors and public are able to speak te reo Māori, and for those who are not competent in te reo Māori a qualified Taurawhiri I te reo interpreter is present to translate. We're budgeting operational spend of \$54,000 in 2024/25 (ongoing) for this service.
- » To support the increase in mahi proposed in this plan, we're proposing to expand the capacity of our Māori relations team by employing an additional officer to help us delivery on Tāiki ē, our Te Tiriti strategy and implementation plan. We're budgeting operational spend of \$88,729 in 2024/25 and \$102,740 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25 to support this position.
- » We're proposing to employ two kai whiri iwi tuna/hāpori liason officers to help deliver the climate adaptation and natural hazards work programmes, and the engagement needed to deliver planned flood risk protection projects and infrastructure strategy. We're budgeting operational spend of \$189,854 in 2024/25, and \$220,429 in 2025/26 (ongoing), plus capital spend of \$3,200 in 2024/25 to support these two positions.

- » We're proposing to employ a kaiairahi kaupapa Māori officer to provide specialist technical, policy and strategic support, advice and guidance on council's legislative and cultural responsibilities to Māori and the impacts of those obligations on council's roles and functions. We're budgeting operational spend of \$112,586 in 2025/26 and \$111,041 in 2026/27 (ongoing), plus capital spend of \$1,600 in 2025/26 to support this position.
- » The Tāngata Whenua Environmental Monitoring Fund is intended to support tāngata whenua to undertake their own environmental monitoring activities (using mātauranga Māori and/or western science-based methods) and to complement monitoring activities in projects or programmes that council and tāngata whenua are partners in. From 2024/25 we're proposing to increase this fund to \$100,000 per year (from \$20,000 per year) by redirecting some of the existing Environmental Fund into this.

We propose to fund the cost increase of providing this service from the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

3.3 Economic development

Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- » The level of service statement has been redrafted to include a focus on resilience, sustainability and partnerships.
- » The existing KPI on the percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year has not been retained given it is largely outside of councils control and has little meaning to the reader.
- » A new measure on Northland Incs annual statement of intent containing at least one KPI relating to supporting businesses transition to net zero-carbon has been added.
- » A new measure on council contributing to at least one big infrastructure project that supports economic development in the region each year has been added.
- » A new measure on the percentage of actions in the regional economic development strategy being implemented in accordance with the phasing schedule/plan each year has been added.

Proposed levels of service, measures and targets

3.3 Northland's economic wellbeing is made more resilient by the coordination and delivery of sustainable economic development activities and funding across the region, and is benefitting from well-established partnerships.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Northland Incs annual statement of intent contains at least one KPI relating to supporting businesses transition to net zero-carbon.	New measure	At least one a year			
NRC is contributing to at least one big infrastructure project that supports economic development in the region each year.	New measure	At least one a year			
Percentage of actions in the regional economic development strategy being implemented in accordance with the phasing schedule/plan each year.	New measure	100% of actions			

Changes to the cost of delivering services

There are no material changes to the cost of delivering this activity.

3.4 Community engagement

Changes proposed

The level of service for community engagement is increasing inline with the increase in mahi across council and the need for this team to support that mahi. There are no changes to the way we measure this activity.

Proposed levels of service, measures and targets

3.4 Communities are well informed about council's work, know how to get involved, and are engaged in council processes					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of residents surveyed who are satisfied with overall communication and engagement	35% - achieved (was 33%)	Maintain or increase			

Changes to the cost of delivering services

- » With a number of complex projects that have significant communications requirements underway, we're proposing to increase our communications capability by employing an officer to work on freshwater/special projects. We're budgeting operational spend of \$110,200 in 2024/25 and \$108,655 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25 to support this position.
- » To support the increase in mahi proposed in this plan, we're proposing to further expand the capacity of our communications and engagement team by employing an additional part time officer to help us keep up with the demand. We're budgeting operational spend of \$48,650 in 2024/25 and \$54,535 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25 to support this position.

We propose to fund the cost increase for providing this service from the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

3.5 Customer services

Changes proposed

The level of service for customer services remains unchanged, as does the way we measure this activity.

Proposed levels of service, measures and targets

3.5 Quality service is provided, that is effective and informative.					
How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council.	69.5% - achieved (baseline = 58%)	Maintain or increase			

Changes to the cost of delivering services

There are no changes to the cost of delivering this activity.

3.6 Corporate services

Changes proposed

The level of service for corporate services will increase in line with the need to support council activities and respond to legislative requirements. This includes investing in new roles so we're better able to support the needs across our 300-odd staff, increases in our salary budget, and keeping up with inflation. There are some changes proposed to the way we measure this activity:

- » The level of service statement has been reworded slightly, but has no material change.
- » The existing measure on key project milestones for the council's technology solutions are met as per the project plan has not been retained given it is no longer relevant.

- » A new measure on the percentage of staff satisfied with the quality of internal systems and processes that support the delivery of council work has been included.
- » A new measure on the percentage return achieved across councils investment portfolio that is available to fund council activities has been included.

Proposed levels of service, measures and targets

3.6 The corporate systems and investments that support council activities are effective and future-focussed.

How we'll measure our performance	Latest result:	2024/25	2025/26	2026/27	By 2033/34
Percentage of staff satisfied with the quality of internal systems and processes that support the delivery of council work.	New measure	90% of staff satisfied			
Percentage return achieved across councils investment portfolio that is available to fund council activities.	New measure	At least 7% net return per annum (as per the investment policy)			

Changes to the cost of delivering services

Human resources and health and safety

- » Our salary budget has fallen behind as inflation has increased, creating issues around staff attraction and retention. Our staff are our most important asset, therefore we're proposing to increase our salary budget across all of the organisation in order to attract and retain qualified staff to carry out the important mahi we do. We're budgeting additional operational spend of \$809,095 in 2024/25, \$1,392,003 in 2025/26, and \$1,511,616 in 2026/27 (ongoing) for this.
- » We're proposing to invest in a software solution to enable enhanced health and safety processes, monitoring, investigation documenting and reporting. We're budgeting operational spend of \$20,000 in 2024/25 for initial scoping, then \$100,000 in 2025/26 (ongoing) to maintain this system.
- » We had budget to fund a fixed term health and safety officer, and we're proposing to fund this role permanently, as the role supports the entire organisation. We're budgeting operational spend of \$102,809 in 2024/25, and \$100,655 in 2025/26 (ongoing).
- » We're proposing additional budget in our human resource and health and safety teams to support the mahi undertaken in accordance with their respective strategies. This includes ensuring the teams are agile and have the skills and capabilities to deliver, and to aid in the retention and attraction of staff. Additionally, this budget will support our diversity, equity, inclusion and belonging mahi, and help us meet our health and safety requirements to ensure our staff go home safe. We're budgeting operational spend of \$140,000 in 2024/25, \$143,000 in 2025/26, and either \$110,000 or \$143,000 between 2026/27 to 2033/34 for this.
- » We had budget to fund a fixed term organisational development advisor, and we're proposing to fund this role permanently. This role supports the entire organisation in achieving levels of service in improved staff retention and engagement, agility, and ability to cope with change management. We're budgeting operational spend of \$99,066 in 2025/26 (ongoing) for this position.
- » To support the increase in mahi proposed in this plan, we're proposing to further expand the capacity of our human resource team by employing an additional officer to help us keep up with the demand. We're budgeting operational spend of \$87,006 in 2024/25 and \$100,655 in 2025/26, plus capital spend of \$1,600 in 2024/25 to support this position.

Finance and assurance

- » Due to recent weather and world events, indications around councils insurance is that we're going to see a significant increase. Our past increases have not been as significant, and we've been able to cover these with alternative funding (commercial income). We're budgeting additional operational spend of \$202,600 in 2024/25, \$293,000 in 2025/26, \$399,100 in 2026/27, and a continued gradual increase year by year of up to \$1.86M (ongoing) for this.
- » To support the increase in mahi proposed in this plan, we're proposing to further expand the capacity of our accounts team by employing an additional part time accounts payable officer to help us keep up with the demand. We're budgeting operational spend of \$38,733 in 2025/26 and \$37,188 in 2026/27 (ongoing) to support this position, plus capital spend of \$1,600 in 2025/26 to support this position.

Information services and technology

- » We're currently under resourced in our information services team due to organisational growth in size and complexity, and the increased number of core systems needing support. Most activities across the organisation now have a high dependency on technology devices and systems and at the current level of resourcing we cannot keep up with demand or expectations of the organisation. We're therefore budgeting for:
 - » Application support analyst: operational spend of \$90,563 in 2024/25, and \$105,103 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25 to support this position.
 - » Digital user success officer: operational spend of \$73,337 in 2024/25, and \$84,350 in 2025/26 (ongoing), plus capital spend of \$1,600 in 2024/25 to support this position.
 - » Technical business analyst: operational spend of \$122,213 in 2025/26, and \$120,668 in 2026/27 (ongoing), plus capital spend of \$1,600 in 2025/26 to support this position.
 - » Data analytics and business intelligence officer: operational spend of \$117,025 in 2025/26, and \$115,480 in 2026/27 (ongoing), plus capital spend of \$1,600 in 2025/26 to support this position.
- » Geographical Information System (GIS) is used to support programmes across the organisation, and we're currently lacking in licenses, which is impacting our ability to support additional requests. We're proposing ongoing funding for additional GIS licenses. We're budgeting operational spend of \$38,000 in 2024/25, (ongoing) for these.
- » We currently have a significant lack of resourcing to support ongoing upgrades to legacy core business systems. We're therefore proposing to increase our IT consultants budget to provide additional funding to support enhancement requests across a number of core applications and support application upgrades. We're budgeting operational spend of \$50,000 in 2024/25, (ongoing) for this increase.
- » Enterprise is a software solution council has recently implemented, which streamlines and upgrades our IT systems to improve efficiency, security and data management. Parts of this system require some development and configuration changes to ensure they are fit for purpose. We also need to fund additional licensing costs for our financial system. We're budgeting operational spend of \$200,000 in 2024/25 and \$150,000 in 2025/26 for this.
- » We're proposing to invest in an IT infrastructure hardware replacement programme based on current costs, asset lifecycle replacement, and growth. We're budgeting capital spend of \$57,983 in 2025/26, \$50,520 in 2026/27, and a continued increase of up to \$174,000 in 2033/34 for this programme.
- » The system we're currently using for council meetings and agendas is being decommissioned, therefore we need to fund a change to a cloud based host and a software upgrade to continue using this system. We're budgeting operational spend of \$15,000 in 2024/25, and \$30,000 in 2025/26 (ongoing) for this system.
- » We're proposing to increase our level of Microsoft licensing to support MS Teams calling, and enhanced security and compliance features such as increased threat protection, data lifecycle management, inside risk management and data loss prevention of sensitive data, and enhanced security and compliance capabilities. We're budgeting operational spend of \$130,000 in 2024/25, and \$110,000 in 2025/26 (ongoing) for this.
- » Our IT budget currently has a funding shortfall due largely to additional unbudgeted purchases, increased storage requirements due to growth and increased license fees being on-charged with inflation. We're therefore proposing to increase this operational budget to cover the shortfall. We're budgeting operational spend of \$105,000 from 2024/25 through to 2033/34 to make up for this.
- » We're proposing to improve our resilience to cyber threats and loss of data, and to improved protection for our staff in order to help manage the risk of a cyber security attack. We're budgeting operational spend of \$75,000 in 2024/25, \$100,000 in 2025/26, \$125,000 in 2026/27 and \$150,000 in 2027/28 (ongoing) for this.
- » In May 2022, the regional sector CEO's endorsed a partnership approach with Central Government for the development of the Integrated National Farm Data Platform (INFDP) - software to support the implementation of the newly released Fresh Water Farm Plan regulations, and undertook to lead this programme of work, which proposes that the application be owned by regional and unitary councils. We therefore propose to invest in the implementation of freshwater farm plans in Te Taitokerau to support this platform by way of operational expenditure. We're budgeting operational spend of \$75,000 in 2024/25, and \$25,000 in 2025/26, (ongoing) to support this associated mahi.
- » To support the increase in mahi proposed in this plan, we're proposing to further expand the capacity of our IT team by employing an additional GIS officer to help us keep up with the demand. We're budgeting operational spend of \$147,021 in 2025/26 and \$145,476 in 2026/27 (ongoing), plus capital spend of \$1,600 in 2025/26 to support this position.

- » To support the increase in mahi proposed in this plan, we're proposing to further expand the capacity of our IT team by employing an additional IT officer to help us keep up with the demand. We're budgeting operational spend of \$97,021 in 2025/26 and \$95,476 in 2026/27 (ongoing), plus capital spend of \$1,600 in 2025/26 to support this position.

Corporate

- » We're proposing to continue to invest in a tool that helps keep us on track with legislative changes to ensure council is legislatively compliant by updating our current subscription of Complywith/Complywatch. We're budgeting operational spend of \$30,000 in 2024/25 and 2025/26, \$30,600 in 2026/27, \$31,212 in 2027/28, and increasing annually to \$35,150 in 2033/34 for this.
- » We're proposing to boost council internal audit budget to ensure that we're able to properly assess the quality and effectiveness of our systems. We're budgeting operational spend of \$38,000 in 2024/25 (ongoing) to cover this.
- » We're proposing to increase our funding contribution to the Te Uru Kahika (Regional council collective, formerly Recoco) shared services programme. This additional funding is required in response to additional shared services work that Te Uru Kahika is undertaking. We're budgeting operational spend of \$65,000 in 2024/25, \$71,500 in 2025/26, \$78,650 in 2026/27, and a continued gradual increase year by year up to \$153,264 in 2033/34 for this.
- » We're proposing to invest in a software solution supporting and centralising annual and long term planning processes, which involves a standardised, centralised project management solution, including a funnel for prioritisation of new initiatives and projects, and an integrated risk platform allowing for linking of risks to strategy, projects and LTP objectives. We're budgeting operational spend of \$80,000 in 2024/25 (ongoing) to cover this.

Property and assets

- » Council is committed to the environment and reducing carbon emissions, therefore we are proposing to 'Green the Fleet', including associated electric vehicle charging expansion, sooner than our current budget allows. This will help significantly in meeting our organisational emission reduction targets (tentatively set at 50% by 2030 and 90% by 2050). We're budgeting capital spend of \$229,000 in 2024/25, \$36,000 in 2025/26, and then between \$32,000 and \$240,000 annually in 2026/27 to 2033/34 for this.
- » To support the increase in mahi proposed in this plan, we're proposing to increase our number of fleet vehicles to help us keep up with the demand. We're budgeting operational spend of \$9,000 in each of 2024/25, 2025/26 and \$18,000 2026/27 (ongoing), plus capital spend of \$50,000 in both 2024/25 and 2026/27 to cover this.

We've undertaken an exercise to identify areas within our organisation where we can make any efficiencies and redirect funding due previously approved positions that are no longer required. As a result, we've identified four proposals we're seeking to fund without the need for further rates increases. Through this exercise, we've prioritised existing roles and costs that are unavoidable to be funded, as follows:

- » Increasing the capacity of our existing human resources team to keep up with growth by increasing the hours of our human resources advisor: operational spend of \$11,211 in 2024/25, 2025/26, and 2026/27 (ongoing).
- » Financial planner and assistant accountant: operational spend of \$187,409 in 2024/25 and \$184,319 in 2025/26 (ongoing).
- » IT business system analyst: operational spend of \$99,176 in 2024/25, and \$115,480 in both 2025/26 and 2026/27 (ongoing).
- » Audit fee increase: operational spend of \$22,500 in 2024/25, \$23,625 in 2025/26, \$24,806 in 2026/27 and a continued gradual increase year by year of up to \$34,905 by 2033/34.

We propose to fund the cost increase of providing this service from the **council services rate**, capital expenditure from **council's retained earnings** or **property investment fund**, and depreciation from the **council services rate**.

Northland Regional Council: Funding impact statement for 2024–2034 for regional leadership group activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	9,868	9,066	10,133	10,904	11,306	11,644
Grants and subsidies for operating purposes	415	456	562	680	696	711
Fees Charges and targeted rates for water supply	617	633	647	663	677	691
Internal charges and overheads recovered	13,522	15,681	16,095	16,499	16,847	17,208
Local authorities fuel tax, fines, infringement fees and other receipts	11,810	12,551	12,629	12,913	14,770	16,026
Total operating funding	36,232	38,387	40,066	41,659	44,296	46,280
Applications of operating funding						
Payments to staff and suppliers	28,440	28,189	31,081	32,867	32,549	34,503
Finance costs	451	790	854	902	935	982
Internal charges and overheads applied	1,324	2,008	2,062	2,115	2,162	2,211
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	30,215	30,987	33,997	35,884	35,646	37,696
Surplus/(Deficit) of operating funding	6,017	7,400	6,069	5,775	8,650	8,584
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	6,126	4,860	4,888	345	249	249
- To replace existing assets	454	535	436	449	526	553
Increase/(Decrease) in reserves	(514)	967	60	85	3,255	3,331
Increase/(Decrease) in investments	(49)	1,038	685	4,896	4,620	4,451
Total applications of capital funding	6,017	7,400	6,069	5,775	8,650	8,584
Surplus/(Deficit) from capital funding	(6,017)	(7,400)	(6,069)	(5,775)	(8,650)	(8,584)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Sources of operating funding					
-	-	-	-	-	- General Rates, uniform annual general charges, rates penalties
11,703	11,974	12,351	12,624	13,045	Targeted rates (other than targeted water rates)
726	740	755	770	784	Grants and subsidies for operating purposes
704	717	731	744	757	Fees Charges and targeted rates for water supply
17,535	17,936	18,343	18,754	19,175	Internal charges and overheads recovered
13,888	17,160	20,569	14,872	21,276	Local authorities fuel tax, fines, infringement fees and other receipts
44,556	48,527	52,749	47,764	55,037	Total operating funding
Applications of operating funding					
33,846	36,338	39,002	36,564	39,114	Payments to staff and suppliers
1,047	1,117	1,192	1,273	1,359	Finance costs
2,253	2,304	2,356	2,409	2,463	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
37,146	39,759	42,550	40,245	42,936	Total applications of operating funding
7,410	8,768	10,199	7,519	12,101	Surplus/(Deficit) of operating funding
Sources of capital funding					
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
-	-	-	-	-	- Increase/(Decrease) in debt
-	-	-	-	-	- Gross proceed from asset sales
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	Total sources of capital funding
Applications of capital funding					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
393	141	396	351	324	- To improve levels of service
458	597	646	665	720	- To replace existing assets
2,404	3,735	5,151	2,547	7,095	Increase/(Decrease) in reserves
4,155	4,295	4,006	3,956	3,962	Increase/(Decrease) in investments
7,410	8,768	10,199	7,519	12,101	Total applications of capital funding
(7,410)	(8,768)	(10,199)	(7,519)	(12,101)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Te tauāki pāpātanga pūtea

Funding impact statement



Northland Regional Council: Funding impact statement for 2024–2034 (whole of council)

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)
Sources of operational funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	47,280	52,505	55,629	58,197	60,684	61,582
Grants and subsidies for operating purposes	10,791	12,860	6,831	6,782	6,324	6,369
Fees Charges	6,887	6,342	6,601	6,794	7,036	7,182
Interest and dividends from investments	3,975	3,173	3,561	3,561	3,561	3,561
Local authorities fuel tax, fines, infringement fees and other receipts	8,030	9,477	9,227	9,589	11,512	12,854
Debt Funding	-	-	-	-	-	-
Total sources of operating funding	76,963	84,357	81,849	84,921	89,117	91,548
Applications of operating funding						
Payments to staff and suppliers	73,543	77,720	76,356	79,434	78,855	80,859
Finance costs	1,151	1,684	1,928	2,113	2,220	2,309
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	74,694	79,404	78,283	81,547	81,075	83,168
Surplus/(Deficit) of operating funding	2,269	4,953	3,566	3,375	8,042	8,380
Sources of capital funding						
Subsidies and grants for capital expenditure	-	5,203	465	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	7,359	6,282	1,414	1,772	780	785
Gross proceed from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding	7,359	11,485	1,879	1,772	780	785
Applications of capital funding						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	12,789	17,172	6,651	1,893	1,295	1,308
- To replace existing assets	2,175	736	697	722	836	926
Increase/(Decrease) in reserves	34	7,884	1,676	830	5,372	5,491
Increase/(Decrease) in investments	(5,370)	(9,354)	(3,580)	1,703	1,319	1,439
Total Applications of capital funding	9,628	16,438	5,444	5,147	8,822	9,165
Surplus/(Deficit) from capital funding	(2,269)	(4,953)	(3,566)	(3,375)	(8,042)	(8,380)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Sources of operational funding					
-	-	-	-	-	- General Rates, uniform annual general charges, rates penalties
62,458	63,917	65,679	67,191	67,857	Targeted rates
6,414	6,457	6,502	6,496	6,541	Grants and subsidies for operating purposes
7,376	7,632	7,789	7,994	8,266	Fees Charges
3,561	3,561	3,561	3,561	3,561	Interest and dividends from investments
10,807	14,169	17,672	12,075	18,241	Local authorities fuel tax, fines, infringement fees and other receipts
-	-	-	-	-	- Debt Funding
90,616	95,736	101,203	97,317	104,466	Total sources of operating funding
Applications of operating funding					
80,701	84,080	87,759	86,194	89,905	Payments to staff and suppliers
2,408	2,513	2,597	2,662	2,204	Finance costs
-	-	-	-	-	- Other operating funding applications
83,109	86,593	90,356	88,856	92,109	Total applications of operating funding
7,507	9,143	10,847	8,461	12,357	Surplus/(Deficit) of operating funding
Sources of capital funding					
-	-	-	-	-	- Subsidies and grants for capital expenditure
-	-	-	-	-	- Development and financial contributions
530	170	-	-	-	- Increase/(Decrease) in debt
-	-	-	-	-	- Gross proceed from sale of assets
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	- Other dedicated capital funding
530	170	-	-	-	Total sources of capital funding
Applications of capital funding					
Capital expenditure					
-	-	-	-	-	- To meet additional demands
1,154	408	494	515	483	- To improve levels of service
932	1,150	1,006	1,016	1,023	- To replace existing assets
4,464	5,966	7,448	4,782	8,541	Increase/(Decrease) in reserves
1,487	1,789	1,899	2,148	2,310	Increase/(Decrease) in investments
8,037	9,313	10,847	8,461	12,357	Total applications of capital funding
(7,507)	(9,143)	(10,847)	(8,461)	(12,357)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

This statement is GST exclusive. It is required under the Local Government Act 2002 (Schedule 10, Clause 15) and conforms to Schedule 2, Form 3 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to funding impact statements as stated in section 111(2) of the Local Government Act 2002. Key divergences from GAAP are not including depreciation; including internal charges; and combining capital and operational items in one financial statement.

Reconciliation to statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Capital expenditure included above not in Comprehensive Revenue and Expense	14,964	17,908	7,349	2,615	2,131	2,235
Investment movements included above not in Comprehensive Revenue and Expense	(5,370)	(9,353)	(3,580)	1,701	1,319	1,438
Other Gains included in Comprehensive Income not above		0	0	0	0	0
Gross Proceeds included above not in Comprehensive Income	0	0	0	0	0	0
Financial Asset fair value adjustments included in comprehensive income but not above		0	0	0	0	0
Property revaluation adjustments included in comprehensive income but not above		0	0	0	0	0
Proceeds from Borrowings included above not in comprehensive revenue	(7,359)	(6,282)	(1,414)	(1,772)	(780)	(785)
Transfers to/(from) special reserves included above not in comprehensive Income	34	7,884	1,676	830	5,372	5,491
Infrastructure asset revaluation adjustments included in comprehensive income but not above		0	0	0	0	0
Depreciation Expense included in Comprehensive Income not above	(2,235)	(2,208)	(2,333)	(2,452)	(2,571)	(2,738)
Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense	34	7,949	1,698	922	5,471	5,641

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
2,085	1,558	1,500	1,531	1,507	Capital expenditure included above not in Comprehensive Revenue and Expense
1,488	1,789	1,900	2,148	2,309	Investment movements included above not in Comprehensive Revenue and Expense
-	-	-	-	-	- Other Gains included in Comprehensive Income not above
-	-	-	-	-	- Gross Proceeds included above not in Comprehensive Income
-	-	-	-	-	- Financial Asset fair value adjustments included in comprehensive income but not above
-	-	-	-	-	- Property revaluation adjustments included in comprehensive income but not above
(530)	(170)	0	0	0	Proceeds from Borrowings included above not in comprehensive revenue
4,464	5,966	7,448	4,782	8,541	Transfers to/(from) special reserves included above not in comprehensive Income
0	0	0	0	0	Infrastructure asset revaluation adjustments included in comprehensive income but not above
(2,890)	(2,970)	(3,188)	(3,430)	(3,707)	Depreciation Expense included in Comprehensive Income not above
4,617	6,173	7,660	5,031	8,650	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense

Ngā reiti

Rates



Rating funding impact statement

This statement is GST exclusive. It shows total gross expenditure and lists (by rate and income type) the funding derived from each source, for easy reference.

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Excluding GST	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Operational Expenditure	76,929	79,404	78,283	81,548	81,075	83,169
Capital Expenditure	14,964	17,908	7,349	2,615	2,131	2,235
Total Gross Expenditure	91,893	97,312	85,632	84,163	83,206	85,404
Funded By						
Council services Rate	14,662	18,320	20,491	21,765	22,659	23,409
Land and Freshwater Management Rate	10,958	11,964	12,511	12,444	12,706	13,158
Pest Management Rate	7,184	8,253	8,622	8,986	9,621	9,888
Flood Infrastructure Rate	3,093	3,473	3,528	3,716	3,875	3,983
Emergency and Hazard Management Rate	4,120	5,001	5,613	6,153	6,742	6,021
Targeted Regional Sporting Facilities Rate	1,385	-	-	-	-	-
Targeted Regional Economic Development Rate	835	1,017	1,238	1,507	1,547	1,588
Other Targeted Rates	5,043	4,476	3,625	3,626	3,534	3,534
Grants and Subsidies	10,791	18,063	7,296	6,782	6,324	6,369
User Charges	6,887	6,343	6,602	6,794	7,036	7,182
Rental Income	4,274	4,331	4,326	4,816	5,007	5,084
Interest Income	433	184	572	572	572	572
Gains Income	3,490	5,146	4,902	4,773	4,808	5,115
Dividend Income	3,542	2,989	2,989	2,989	2,989	2,989
Forestry Income	266	-	-	-	1,697	2,656
Borrowings	7,359	14,252	1,414	1,772	780	785
Cash Reserves from/(to)	7,571	(6,500)	1,903	(2,532)	(6,691)	(6,930)
Total Funding	91,893	97,312	85,632	84,163	83,206	85,404

Year 6 2029/30 \$(000)	Year 7 2030/31 \$(000)	Year 8 2031/32 \$(000)	Year 9 2032/33 \$(000)	Year 10 2033/34 \$(000)	Excluding GST
83,109	86,593	90,356	88,856	92,109	Operational Expenditure
2,085	1,558	1,500	1,531	1,507	Capital Expenditure
85,194	88,151	91,856	90,387	93,616	Total Gross Expenditure
Funded By					
23,406	23,962	24,819	25,405	26,376	Council services Rate
13,475	13,821	14,166	14,520	14,433	Land and Freshwater Management Rate
10,154	10,416	10,684	10,960	11,241	Pest Management Rate
4,090	4,196	4,304	4,415	3,920	Flood Infrastructure Rate
6,168	6,313	6,462	6,614	6,770	Emergency and Hazard Management Rate
-	-	-	-	-	Targeted Regional Sporting Facilities Rate
1,631	1,674	1,708	1,741	1,775	Targeted Regional Economic Development Rate
3,535	3,535	3,535	3,536	3,341	Other Targeted Rates
6,414	6,457	6,502	6,496	6,541	Grants and Subsidies
7,376	7,631	7,788	7,994	8,266	User Charges
5,389	5,689	5,720	5,663	5,199	Rental Income
572	572	572	572	572	Interest Income
5,417	5,653	5,990	6,413	6,935	Gains Income
2,989	2,989	2,989	2,989	2,989	Dividend Income
-	2,828	5,964	-	6,108	Forestry Income
530	170	-	-	-	Borrowings
(5,952)	(7,755)	(9,347)	(6,931)	(10,850)	Cash Reserves from/(to)
85,194	88,151	91,856	90,387	93,616	Total Funding

Types of rates

The amounts of the rates stated include the council's GST obligations (GST Incl.). Council intends to set the following rates in each of the years covered by the long term plan, unless specifically stated. The rates amounts indicated are for the 2024/25 year only.

The council does not accept lump sum contributions in respect of any targeted rate.

Uniform annual general charge

The council does not set a uniform annual general charge.

Targeted region-wide rates

The council sets five rates, which are applied as targeted region-wide rates – the Council Services Rate, Land and Freshwater Management Rate, Pest Management Rate, Flood Infrastructure Rate and the Emergency and Hazard Management Rate. Targeted region-wide rates are assessed on all rateable properties in the Northland region.

Council Services Rate

What it funds

The council uses the council services rate to fund some activities that are carried out under the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act 1994, maritime bylaws and any other activities that are not covered by any other funding source. This rate will fund the costs remaining after appropriate user fees and charges and a share of investment income, where available, have been taken into account.

How it is set

The Council Services Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per SUIP of a rating unit is to be assessed across the Whangārei constituency to provide \$79,448 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

The estimated total Council Services Rate amounts to \$21,068,114 for the 2024/25 financial year.

The Council Services Rate payable in respect of each rating unit in the Kaipara district, and each SUIP of a rating unit in the Far North and Whangārei districts, will be set as shown in the following table.

The funding impact statement recognises that a differentiated, fixed amount on each rating unit (property) or SUIP of a rating unit links better to resource management planning, strategic planning, education, public advice, the public-good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

Council Services Rate

District	Rate	Rateable unit
Far North	\$204.87	per SUIP
Kaipara	\$245.07	per rating unit
Whangārei	\$214.14	per SUIP

Land and Freshwater Management Rate

What it funds

This land value-based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941, the Resource Management Act 1991 and the National Policy Statement for Freshwater Management, including its amendments.

The rate will specifically fund land and freshwater management activities. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The Land and Freshwater Management Rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

How it is set

The Land and Freshwater Management Rate is a targeted rate authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of the land value. The rate per dollar of land value is different for each constituent district because the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The council does not apply a differential on this rate.

How much is the rate?

The estimated total Land and Freshwater Management Rate is \$13,760,025 for the 2024/25 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Land and Freshwater Management Rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	18,564,949	17,808,080	\$27.81
Kaipara	9,151,558	9,151,558	\$28.87
Whangārei	20,674,108	20,830,470	\$29.26

Pest Management Rate

What it funds

The council uses the Pest Management Rate to fund activities that are carried out under the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For new activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan, consideration is given to the requirements of section 100T of the Biosecurity Act 1993. An analysis required under section 100T of the Biosecurity Act 1993 is set out below. This is a draft analysis, with any final analysis to be considered by council when setting rates in June 2024.

The Pest Management Rate will specifically fund pest plant, disease, and pest animal management activities.

How it is set

The Pest Management Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district.

How much is the rate?

The estimated total Pest Management Rate amounts to \$9,490,796 for the 2024/25 financial year.

The Pest Management Rate is payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and will be set as shown in the following table. This funding impact statement recognises that a differentiated, fixed amount on each rating unit (property), or SUIP of a rating unit, links better to pest management activities, where the link to land value is very weak.

Pest Management Rate

District	Rate	Rateable unit
Far North	\$92.64	per SUIP
Kaipara	\$110.82	per rating unit
Whangārei	\$96.05	per SUIP

Analysis under S100T of the Biosecurity Act

Council carries out its pest management activities in accordance with its Northland Regional Pest and Marine Pathway Management Plan 2017-2027. Section 100T of the Biosecurity Act requires that a regional council must decide the extent to which it funds the implementation of its regional pest and/or pathway management plan from a general rate, targeted rate, or a combination of both. The factors that council must have regard to in making this decision, and council's analysis in relation to considering the Pest Management Rate, are set out here.

100T (2)(a) The extent to which the plan relates to the interests of occupiers of the properties on which the rate would be levied:

The Pest Management Rate provides a single, clear, region-wide targeted rate for land, freshwater biosecurity activities and marine pest control activities, and for raising funds for pest control throughout Northland, and it is council's conclusion that it is in the interests of everyone in Northland as all occupiers will receive some benefit from the plan either directly or indirectly.

It is proposed that a targeted Pest Management Rate be collected from all properties within Northland to fund land, freshwater and marine pest control activities. In total, \$9.49 million for 2024/25 would be collected (GST inclusive).

The regional pest management region-wide targeted rate applies to all property owners. In regard to marine pest inspection and response activities, the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boatsheds, commercial ports and mooring owners, and 35% funded from a combination of Pest Management Rate, council investments and other council revenue. New marine pest incursion response activities carried out will be funded by way of the Pest Management Rate.

This is expected to raise \$1.012 million to fund all marine pest activities in the Northland Regional Pest and Marine Pathway Management Plan 2017-2027.

100T (2)(b) The extent to which the occupiers of the properties on which the rate would be levied will obtain direct or indirect benefits from the implementation of the plan:

Northland ratepayers receive both direct and indirect benefits from the implementation of the Northland Regional Pest and Marine Pathway Management Plan 2017-2027, including protection of native forests and wetland ecosystems found on private land, and supporting communities who are involved in the restoration of iconic fauna such as kiwi, coastal seabirds and kükupa.

Regarding marine pest activities, the charges will provide protection of the Northland marine environment both now and into the future from the damaging impacts of marine pests on:

- » recreational and commercial fishing
- » marine tourism, and
- » indigenous marine biodiversity.

Regarding the Marine Pathway Plan, vessel owners will directly benefit from having cleaner hulls and a reduced risk of marine pest colonisation. Owners of aquaculture farms will also benefit from the reduced spread of biofouling and marine pests.

The extent to which the benefits are direct rather than indirect depends on how ratepayers use and appreciate the marine environment. Direct benefits may accrue to vessel owners, owners of marine structures because of less biofouling, and those who harvest kai moana.

The extent to which the benefits can be judged as direct rather than indirect depends on how ratepayers use and appreciate the environmental values that pests can affect. Direct benefits may accrue to landowners because of fewer pest plants, protection from kauri dieback disease, prevention of pest arrivals that are new to the region, reductions in marine or animal pests such as possums, stoats and rats, and increases in native biodiversity including growing kiwi populations.

100T (2)(c) The collective benefits of implementing the plan to the occupiers of the properties on which the rate would be levied compared with the collective costs to them of the rate:

It is considered that the collective benefits of a Pest Management Rate outweigh the costs, and the differentiated targeted rate ensures benefits accrue across all ratepayers.

For terrestrial, freshwater, disease and marine pests, only those that have met the requirements for a positive cost-benefit analysis have been included in the Northland Regional Pest and Marine Pathway Management Plan 2017-2027. New pests not yet found in the region were also considered as part of the cost-benefit analysis, as they often require an urgent response to prevent their spread. Consequently the rate will be applied to new incursions where it is relevant to do so.

In regard to the Marine Pathway Plan, the cost-benefit analysis shows that there is a high net positive benefit of implementing this plan. In regard to other pests in the Northland Regional Pest and Marine Pathway Management Plan 2017-2027 species have been selected on the basis that they have all passed a cost benefit evaluation.

100T (2)(d) for the Regional Pest Management Plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the presence or prevalence of the pest/pests covered by it:

Pests can travel across property boundaries and have an impact regardless of how properties are managed, and many pests have the capability to spread rapidly. The characteristics of properties that influence their establishment and spread are highly complex and variable, and depend on biotic and abiotic factors such as access to food, suitable climate and ability to overcome predation and competition. A region-wide targeted rate enables a consistent approach across the whole region, while recognising the presence of individual pests may vary depending on the property characteristics. Therefore, this approach is considered appropriate and fit for purpose.

The characteristics of properties is not a relevant consideration in respect of marine pest activities, as this activity focuses on reducing the spread of biofouling of vessel hulls.

100T (2)(e) for the Marine Pathway Management Plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the actual or potential risks associated with the pathway:

The characteristics of properties is not a relevant consideration in respect of the Marine Pathway Management Plan, which focuses on reducing the spread of biofouling of vessel hulls – so the characteristics of the properties themselves provide no contribution to the actual or potential risks.

Biofouling on vessels pose the greatest risk of marine pest transfer, and council has determined that the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boat sheds, commercial ports and mooring owners, with the remaining 35% to be funded from a combination of the Pest Management Rate, council investments and other council revenue.

Flood Infrastructure Rate

What it funds

This rate will fund flood adaptation work, including partially or fully funding the development of flood risk management infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in 'Proposed funding methods' in the Rautaki hanganga - Infrastructure strategy: Flood protection and control, included in this Long Term Plan 2024–2034). Targeted rates will be used to fund the portion of flood risk management infrastructure that is not met by the Flood Infrastructure Rate, and operational river schemes works.

How it is set

The Flood Infrastructure Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total Northland Flood Infrastructure Rate amounts to \$3,994,766 for the 2024/25 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$40.83

Emergency and Hazard Management Rate

What it funds

The council uses the Emergency and Hazard Management Rate to fund activities that are carried out under the Civil Defence Emergency Management Act 2002, Resource Management Act 1991, Soil Conservation and Rivers Control Act 1941, and climate change adaptation planning activities. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available), have been taken into account.

How it is set

The Emergency and Hazard Management Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and on each rating unit in the Kaipara district.

How much is the rate?

The estimated total Emergency and Hazard Management Rate amounts to \$5,751,644 for the 2024/25 financial year.

The Emergency and Hazard Management Rate payable in respect of each rating unit in the Kaipara district, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts of the Northland region, will be set as shown in the following table.

This funding impact statement recognises that a differentiated, fixed amount on each rating unit or SUIP of a rating unit links better to emergency and hazard management activities where the link to land value is weak.

Emergency and Hazard Management Rate

District	Rate	Rateable unit
Far North	\$56.14	per SUIP
Kaipara	\$67.16	per rating unit
Whangārei	\$58.21	per SUIP

Specific targeted rates

The following specific targeted rates are for 2024/25. Council intends to set the following rates in each of the years covered by the long term plan, unless specifically stated.

Emergency Services Rate

Please note that this rate is not proposed to be set as part of the final Long Term Plan 2024–2034. Please see the Ngā take whakahoki kōrero – Key issues for feedback section at the beginning of this document for more information.

Regional Sporting Facilities Rate

Please note that this rate is not proposed to be set as part of the final Long Term Plan 2024–2034. Please see the Ngā take whakahoki kōrero – Key issues for feedback section at the beginning of this document for more information.

Regional Economic Development Rate

What it funds

The Regional Economic Development Rate will fund activities that support the economic wellbeing of Northland, and community infrastructure.

How it is set

The Regional Economic Development Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The council does not apply a differential on this rate.

How much is the rate?

The estimated total Regional Economic Development Rate is \$1,169,044 for the 2024/25 financial year.

The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district, based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Regional Economic Development Rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	\$18,564,949	\$17,808,080	\$2.39
Kaipara	\$9,151,558	\$9,151,558	\$2.45
Whangārei	\$20,674,108	\$20,830,470	\$2.48

How is the rate applied?

This rate is applied to the investment and growth reserve.

Whangārei Transport Rate

What it funds

This rate forms the local contribution required to fund the Whangārei bus passenger transport services, the administration of the Whangārei Total Mobility scheme, and provision of other public transport services in the Whangārei district.

How it is set

The Whangārei Transport Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How much is the rate?

The estimated total Whangārei Transport Rate is \$2,393,122 for the 2024/25 financial year. The rate will be set at \$51.96 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How is the rate applied?

The Whangārei Transport Rate will be applied to the passenger transport administration activity to subsidise bus passenger transport, administration of the Total Mobility service, and provide other public transport services in the Whangārei district.

Far North Transport Rate

What it funds

This rate funds the Far North bus passenger transport services, and the investigation and provision of other public transport services in the Far North district.

How it is set

The Far North Transport Rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North district.

How much is the rate?

The estimated total Far North Transport Rate is \$319,479 for the 2024/25 financial year. The rate will be set at \$8.65 for each rateable separately used or inhabited part (SUIP) in the Far North district.

How is the rate applied?

The Far North Transport Rate will be applied to the passenger transport administration activity to subsidise provision of bus passenger transport, and the investigation and provision of other public transport services in the Far North district.

Awanui River Management Rate

What it funds

This rate funds capital and operational works on the Awanui River flood management scheme.

How it is set

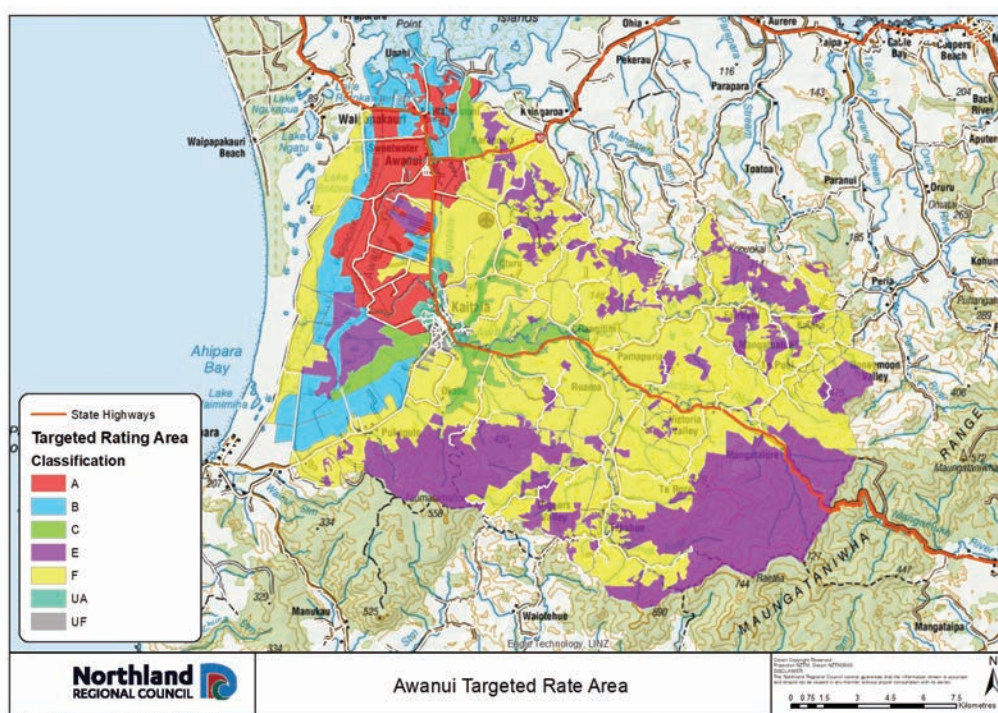
The Awanui River Management Rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

Awanui River Management Rate

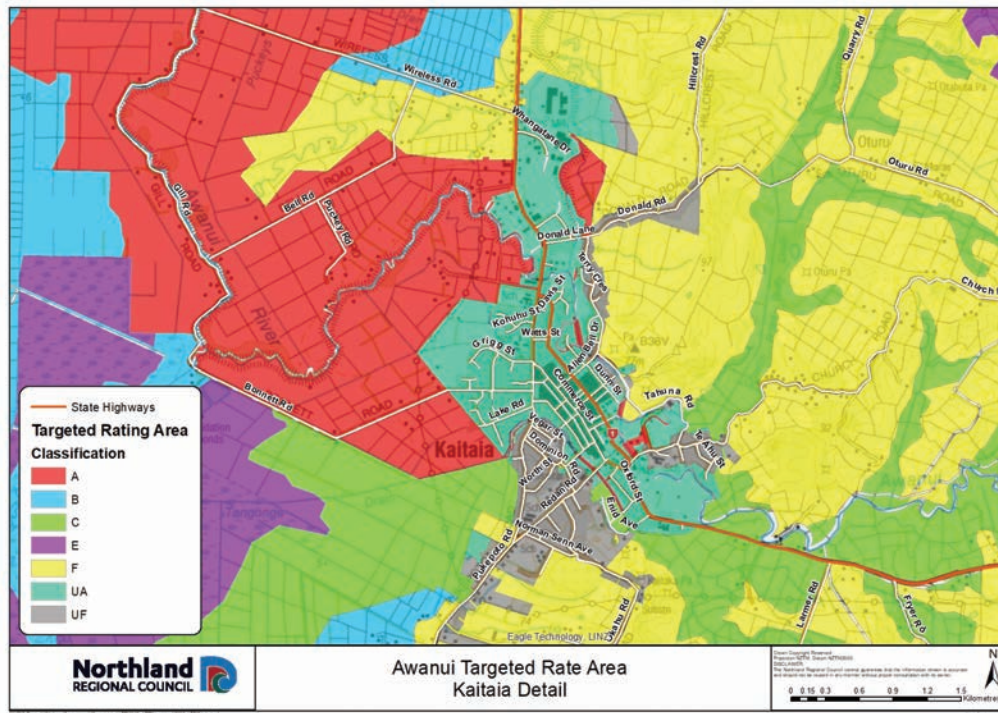
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$271.22 direct benefit plus \$27.02 indirect benefit per separately used or inhabited part of a rating unit.	\$298.24	Per SUIP
2	Urban rate classes UF (higher ground) \$27.02 direct benefit plus \$27.02 indirect benefit per separately used or inhabited part of a rating unit.	\$54.04	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$11.16 per separately used or inhabited part of a rating unit of indirect benefit, plus a rate per hectare for each of the following classes of land in the defined Kaitaia flood rating district as illustrated in the following maps and table.	\$11.16	Per SUIP

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

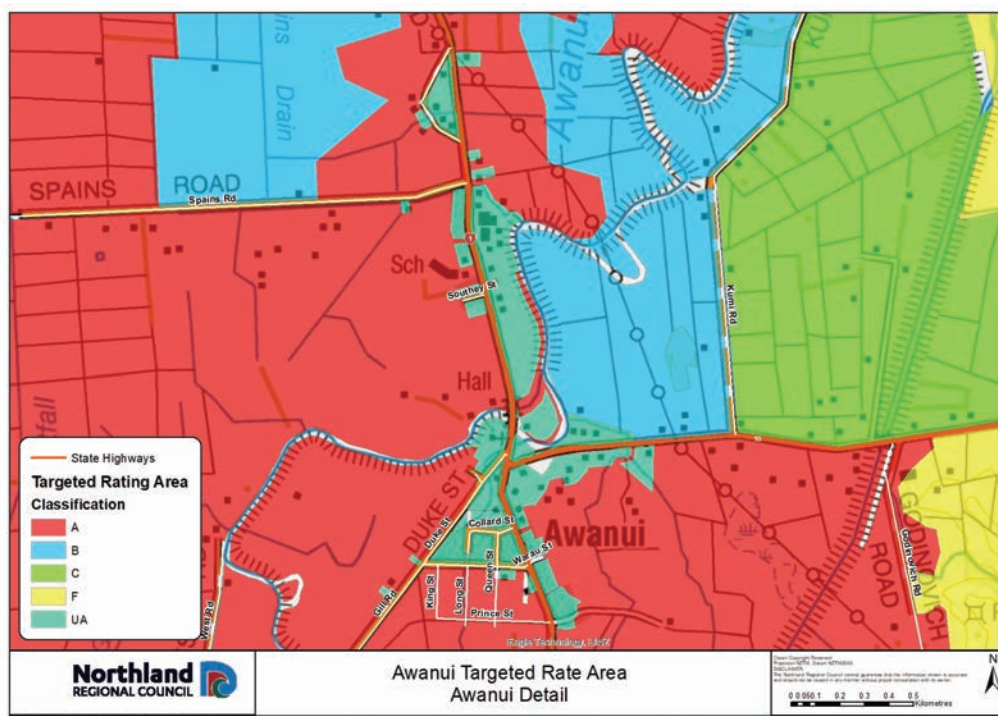
Awanui River scheme targeted rate



Awanui River scheme targeted rate - Kataia detail



Awanui River scheme targeted rate - Awanui detail



Awanui River Management Rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$22.67
C	Moderate benefit; land floods less frequently and water clears quickly.	\$10.44
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$0.73

For more detailed information on rating class boundaries, please refer to the **Awanui Scheme Asset Management Plan**, which is available on our website.

How much is the rate?

The estimated total Awanui River Management Rate is \$985,051 for the 2024/25 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui River Management Rate

Class	Rural or urban	Total revenue
A & B	Rural	\$125,718
C	Rural	\$16,178
F	Rural	\$13,876
Indirect benefit	Rural	\$19,396
Urban A	Urban	\$432,746
Urban F	Urban	\$35,883
Commercial differential	Majority urban	\$341,254
Total		\$985,051

How is the rate applied?

The rate is applied 100% to Awanui River flood management scheme works, which form part of the river management activity.

Kaihū River Management Rate

Kaihū River targeted rate area

What it funds

This rate funds channel maintenance works on the Kaihū River flood management scheme.

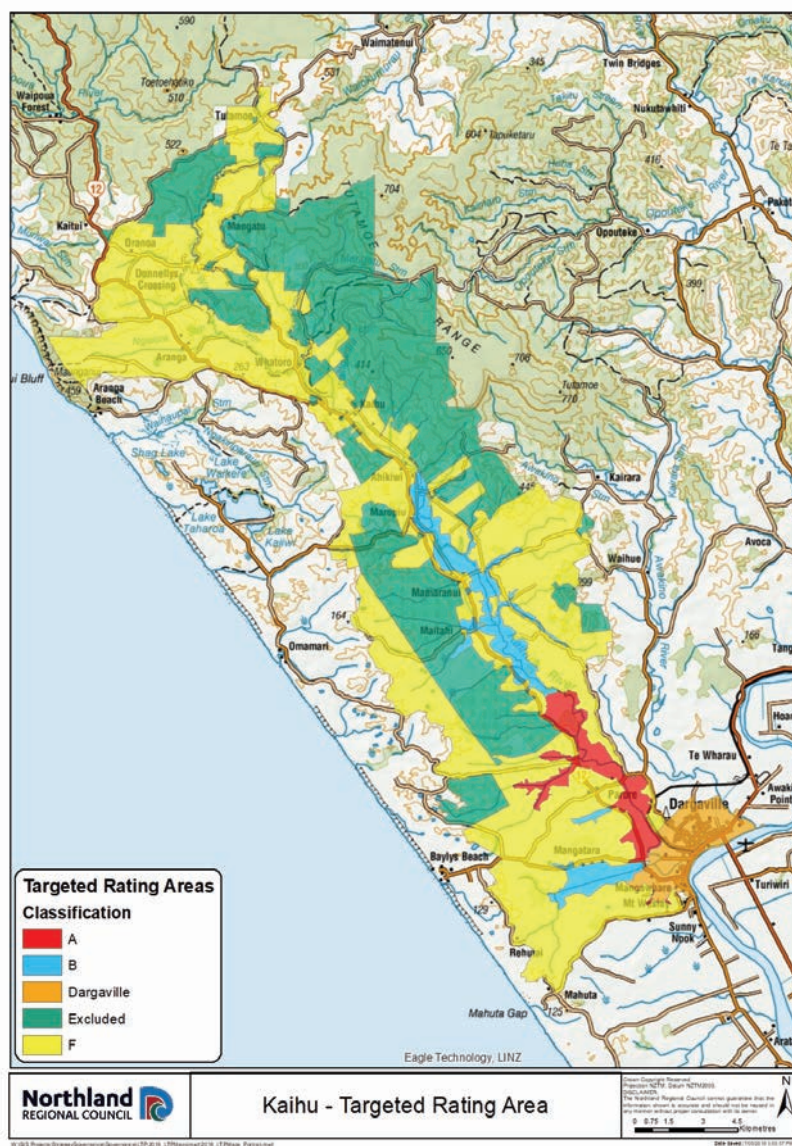
How it is set

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

The council will set the rate differentially as follows:

- » Class A – land on the floodplain and side valleys downstream of the Rotu Bottleneck; rate is applied per hectare of land.
- » Class B – land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12; rate is applied per hectare of land.
- » Class F (Catchment rate) – balance of land within the Kaihū River rating area not falling within class A and class B or the excluded area; rate is applied per hectare of land.
- » Urban contribution – a contribution from Kaipara District Council instead of a separate rate per property.

The rating classifications and the rate charged are as follows:



Kaihū River Management Rate

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.13
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.39
F	Balance of rateable land within the Kaihū River rating area not excluded from liability for this rate.	\$1.60
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5,015.40

How much is the rate?

The estimated total Kaihū River Management Rate is \$79,869 in the 2024/25 financial year. The revenue sought from each category of rateable land will be as follows:

Kaihū River Management Rate	
Class	Total revenue
A	\$31,798
B	\$12,148
F	\$30,908
Urban contribution	\$5,015
Total	\$79,869

How is the rate applied?

The rate is applied 100% to Kaihū River flood management scheme works, which form part of the river management activity.

Kāeo-Whangaroa Rivers Management Rate

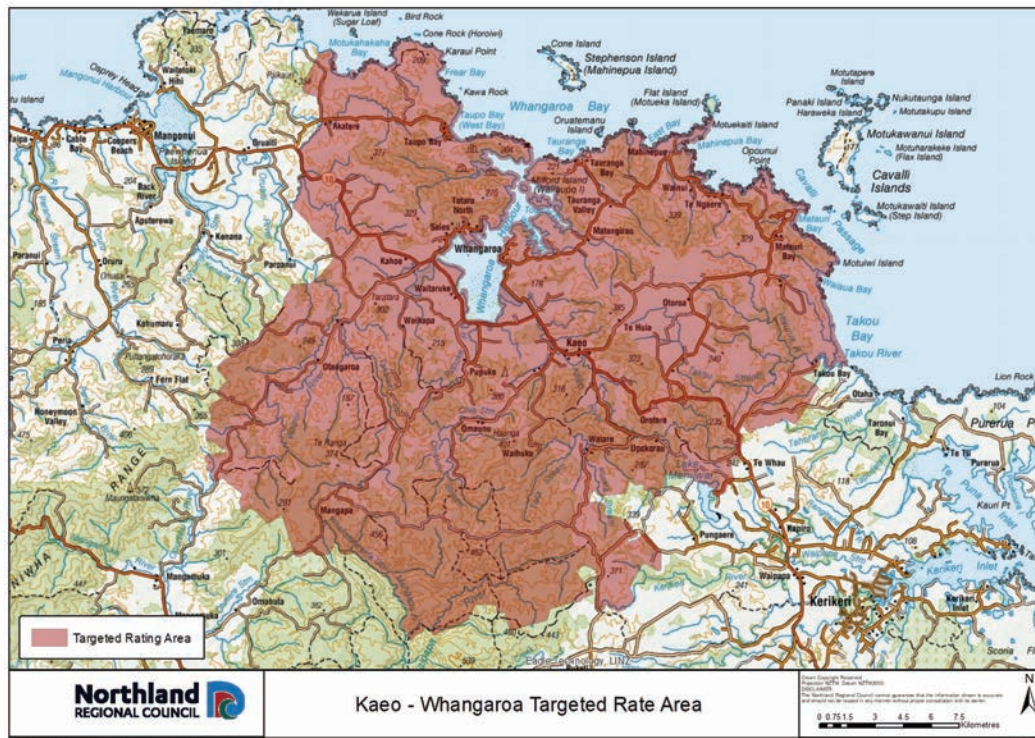
What it funds

This rate funds operational and capital flood scheme works in Kāeo and Tauranga Bay, and minor river maintenance works to clear flood debris and gravel from streams from Taupō Bay to Te Ngāire.

How it is set

The Kāeo-Whangaroa Rivers Management Rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of each rateable separately used or inhabited part (SUIP) of a rating unit falling within the former Whangaroa ward rating rolls of 100-199, as illustrated in this map.

Kāeo-Whangaroa Rivers targeted rate area



How much is the rate?

The estimated total Kāeo-Whangaroa Rivers Management Rate is \$103,023 in the 2024/25 financial year. The rate is set at \$48.34 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

How is the rate applied?

The rate is applied 100% to Kāeo-Whangaroa rivers flood management scheme works, which form part of the river management activity.

Whangārei Urban Rivers Management Rate

What it funds

This rate funds the operational costs and capital costs of flood scheme works for urban Whangārei.

How it is set

The Whangārei Urban Rivers Management Rate is a targeted rate set under the Local Government (Rating) Act 2002, and assessed on all rateable properties defined by reference to the differential categories, and differentiated by location (see map on following page), and, for some categories, land use. It is set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, as follows:

Whangārei Urban Rivers Management Rate

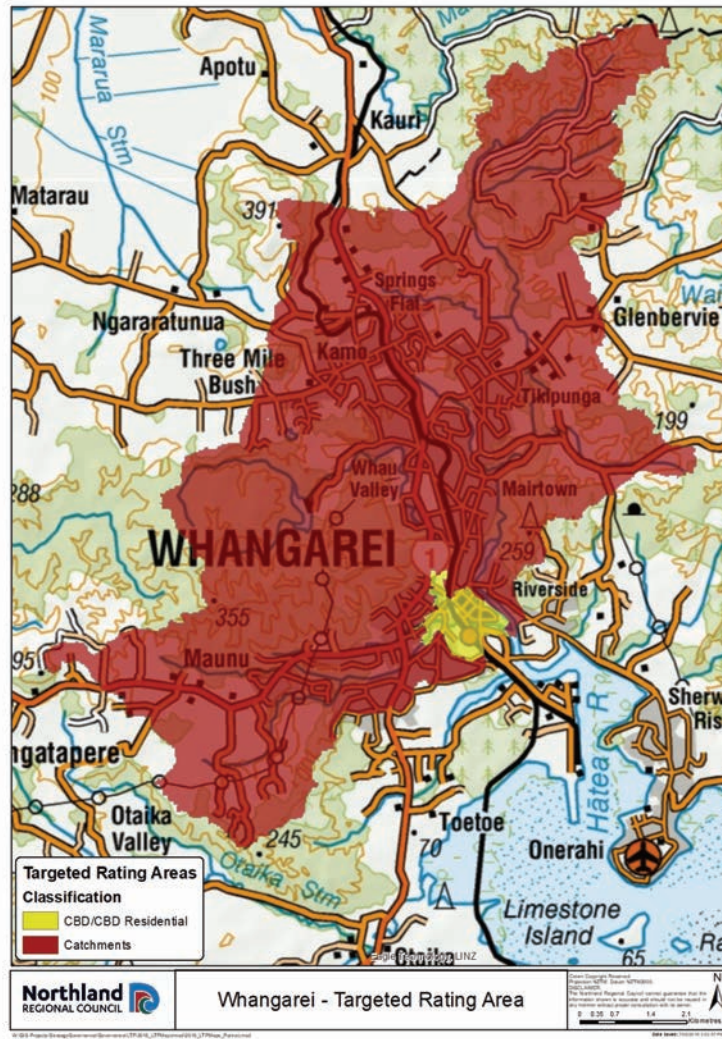
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$337.16	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$175.76	
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$41.27	

The differential recognises the different categories of beneficiaries to the scheme and the properties that contribute to flooding in the Whangārei CBD. Properties in the contributing water catchment area contribute run-off from rainfall to the CBD, which exacerbates and contributes to flooding, and these properties also receive a wider benefit from reduced flooding of the Whangārei CBD. The commercial and residential properties in the Whangārei CBD flood area are the primary beneficiaries due to reduced flood risk. Commercial properties benefit more significantly than residential properties due to improved business continuity from reduced flooding.

Residential properties in the Whangārei central business district (CBD) flood area are defined as all rating units that are used principally for residential or lifestyle residential purposes, including retirement villages, flats, etc. Residential properties also include multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi unit-type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to, hotels, boarding houses, motels, tourist accommodation, residential clubs and hostels, but excluding any properties that are licensed under the Sale and Supply of Alcohol Act 2012.

Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes or zoned for commercial, industrial or related purposes in accordance with the Whangārei district plan. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol Act 2012, and private hospitals and private medical centres.

Whangārei urban rivers management targeted rate area



How much is the rate?

The estimated total Whangārei Urban Rivers Management Rate is \$1,138,198 in the 2024/25 financial year. The revenue sought from each category is as follows:

Whangārei Urban Rivers Management Rate

Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$352,672
2	All residential properties in the Whangārei CBD flood area.	\$27,769
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$757,757
Total		\$1,138,199

How is the rate applied?

The rate is applied 100% to Whangārei urban rivers flood scheme works, which form part of the river management activity.

Taumārere Rivers Management Rate

What it funds

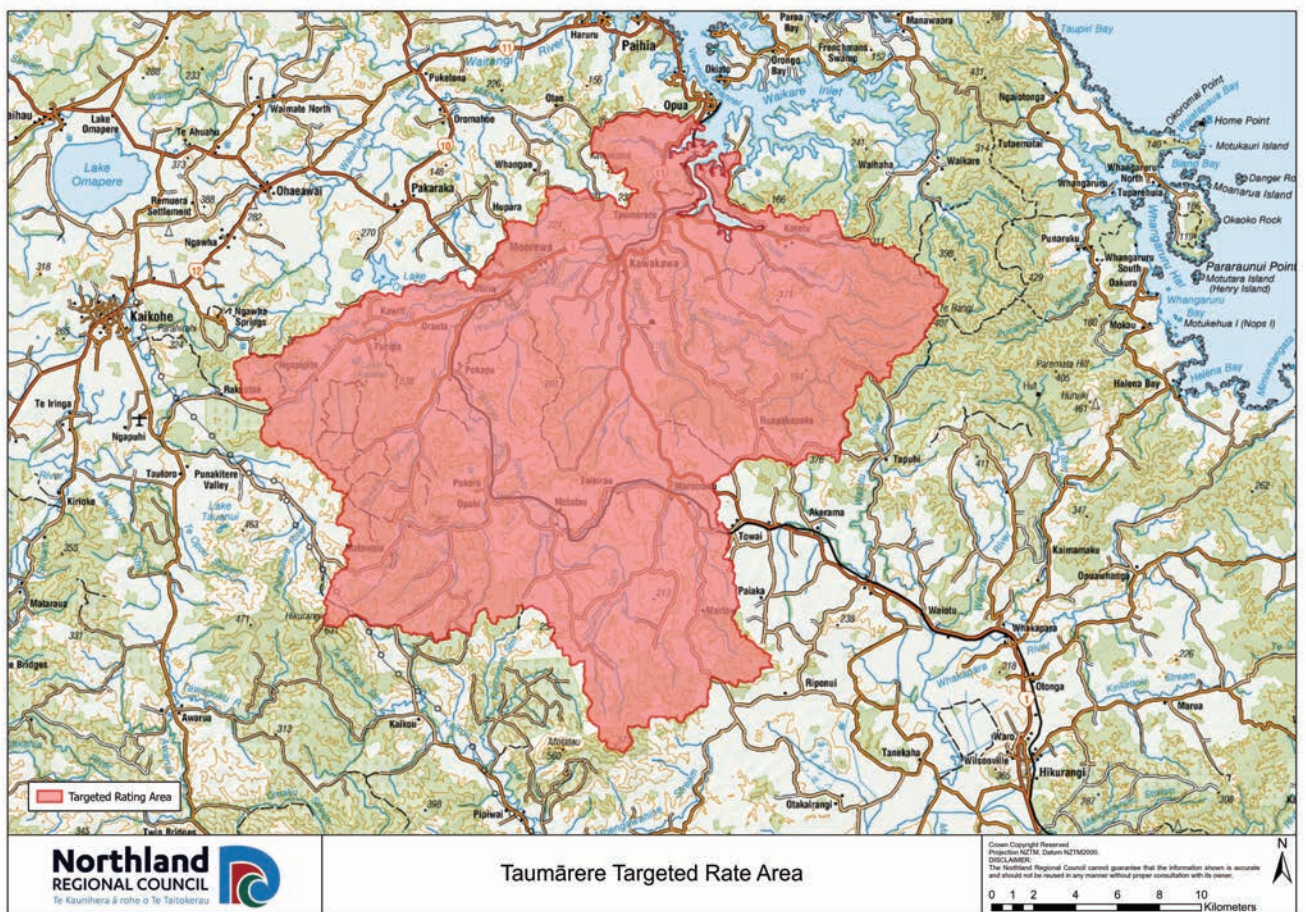
This rate funds operational and capital flood scheme works in the Taumārere catchment to reduce flooding at Otiria and Moerewa, and Kawakawa.

How it is set

The Taumārere Rivers Management Rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of every separately used or inhabited part of a property (SUIP) that is located within the Far North District and within and/or intersects the Taumārere Rivers Management Rate catchment area.

The Taumārere Rivers Management Rate (Taumārere catchment) rating area is defined as the boundary of the amalgamation of the Freshwater Ecosystems of New Zealand database catchment numbers: 4044, 4059, 4121, 4126, 4149, 4160, 8693, 8695, 8721, 8729, 8733, 8753, 8754, 8759, 8765, 8771, 8773, 8776, and 10041, as so many are located in the Far North district. The exclusion to this are those SUIPs that only intersect inside the Taumārere Rivers Management Rate catchment boundary (refer map for catchment boundary) by a maximum of 10m.

Taumārere rivers targeted rate area



How much is the rate?

The estimated total Taumārere Rivers Management Rate is \$128,795 in the 2024/25 financial year. The rate is set at \$68.95 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit as defined above.

How is the rate applied?

The rate is applied 100% to Taumārere River flood management scheme works, which form part of the river management activity.

Further rating information

Each of Northland's three district councils is appointed as a collector for Northland Regional Council in terms of section 53 of the Local Government (Rating) Act 2002. This means that district councils issue rates assessments and invoices for Northland Regional Council's rates. They also collect the rates.

Northland Regional Council (council) has adopted policies regarding remission of rates and penalties, postponement of rates, and early payment of rates. The council remits rates and penalties, postpones payment of rates, applies charges for postponement of rates, and applies discounts for early payment of rates in accordance with these policies. It also resolves that penalties will be added to unpaid rates. The district councils record these transactions on the rating information database and rates records, which they maintain on behalf of council.

Separately used or inhabited part of a rating unit definitions

Northland Regional Council has adopted the same definitions as the Far North and Whangārei district councils to determine a separately used or inhabited part of a rating unit (SUIP) as follows:

Far North district SUIP definition

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- » Any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- » Any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

The following are considered to be separately used parts of a rating unit:

- » individual flats or apartments
- » separately leased commercial areas that are leased on a rating unit basis
- » vacant rating units
- » single rating units that contain multiple uses such as a shop with a dwelling, and
- » a residential building or part of a residential building that is used, or can be used, as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities

(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, and
- » individual offices or premises of business partners.

Whangārei district SUIP definition

A separately used or inhabited part is defined as:

- » Any part of a property (rating unit) that is **used** or **intended to be used**, or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, license, or other agreement.
- » Any part or parts of a rating unit that is used, or occupied by the ratepayer for more than one single use.

Examples include:

- » each separate shop or business activity on a rating unit
- » each occupied or intended-to-be-occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit
- » individually tenanted flats, including retirement units, apartments and townhouses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit
- » each block of land for which a separate title has been issued, even if that land is vacant.

Postponement charges for postponed rates in the Far North district

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

- » application fee: \$50
- » administration fee: \$50 per annum
- » financing fee on all postponements: currently set at 4.75% per annum 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.

Postponement charges for postponed rates in the Whangārei district

Pursuant to the Local Government (Rating) 2002 Act, council will charge a postponement fee on some rates postponements, as per its postponement policies. The application form will state the details of this charge.

Equalisation of rates

Until recently, each district in Northland was independently revalued by Quotable Value (over a three-yearly cycle, one district per year). Whangārei district now uses Opteon for its valuations. To ensure that property valuations in the remaining two districts are current, a registered valuer also provides the regional council with "an estimate of projected value" of property values in those districts (as provided for in Section 131 of the Local Government (Rating) Act 2002).

The Council Services Rate, Pest Management Rate, and the Emergency and Hazard Management Rate are set by reference to the projected capital value of each district. The Land and Freshwater Management Rate, and Regional Economic Development Rate, are set according to projected land values in each district – for these three rates, remember that if all the districts had the same valuation date, then each district would have the same rate per dollar of actual land value.

Inspection and objection to council's rating information database

The rating information database for each district is available at the relevant district council and Northland Regional Council. The rating information database for each district can also be found on each district council's website. The website addresses are:

www.fndc.govt.nz

www.wdc.govt.nz

www.kaipara.govt.nz

Ratepayers have the right to inspect rating information database records and can object on the grounds set out in the Local Government (Rating) Act 2002.

Summary table of rates

The following table illustrates the distribution of the regional rates on the forecast basis for the 2024/25 financial year, with the 2023/24 annual plan regional rates for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the district valuation roll as at 30 June in each year:

District valuation roll

Estimate for 30 June 2024

	Gross Number of RU (Kaipara) or SUIP (others)	Net Number of RU (Kaipara) or SUIP (others)	Capital Value (CV)	Land Value (LV)	Equalised Capital Value	Equalised Land Value	Equalised Capital Value	Equalised Land Value
	(gross)	(net)	\$(000)	\$(000)	\$(000)	\$(000)	(%)	(%)
Far North District	38,005	36,934	32,748,686	18,564,949	31,342,995	17,808,080	36.05%	37.26%
Kaipara District	14,953	14,848	15,072,873	9,151,558	15,072,873	9,151,558	17.33%	19.15%
Whangārei District	47,639	46,057	40,519,102	20,674,108	40,524,080	20,830,470	46.62%	43.59%
Total Valuation – Northland	100,597	97,839	88,340,661	48,390,615	86,939,948	47,790,108	100%	100%

	Rates 2024/25(including GST)			Rates 2023/24(including GST)		
	Total (gross)	Total (net)		Total (gross)	Total (net)	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Targeted Council Services Rate						
Far North (per SUIP)	204.87	7,786,084	7,566,669	159.04	6,017,119	5,855,535
Kaipara (per RU)	245.07	3,664,532	3,638,799	186.25	2,774,939	2,754,451
Whangārei (per SUIP)	214.14	10,201,415	9,862,646	180.61	8,547,188	8,250,807
		21,652,032	21,068,114		17,339,246	16,860,793
Targeted Land and Freshwater Management Rate						
Far North (per \$ of actual LV)	0.0002781	5,162,912	5,127,052	0.0002510	4,658,238	4,622,378
Kaipara (per \$ of actual LV)	0.0002887	2,642,055	2,634,837	0.0003699	2,259,279	2,252,062
Whangārei (per \$ of actual LV)	0.0002926	6,049,244	5,998,136	0.0002802	5,776,936	5,725,827
		13,854,211	13,760,025		12,694,453	12,600,267
Targeted Pest Management Rate						
Far North (per SUIP)	92.64	3,520,783	3,421,566	78.29	2,962,024	2,882,481
Kaipara (per RU)	110.82	1,657,091	1,645,455	91.68	1,365,940	1,355,856
Whangārei (per SUIP)	96.05	4,575,727	4,423,775	88.06	4,167,351	4,022,845
		9,753,601	9,490,796		8,495,315	8,261,182
Targeted Flood Infrastructure Rate						
Far North (per SUIP)	40.83	1,551,744	1,508,015	36.56	1,383,211	1,346,066
Kaipara (per RU)	40.83	610,531	606,244	36.56	544,707	540,686
Whangārei (per SUIP)	40.83	1,945,100	1,880,507	36.56	1,730,165	1,670,170
		4,107,376	3,994,766		3,658,083	3,556,922
Targeted Emergency and Hazard Management Rate						
Far North (per SUIP)	56.14	2,133,601	2,073,475	44.90	1,698,747	1,653,128
Kaipara (per RU)	67.16	1,004,243	997,192	52.58	783,389	777,606
Whangārei (per SUIP)	58.21	2,773,066	2,680,977	50.50	2,389,862	2,306,992
		5,910,910	5,751,644		4,871,998	4,737,726
Targeted Regional Sporting Facilities Rate						
Far North (per SUIP)				16.37	619,343	602,711

Kaipara (per RU)				16.37	243,897	242,096
Whangārei (per SUIP)				16.37	774,694	747,831
		-	-		1,637,934	1,592,638
Targeted Regional Economic Development Rate						
Far North (per \$ of actual LV)	0.0000239	443,702	436,531	0.0000194	360,039	352,867
Kaipara (per \$ of actual LV)	0.0000245	224,213	223,666	0.0000282	172,240	171,693
Whangārei (per \$ of actual LV)	0.0000248	512,718	508,847	0.0000214	441,208	437,337
		1,180,633	1,169,044		973,487	961,897
Targeted Emergency Services Rate						
Far North (per SUIP)				11.44	432,821	421,198
Kaipara (per RU)				11.44	170,445	169,186
Whangārei (per SUIP)				11.44	541,387	522,614
		-	-		1,144,653	1,112,998
Targeted Whangārei Transport Rate						
Rate per SUIP	51.96	2,475,322	2,393,122	43.17	2,042,977	1,972,135
Targeted Far North Transport Rate						
Far North District	8.65	328,743	319,479	8.68	328,399	319,580
Targeted Awanui River Management Rate						
Far North District – Rural		183,868	181,690		175,919	173,892
Far North District – Urban		818,959	803,360		781,542	766,660
		1,002,827	985,050		957,461	940,552
Targeted Kaihū River Management Rate						
Kaipara District (Kaihū river area only)		79,869	79,869		79,869	79,869
Targeted Kāeo-Whangaroa Rivers Management Rate						
Far North (Kāeo only)		108,341	103,023		124,136	118,043
Targeted Taumārere Rivers Management Rate						
Far North (Otiria-Moerewa/Kawakawa only)		131,419	128,795		115,580	113,278
Targeted Whangārei Urban Rivers Management Rate						
Whangārei district only		1,152,110	1,138,198		1,156,546	1,142,581
TOTAL RATES						
		Gross (\$) *	Net (\$) **		Gross (\$) *	Net (\$) **
Far North District		22,170,157	21,669,654		19,657,118	19,227,817
Kaipara District		9,882,535	9,826,062		8,394,705	8,343,505
Whangārei District		29,684,702	28,886,210		27,568,314	26,799,139
		61,737,394	60,381,926		55,620,137	54,370,461

* Amount inclusive of GST

** Amount net of remissions and inclusive of GST

For more details on the different types of rates, see Types of rates.

How much will my rates be?

Presented on the next pages are some example rates for properties in each of Northland's three districts. The tables show the total rates that would apply to different groups of ratepayers under this Long Term Plan.

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2024, so they may differ slightly.

Ratepayers in the Far North district

Far North district ratepayers will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted Land and Freshwater Management rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed Flood Infrastructure Rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit; and
7. A targeted, fixed Far North Transport Rate assessed on each separately used or inhabited part of the rating unit.

Far North			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002781	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000239	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	250,000	69.53	56.47
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		5.98	4.36
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Total Regional Rates		478.64	416.13
Farm Property			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	2,750,000	764.78	690.25
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		65.73	53.35
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Total Regional Rates		1,233.64	1,098.88

Far North district ratepayers in the Awanui River Management Rate area will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted Land and Freshwater Management Rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed Flood Infrastructure Rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit;
7. A targeted, fixed Far North Transport Rate assessed on each separately used or inhabited part of the rating unit; and
8. A targeted Awanui River Management Rate, classes UA/UF, A, B, C, E and F differentiated by location and area of benefit as defined in the Awanui River flood management scheme.

Far North District - Awanui Catchment			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002781	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000239	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential & Commercial Urban			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	250,000	69.52	56.47
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		5.98	4.36
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Plus Awanui river management rates applicable to:			
- Urban rate class UA (floodplain location)		298.24	288.33
- Urban rate classes UF (higher ground)		54.04	51.66
- Commercial Urban UA		894.72	864.99
Lifestyle Property - 10 hectares			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	750,000	208.58	112.95
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		17.93	8.73
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Plus Awanui River Management Rates applicable to:			
- Rural Commercial A & B		691.26	665.87
- Rural Class A & B		237.86	229.07
- Rural Class C		115.56	110.47
- Rural Class E		11.16	10.67
- Rural Class F		18.46	17.77
Farm Property - 100 hectares			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	2,750,000	764.78	690.25
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		65.73	53.35
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Plus Awanui River Management Rates applicable to:			
- Rural Commercial A & B		6,812.16	6,562.67
- Rural Class A & B		2,278.16	2,194.67
- Rural Class C		1,055.16	1,008.67
- Rural Class E		11.16	10.67

1. Commercial properties for the Awanui River Management Rate are subject to the 3:1 commercial differential: on \$298.24 for urban commercial class UA equating to \$902.22; on \$54.04 for urban commercial class UF equating to \$162.12; on \$22.67 per hectare for rural commercial class A/B equating to \$68.01; on \$10.44 per hectare for rural commercial class C equating to \$31.32; and on \$0.73 per hectare for rural commercial class F equating to \$2.19.

The rural rate also includes a single rate of \$11.16 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3).

Far North district ratepayers in the Kāeo-Whangaroa Rivers Management Rate area will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted Land and Freshwater Management Rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed Flood Infrastructure Rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit;
7. A targeted, fixed Far North Transport Rate assessed on each separately used or inhabited part of the rating unit; and
8. A targeted Kāeo-Whangaroa Rivers Management Rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties falling within the former Whangaroa ward (rating rolls 100-199).

Far North – Kāeo-Whangaroa			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002781	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000239	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	250,000	69.53	56.48
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		5.98	4.36
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Targeted Kāeo-Whangaroa Rivers Management Rate		48.34	55.39
Total Regional Rates		526.98	471.50
Farm Property			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	2,750,000	764.78	690.25
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		65.73	53.35
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Targeted Kāeo-Whangaroa Rivers Management Rate		48.34	55.39
Total Regional Rates		1,281.98	1,154.27

Far North district ratepayers in the Taumārere Rivers Management Rate area will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted Land and Freshwater Management Rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed Flood Infrastructure Rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit;
7. A targeted, fixed Far North Transport Rate assessed on each separately used or inhabited part of the rating unit; and
8. A targeted Taumārere Rivers Management Rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties indicated in the area of benefit as defined in the Taumārere River flood management scheme.

Far North - Taumārere			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002781	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000239	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	250,000	69.52	56.47
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		5.98	4.36
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Targeted Taumārere Rivers Management Rate		68.95	60.64
Total Regional Rates		547.58	476.76
Farm Property			
Targeted Council Services Rate		204.87	159.04
Targeted Land and Freshwater Management Rate	2,750,000	764.78	690.25
Targeted Pest Management Rate		92.64	78.29
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		56.14	44.90
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		65.73	53.35
Targeted Emergency Services Rate		-	11.44
Targeted Far North Transport Rate		8.65	8.68
Targeted Taumārere Rivers Management Rate		68.95	60.64
Total Regional Rates		1,302.59	1,159.52

Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
2. A targeted Land and Freshwater Management Rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
4. A targeted, fixed Flood Infrastructure Rate assessed on each rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit; and
7. A targeted Kaihū River Management Rate, based on land area, and differentiated by location and area of benefit as defined in the Kaihū River management scheme.

Kaipara Urban / Rural			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002887	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000245	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property			
Targeted Council Services Rate		245.07	186.25
Targeted Land and Freshwater Management Rate	325,000	93.83	83.23
Targeted Pest Management Rate		110.82	91.68
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		67.16	52.58
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		7.96	6.35
Targeted Emergency Services Rate		-	11.44
Total Regional Rates		565.67	484.45
Farm Property			
Targeted Council Services Rate		\$ 245.07	\$186.25
Targeted Land and Freshwater Management Rate	2,070,000	\$ 597.61	\$1,017.22
Targeted Pest Management Rate		\$ 110.82	\$91.68
Targeted Flood Infrastructure Rate		\$ 40.83	\$36.56
Targeted Emergency and Hazard Management Rate		\$ 67.16	\$52.58
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		50.72	77.55
Targeted Emergency Services Rate		-	11.44
Total Regional Rates		1,112.21	1,489.65
Additional for Properties in the Kaihū River Catchment			
GST Inclusive	Land Value	2024/25	2023/24
	(\$)	Rates	Rates
10 hectares	Class A	231.30	231.30
	Class B	113.90	113.90
	Class F	16.00	16.00
100 hectares	Class A	2,313.00	2,313.00
	Class B	1,139.00	1,139.00
	Class F	160.00	160.00

Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted Council Services Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June, with an additional charge of \$1.73 per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted Land and freshwater Management Rate assessed on the land value of each rateable rating unit;
3. A targeted Pest Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed Flood Infrastructure Rate, assessed on each separately used or inhabited part of the rating unit;
5. A targeted Emergency and Hazard Management Rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted Regional Economic Development Rate assessed on the land value of each rateable rating unit;
7. A targeted, fixed Whangārei Transport Rate assessed on each separately used or inhabited part of the rating unit; and
8. A targeted Whangārei Urban Rivers Management Rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit.

Whangārei Urban / Rural / Other			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002926	Land Value	2024/25	2023/24
Regional Economic Development Rate = LV rate in the \$ = 0.0000248	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		214.14	180.61
Targeted Land and Freshwater Management Rate	400,000	117.04	63.04
Targeted Pest Management Rate		96.05	88.06
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		58.21	50.50
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		9.92	4.81
Targeted Whangārei Transport Rate		51.96	43.17
Targeted Emergency Services Rate		-	11.44
Total Regional Rates		588.15	494.57
Residential Property (in CBD area)			
Targeted Council Services Rate		214.14	180.61
Targeted Land and Freshwater Management Rate	400,000	117.04	63.04
Targeted Pest Management Rate		96.05	88.06
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		58.21	50.50
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		9.92	4.81
Targeted Whangārei Transport Rate		51.96	43.17
Targeted Emergency Services Rate		-	11.44
Whangārei River Management Rate - CBD Residential		175.76	176.43
Total Regional Rates		763.91	671.00
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		214.14	180.61
Targeted Land and Freshwater Management Rate	400,000	117.04	63.04

Targeted Pest Management Rate		96.05	88.06
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		58.21	50.50
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		9.92	4.81
Targeted Whangārei Transport Rate		51.96	43.17
Targeted Emergency Services Rate		-	11.44
Whangārei River Management Rate - General Catchment		41.27	\$41.42
Total Regional Rates		629.42	535.99
Farm Property			
Targeted Council Services Rate		214.14	180.61
Targeted Land and Freshwater Management Rate	3,250,000	950.95	770.55
Targeted Pest Management Rate		96.05	88.06
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		58.21	50.50
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		80.60	58.85
Targeted Whangārei Transport Rate		51.96	43.17
Targeted Emergency Services Rate		-	11.44
Total Regional Rates		1,492.74	1,256.11
Commercial Property (non CBD)			
Targeted Council Services Rate		214.14	\$180.61
Targeted Land and Freshwater Management Rate	3,750,000	1,097.25	\$560.40
Targeted Pest Management Rate		96.05	\$88.06
Targeted Flood Infrastructure Rate		40.83	\$36.56
Targeted Emergency and Hazard Management Rate		58.21	\$50.50
Targeted Regional Sporting Facilities Rate		-	\$16.37
Targeted Regional Economic Development Rate		93.00	\$42.80
Targeted Whangārei Transport Rate		51.96	\$43.17
Targeted Emergency Services Rate		-	\$11.44
Total Regional Rates		1,651.44	1,029.91
Commercial Property (in CBD area)			
Targeted Council Services Rate		214.14	180.61
Targeted Land and Freshwater Management Rate	3,750,000	1,097.25	560.40
Targeted Pest Management Rate		96.05	88.06
Targeted Flood Infrastructure Rate		40.83	36.56
Targeted Emergency and Hazard Management Rate		58.21	50.50
Targeted Regional Sporting Facilities Rate		-	16.37
Targeted Regional Economic Development Rate		93.00	42.80
Targeted Whangārei Transport Rate		51.96	43.17
Targeted Emergency Services Rate		-	11.44
Whangārei River Management Rate - CBD Commercial		337.16	338.46
Total Regional Rates		1,988.60	1,368.37

Rating base information

The table below sets out the projected number of council rating units (Kaipara district) and separately used or inhabited parts of a rating unit (Whangārei and Far North districts) during the 10 years of this plan.

	2023-24	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Annual Plan	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Far North District Council	36,818	36,934	37,119	37,304	37,491	37,678	37,867	38,056	38,246	38,437	38,630
Kaipara District Council	14,789	14,848	14,922	14,997	15,072	15,147	15,223	15,299	15,376	15,452	15,530
Whangarei District Council	45,683	46,057	46,287	46,519	46,751	46,985	47,220	47,456	47,693	47,932	48,172
TOTAL Rating Units	97,290	97,839	98,328	98,820	99,314	99,810	100,310	100,811	101,315	101,821	102,332

Ngā mahere pūtea

Finances



Prospective financial statements

Prospective statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Periods ending 30 June	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
REVENUE						
Rates	47,280	52,505	55,629	58,197	60,684	61,582
Fees and Charges	6,887	6,342	6,601	6,794	7,036	7,182
Subsidies and Grants	10,791	18,063	7,296	6,782	6,324	6,369
Interest Revenue	433	184	572	572	572	572
Other Revenue	8,082	7,320	7,314	7,804	9,695	10,728
Other Gains	3,490	5,146	4,902	4,773	4,808	5,115
TOTAL REVENUE	76,963	89,560	82,314	84,922	89,117	91,548
EXPENSES						
Personnel Costs	29,646	33,351	34,660	35,341	34,193	35,216
Depreciation and Amortisation Expense	2,235	2,208	2,333	2,452	2,571	2,738
Finance Costs	1,151	1,684	1,928	2,113	2,220	2,309
Other Losses	0	0	0	0	0	0
Other Expenditure on Activities	43,897	44,368	41,695	44,094	44,662	45,644
TOTAL OPERATING EXPENDITURE	76,929	81,611	80,616	84,000	83,646	85,907
SURPLUS/(DEFICIT) BEFORE TAX	34	7,949	1,698	922	5,471	5,641
INCOME TAX CREDIT/(EXPENSE)	-	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX	34	7,949	1,698	922	5,471	5,641
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:						
Northland Regional Council	34	7,949	1,698	922	5,471	5,641
Non-Controlling Interest	-	-	-	-	-	-
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Items that will be reclassified to surplus/(deficit)						
Financial Assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-
Items that will not be reclassified to surplus/(deficit)						
Gains/(loss) on Property Revaluations	-	-	-	-	-	-
Gains/(loss) on Infrastructure Asset revaluations	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-	-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	34	7,949	1,698	922	5,471	5,641

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	

					REVENUE
62,458	63,917	65,679	67,191	67,857	Rates

7,376	7,632	7,789	7,994	8,266	Fees and Charges
6,414	6,457	6,502	6,496	6,541	Subsidies and Grants
572	572	572	572	572	Interest Revenue
8,379	11,505	14,671	8,651	14,295	Other Revenue
5,417	5,653	5,990	6,413	6,935	Other Gains
90,616	95,736	101,203	97,317	104,466	TOTAL REVENUE
EXPENSES					
36,271	37,357	38,476	39,628	40,816	Personnel Costs
2,890	2,970	3,188	3,430	3,707	Depreciation and Amortisation Expense
2,408	2,513	2,597	2,662	2,204	Finance Costs
-	-	-	-	-	Other Losses
44,430	46,723	49,282	46,566	49,089	Other Expenditure on Activities
85,999	89,563	93,543	92,286	95,816	TOTAL OPERATING EXPENDITURE
4,617	6,173	7,660	5,031	8,650	SURPLUS/(DEFICIT) BEFORE TAX
-	-	-	-	-	INCOME TAX CREDIT/(EXPENSE)
4,617	6,173	7,660	5,031	8,650	SURPLUS/(DEFICIT) AFTER TAX
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:					
4,617	6,173	7,660	5,031	8,650	Northland Regional Council
-	-	-	-	-	- Non-Controlling Interest
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
Items that will be reclassified to surplus/(deficit)					
-	-	-	-	-	- Financial Assets at fair value through other comprehensive revenue and expense
Items that will not be reclassified to surplus/(deficit)					
-	-	-	-	-	- Gains/(loss) on Property Revaluations
-	-	-	-	-	- Gains/(loss) on Infrastructure Asset revaluations
-	-	-	-	-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE
4,617	6,173	7,660	5,031	8,650	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR

Prospective statement of financial position

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ASSETS						
Current Assets						
Cash and Cash Equivalents	986	1,252	1,114	845	962	1,158
Other Financial Assets	13,741	10,535	10,058	7,679	8,404	10,129
Receivables	7,594	9,065	10,214	11,479	12,787	14,188
Inventory	270	276	276	276	276	276
Assets Held for Sale	-	-	-	-	-	-
Total Current Assets	22,591	21,127	21,662	20,279	22,428	25,751
Non Current Assets						
Receivables	-	787	756	724	693	661
Other Financial Assets	56,019	64,887	62,955	66,822	71,431	74,685
Infrastructure, Property, Plant and Equipment	78,075	90,104	90,483	90,772	90,465	90,107
Investment Property	90,064	94,327	99,082	99,082	99,082	99,082
Intangible Assets	1,149	641	523	397	263	117
Forestry Assets	4,242	4,242	4,242	4,242	4,242	4,242
Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company	7,828	7,937	7,937	7,937	7,937	7,937
Investment in Council Controlled Organisations	282	282	282	282	282	282
Total Non Current Assets	237,659	263,207	266,260	270,258	274,395	277,113
TOTAL ASSETS	260,250	284,334	287,922	290,537	296,823	302,864
LIABILITIES						
Current Liabilities						
Payables	9,995	9,415	9,690	9,602	9,630	9,239
Employee Entitlements	3,072	3,307	3,506	3,516	3,522	3,528
Total Current Liabilities	13,067	12,722	13,196	13,118	13,152	12,767
Non Current Liabilities						
Payables and Deferred Revenue	610	610	610	610	610	610
Borrowings and Other Financial Liabilities	25,718	31,075	32,490	34,261	35,042	35,827
Employee Entitlements	21	22	23	23	23	23
Total Non Current Liabilities	26,349	31,707	33,123	34,894	35,675	36,460
TOTAL LIABILITIES	39,416	44,429	46,319	48,012	48,827	49,227
NET ASSETS	220,834	239,905	241,603	242,525	247,996	253,637
Equity						
Accumulated Funds	180,934	196,388	208,790	210,167	211,147	211,933
Revaluation Reserves	7,699	9,212	9,212	9,212	9,212	9,212
Other Reserves	32,201	34,306	23,601	23,146	27,637	32,492
	220,834	239,905	241,603	242,525	247,996	253,637
Non-controlling interests in subsidiary companies	-	-	-	-	-	-
TOTAL EQUITY	220,834	239,905	241,603	242,525	247,996	253,637

Year 6 2029/30 \$(000)	Year 7 2030/31 \$(000)	Year 8 2031/32 \$(000)	Year 9 2032/33 \$(000)	Year 10 2033/34 \$(000)	periods ending 30 June
					ASSETS
					Current Assets
1,343	1,329	1,241	969	939	Cash and Cash Equivalents
8,654	10,478	13,202	12,225	14,249	Other Financial Assets
15,650	17,248	18,944	20,675	22,230	Receivables
276	276	276	276	276	Inventory
-	-	8,580	-	-	Assets Held for Sale
25,923	29,331	42,243	34,145	37,694	Total Current Assets
					Non Current Assets
630	598	567	535	504	Receivables
79,572	84,106	89,312	104,418	111,931	Other Financial Assets
89,420	88,008	86,320	84,421	82,220	Infrastructure, Property, Plant and Equipment
99,082	99,082	90,502	90,502	90,502	Investment Property
0	0	0	0	0	Intangible Assets
4,242	4,242	4,242	4,242	4,242	Forestry Assets
7,937	7,937	7,937	7,937	7,937	Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company
282	282	282	282	282	Investment in Council Controlled Organisations
281,165	284,256	279,162	292,337	297,618	Total Non Current Assets
307,088	313,586	321,405	326,482	335,312	TOTAL ASSETS
					LIABILITIES
					Current Liabilities
8,309	8,456	8,609	8,647	8,819	Payables
3,535	3,542	3,548	3,556	3,564	Employee Entitlements
11,844	11,998	12,157	12,203	12,383	Total Current Liabilities
					Non Current Liabilities
610	610	610	610	610	Payables and Deferred Revenue
36,357	36,527	36,527	36,527	36,527	Borrowings and Other Financial Liabilities
23	24	24	24	24	Employee Entitlements
36,990	37,161	37,161	37,162	37,161	Total Non Current Liabilities
48,834	49,159	49,318	49,364	49,544	TOTAL LIABILITIES
258,254	264,427	272,087	277,118	285,768	NET ASSETS
					Equity
212,480	212,798	212,896	204,505	203,995	Accumulated Funds
9,212	9,212	9,212	9,212	9,212	Revaluation Reserves
36,562	42,417	49,979	63,401	72,561	Other Reserves
258,254	264,427	272,087	277,118	285,768	Total Equity
-	-	-	-	-	Non-controlling interests in subsidiary companies
258,254	264,427	272,087	277,118	285,768	TOTAL EQUITY

Prospective statement of changes in equity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
BALANCE at 1 July	220,800	231,957	239,905	241,603	242,525	247,996
Total Comprehensive Revenue and Expense	34	7,949	1,698	922	5,471	5,641
BALANCE at 30 June	220,834	239,905	241,603	242,525	247,996	253,637
Total Comprehensive Revenue and Expense Attributable to:						
Northland Regional Council	34	7,949	1,698	922	5,471	5,641
Non-controlling interests	-	-	-	-	-	-
TOTAL at 30 June	220,834	239,905	241,603	242,525	247,996	253,637

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
253,637	258,254	264,427	272,087	277,118	BALANCE at 1 July
4,617	6,173	7,660	5,031	8,650	Total Comprehensive Revenue and Expense
258,254	264,427	272,087	277,118	285,768	BALANCE at 30 June
					Total Comprehensive Revenue and Expense Attributable to:
4,617	6,173	7,660	5,031	8,650	Northland Regional Council
-	-	-	-	-	Non-controlling interests
258,254	264,427	272,087	277,118	285,768	TOTAL at 30 June

Prospective statement of cashflows

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
for the year ending 30 June	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Cash Flows from Operating Activities						
Receipts from rates revenue	45,566	51,769	54,701	57,231	59,681	60,568
Receipts from customers	13,545	13,178	10,938	12,146	14,531	15,801
Subsidies and grants received	11,695	20,302	8,390	7,799	7,272	7,325
GST received	4,152	5,335	7,283	7,090	7,403	7,486
Interest received	394	184	572	572	572	572
Other revenue received	3,542	2,989	2,989	2,989	2,989	2,989
Staff and suppliers	(79,381)	(86,864)	(84,305)	(87,791)	(87,677)	(89,979)
Other payments - operating	(471)	(3,926)	(154)	(633)	(560)	(942)
Interest paid	(1,151)	(1,684)	(1,928)	(2,113)	(2,220)	(2,309)
Net Cash Provided (or Used) in Operating Activities	(2,109)	1,283	(1,514)	(2,710)	1,991	1,511
Cash Flows from Investing Activities						
Sale of infrastructure, property, plant and equipment	0	0	0	0	0	0
Sale of Investment Property	0	0	0	0	0	0
Other receipts - sale of investments	14,791	10,753	9,571	5,457	2,225	2,842
Purchase of Investment	(2,694)	(2,919)	(2,260)	(2,174)	(2,748)	(2,707)
Purchase of Investment Property	(5,519)	(4,450)	(4,755)	0	0	0

Purchase of infrastructure, property, plant and equipment	(9,445)	(13,458)	(2,594)	(2,614)	(2,131)	(2,235)
Net Cash Provided (or Used) in Investing Activities	(2,867)	(10,074)	(38)	669	(2,654)	(2,100)
Cash Flows from Financing Activities						
Other receipts - financing	7,359	6,282	1,414	1,772	780	785
Other payments - financing	0	0	0	0	0	0
Net Cash Provided (or Used) in Financing Activities	7,359	6,282	1,414	1,772	780	785
Net Increase/(Decrease) in Cash & Cash Equivalents	2,383	(2,509)	(138)	(269)	117	196
Cash and Cash Equivalents at beginning of period	(1,397)	3,761	1,252	1,114	845	962
Cash and Cash Equivalents at end of period	986	1,252	1,114	845	962	1,158

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	for the year ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Cash Flows from Operating Activities					
61,430	62,868	64,606	66,247	66,756	Receipts from rates revenue
13,231	17,030	20,757	13,971	21,010	Receipts from customers
7,376	7,426	7,477	7,470	7,522	Subsidies and grants received
7,662	7,748	7,907	8,284	8,190	GST received
572	572	572	572	572	Interest received
2,989	2,989	2,989	2,989	2,989	Other revenue received
(89,644)	(93,587)	(97,868)	(96,006)	(100,242)	Staff and suppliers
(1,476)	(457)	(492)	(473)	(517)	Other payments - operating
(2,408)	(2,513)	(2,597)	(2,662)	(2,204)	Interest paid
(268)	2,076	3,351	392	4,076	Net Cash Provided (or Used) in Operating Activities
Cash Flows from Investing Activities					
-	-	-	-	-	Sale of infrastructure, property, plant and equipment
-	-	-	8,580	-	Sale of Investment Property
4,646	1,875	558	3,287	(1,134)	Other receipts - sale of investments
(2,639)	(2,577)	(2,497)	(11,000)	(1,464)	Purchase of Investment
-	-	-	-	-	Purchase of Investment Property
(2,085)	(1,558)	(1,500)	(1,531)	(1,507)	Purchase of infrastructure, property, plant and equipment
(78)	(2,260)	(3,439)	(664)	(4,105)	Net Cash Provided (or Used) in Investing Activities
Cash Flows from Financing Activities					
530	170	0	0	-	Other receipts - financing
-	-	-	-	-	Other payments - financing
530	170	0	0	-	Net Cash Provided (or Used) in Financing Activities
184	(14)	(88)	(272)	(29)	Net Increase/(Decrease) in Cash & Cash Equivalents
1,158	1,343	1,329	1,241	969	Cash and Cash Equivalents at beginning of period
1,343	1,329	1,241	969	939	Cash and Cash Equivalents at end of period

Significant forecasting assumptions

The financial forecasts within this Long Term Plan are based on a range of assumptions about our future situation, in particular assumptions that affect our revenue and expenditure levels. Schedule 10 of the Local Government Act 2002 requires that the council identify the significant forecasting assumptions and risks underlying the financial information set out in the Long Term Plan. Where there is a high level of uncertainty, council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects that uncertainty has on the financial estimates provided. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year council reviews its position and has the opportunity to revise the intentions signalled in the 2024-2034 Long Term Plan. An annual plan may be prepared for the 2025/26 financial year if required and for the 2026/27 year, with a Long Term Plan being prepared every third financial year. Where revised prospective financial statements are issued, council must provide an explanation of the changes made to the prospective financial statements in the Long Term Plan and include a reconciliation of all material differences between the previously reported prospective financial statements and the revised financial statements. The projections for individual years will be reviewed annually if required through a special consultative procedure, in accordance with the Local Government Act 2002.

The financial forecast information disclosed is future focused for the purposes of the Financial Reporting Standard FRS-42: Prospective Financial Statements and accordingly, there are a number of budget assumptions that, at the time of preparing the forecast information, the council reasonably expects to occur. These assumptions are necessary, as the Long Term Plan covers a 10-year period and to ensure that there is a consistent and justifiable basis for the preparation of the financial forecasts.

The information presented in prospective financial statements is by definition uncertain and its preparation requires the exercise of judgement. Events and circumstances may not occur as expected or may not have been predicted. In addition, the council may subsequently take actions that differ from the intended courses of action on which the prospective financial statements were based. Actual financial results may be materially different to the forecast financial information presented in this Long Term Plan.

The council has assumed that the actual results for the 2023/24 financial year are largely in accordance with the 2023/24 Annual Plan. Certain events have occurred that

are not directly aligned with forecasts made in the 2023/24 Annual Plan, and the financial results have been adjusted accordingly.

The council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The prospective financial statements will be authorised for issue in June 2024 by council resolution. The council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The significant forecasting assumptions used in developing the financial forecasts in the Long Term Plan are detailed in the table overleaf.

General assumptions

Assumption	Risk	Likelihood and impact	Risk Score
Economy and population			
<p>Gross Domestic Product</p> <p>Over the five-year period 2017-2022 real GDP in Northland increased by 2.7% per annum on average, the same as the national average growth rate. However, there was considerable annual fluctuations during this period. Due to COVID-19, economic activity in Northland contracted by -0.7% in the year ended June 2020 (compared to -0.5% nationally). The economy bounced back strongly in 2020/21, growing by 8.1% (6.1% nationally) before falling by -0.3% in 2021/22 (1.2% nationally). Economic activity is forecast to have grown by just 0.1% in 2022/23 (3.2% nationally) due to the closure of refining activity at Marsden Point, and by 1% in 2023/24 due to the dampening effects of inflation and higher interest rates.</p> <p>Economic activity is assumed to remain subdued in the first year of the LTP, growing by 2% in 2024/25. For the remaining nine years of the LTP an average of 3% is assumed, being the average annual rate of growth in Northland for the ten-year period 2012-2022.</p> <p>Sources: Infometrics Quarterly Economic Monitor data and NZ Treasury Pre-election Economic and Fiscal Update 2023.</p>	The economic recovery is slower than expected.	<p>Likelihood: Medium</p> <p>Impact: Moderate</p> <p>A slower than expected economic growth rate will not have a direct impact on council's operating budget but would impact it indirectly through a variety of channels. For example, it may reduce the returns on council investments (externally managed funds, dividends and investment property) and exacerbate affordability issues resulting in a decrease in rates collection. A 1% reduction in rating revenue (\$525,050) in 2024/25 is equivalent to 0.6% of the total operating budget.</p>	3
<p>Population</p> <p>Over the five-year period 2018-2023 the estimated resident population of Northland grew by an average of 1.9% per annum. This is higher than the 1.2% average annual increase in the national population. It is the same as the high growth scenario projected by Stats NZ in March 2021 based on the 2018 Census results (medium growth projection was 1.4%).</p> <p>It is forecast that the Northland population will increase by 1% per annum over the ten years 2024-2034 using the mid-point of the high and medium growth scenarios projected by Infometrics (1.2% and 0.8% respectively). This is slightly below the projected 1.1% per annum national increase.</p> <p>It is assumed that this will lead to a similar increase in separately used or inhabited parts of a property (SUIPs) and rating units. This equates to an increase of 978 SUIPs/rating units per year. Population growth is generally in the older age groups (e.g. 65+). These people are more likely to want to age in place (at home) and retire on low fixed incomes (predominantly reliant on superannuation in their later years).</p> <p>Sources: Statistics New Zealand, Subnational population estimates and Subnational population projections, 2018 (base) – 2048 (released 31 March 2021); Infometrics Population Projections</p>	Population growth will be significantly different from projected.	<p>Likelihood: Medium low</p> <p>Impact: Minor</p> <p>A lower (higher) rate of population growth will result in a higher (lower) average rate per SUIP/rating unit for a constant level of rating revenue required. The average rate per SUIP/rating unit for 2024/25 is \$536.65 (excl GST).</p> <p>Short-term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments.</p> <p>The challenges of an aging population are largely borne by the district councils of Northland (pressures on infrastructure, matching services to demand etc.). However, there is some impact on regional council services. For example, a higher number of older people ageing in place (at home) will create demand for public transport/mobility to be available to access services and amenities.</p>	1

Council business

Resource consents

The conditions for existing resource consents held by council will not be significantly altered. Any resource consent due for renewal during the year will be renewed accordingly.

Conditions of resource consents are altered significantly or council is unable to renew existing resource consents upon expiry.

Likelihood: Low

Impact: Moderate

The effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the council needing to spend additional funds to enable compliance. Generally, the council considers that it is fully compliant with existing resource consents and does not contemplate any material departure from these requirements.

1

Legislation and policy change

No significant change to council business dictated by as-yet unknown/unconfirmed legislation or central government policy change.

Changes to legislation and policy significantly alter operations and activities carried out by council. The new National-led coalition government repealed the Natural and Built Environment Act and Spatial Planning Act in December 2023. They have also indicated that they will in the future first amend the Resource Management Act (RMA) 1991 to make it easier to consent new infrastructure, and then replace the RMA with new resource management laws based on the enjoyment of property rights

Likelihood: Medium

Impact: Major

The final effect of any change to council's business would depend upon the extent of the change. A significant change could result in the council altering its activities or spending additional funds to enable compliance.

3

Ability to deliver on planned capital projects

Council can procure contractors to carry out its planned capital works in accordance with the scheduled programme.

Ability to procure contractors is constrained by strong market demand from other councils undertaking similar capital works.

Likelihood: Low

Impact: Severe

While the impact would be significant, the likelihood is low as the capital works programme is well managed within council, the programme of works is well known to external contractors, and most are underway.

2

Climate change

Emissions Trading Scheme (ETS)

Any indirect impacts of the ETS through price increases being passed on to council are assumed to be covered by council's inflation assumptions.

The direct impact of the ETS is that council will be required to replant its forestry holdings after any harvest. The council's forestry management plan prescribes this approach. The council has received ETS credits to financially compensate for this requirement.

Changes in government legislation result in charges greater than the budgeted expenditure.

Likelihood: Low

Impact: Minor

Any annual changes to the ETS will not have a material effect on the overall financial forecasts in this plan.

1

Climate change impacts

The impacts of climate change (e.g. temperature and rainfall) will occur in line with the Ministry for the Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC).

Climate change impacts coming earlier than expected – creating issues regarding civil defence, coastal structures, etc.

Likelihood: Low

Impact: Severe

Variations to long-term budget forecasts and levels of service will be required, and will be addressed by future Long Term Plans.

2

Natural disasters

Budget provision will be adequate to address costs arising from natural disasters. The council holds insurance for its assets, including the Awanui River flood management scheme.

Natural or other hazard emergencies require work that cannot be funded out of normal budgetary provisions.

Likelihood: Medium low

Impact: Major

The council's financial position is strong enough to cover short-term funding requirements that may be required in the event of damage caused from natural disasters. The council may need to consult with the community retrospectively to repay any expense incurred.

3

Financial assumptions

Assumption	Risk	Likelihood and impact	Risk score																																								
Inflation																																											
<p>Opex and capex</p> <p>The BERL legacy forecast opex price adjustor has been applied to all operational expenditure items subject to inflation except for salaries (see following assumption).</p> <p>The BERL legacy forecast capex price adjustor has been applied to capital expenditure items subject to inflation.</p> <p>The legacy forecast price adjusters for both the opex and capex forecast an annual average inflation rate of 2.2% over the 10-year period of the LTP.</p> <p>The legacy forecasts are consistent with Treasury and the Reserve Bank of New Zealand (RBNZ) forecasts, and include BERL’s adjustment for the historic record of time taken to recover from previous economic crises.</p> <p>Source: BERL “Local Government Cost Adjustor Forecasts:”, 2023</p> <p>The BERL opex price adjustor forecasts have been applied to all the operational expenditure items subject to inflation, with the exception of salaries, as follows:</p> <table><tr><td>Year 1</td><td>2.9%</td><td>Year 6</td><td>2.1%</td></tr><tr><td>Year 2</td><td>2.2%</td><td>Year 7</td><td>2.0%</td></tr><tr><td>Year 3</td><td>2.3%</td><td>Year 8</td><td>2.0%</td></tr><tr><td>Year 4</td><td>2.3%</td><td>Year 9</td><td>1.9%</td></tr><tr><td>Year 5</td><td>2.2%</td><td>Year 10</td><td>1.9%</td></tr></table> <p>The BERL capex price adjustor forecasts have been applied to capital expenditure items as follows:</p> <table><tr><td>Year 1</td><td>3.0%</td><td>Year 6</td><td>2.1%</td></tr><tr><td>Year 2</td><td>2.2%</td><td>Year 7</td><td>2.1%</td></tr><tr><td>Year 3</td><td>2.4%</td><td>Year 8</td><td>2.0%</td></tr><tr><td>Year 4</td><td>2.3%</td><td>Year 9</td><td>2.0%</td></tr><tr><td>Year 5</td><td>2.2%</td><td>Year 10</td><td>1.9%</td></tr></table>	Year 1	2.9%	Year 6	2.1%	Year 2	2.2%	Year 7	2.0%	Year 3	2.3%	Year 8	2.0%	Year 4	2.3%	Year 9	1.9%	Year 5	2.2%	Year 10	1.9%	Year 1	3.0%	Year 6	2.1%	Year 2	2.2%	Year 7	2.1%	Year 3	2.4%	Year 8	2.0%	Year 4	2.3%	Year 9	2.0%	Year 5	2.2%	Year 10	1.9%	<p>The actual rate of inflation varies from the assumed rate of inflation. In line with the RBNZ scenario, the risks to the assumption are mostly on the downside, i.e. that inflation will be lower than forecast.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Inflation is affected by external factors, all of which are outside of council’s control and influence. Actual individual indices will at times vary from what has been assumed in this plan. The council has relied on the Reserve Bank’s use of monetary controls to keep inflation within the 1-3% range.</p> <p>A 1% increase in the inflation rate over and above the BERL rates will increase council’s total operating expenditure by \$432,206 in 2024/25.</p> <p>Should operating expenditure increase, and council is not able to achieve savings to offset the increase, it is likely there will be a proportional impact on council’s funding and expenditure in the following year.</p>	1
Year 1	2.9%	Year 6	2.1%																																								
Year 2	2.2%	Year 7	2.0%																																								
Year 3	2.3%	Year 8	2.0%																																								
Year 4	2.3%	Year 9	1.9%																																								
Year 5	2.2%	Year 10	1.9%																																								
Year 1	3.0%	Year 6	2.1%																																								
Year 2	2.2%	Year 7	2.1%																																								
Year 3	2.4%	Year 8	2.0%																																								
Year 4	2.3%	Year 9	2.0%																																								
Year 5	2.2%	Year 10	1.9%																																								

Salaries

Salaries are based on a council-led staffing initiative. Salary increases have been estimated at 3%. Further, a new initiative has been included that allows an additional 3% in 2024/25 and 2% in 2025/26.

The actual rate of salary increases is higher than the assumed rate.

Likelihood: Low

Impact: Moderate

A 1% increase in salaries over and above the rate applied will increase operating expenditure by \$333,505 in 2024/25.

Although the actual annual salaries expenditure incurred by council may vary against its corresponding forecast, it is expected to be manageable and it is not considered that any annual salaries variance will have a material effect on the overall financial forecasts in the Long Term Plan.

1

Turnover Savings

Turnover savings have been based on a 5 year average of salary variances compared with the staff turnover rates for each of the 5 years. Turnover savings have been estimated at 2.5% of Councils total salaries, less funded positions in year one of the long term plan. For the subsequent years this figure has been inflated inline with the salaries inflation as above.

The actual turnover savings is lower than assumed.

Likelihood: Medium low

Impact: Minor

A 1% decrease in turnover savings would equate to a \$6,088 funding shortfall in 2024/25.

Although the actual annual salaries variance incurred by council may vary against its corresponding forecast, it is expected to be manageable and it is not considered that any variance will have a material effect on the overall financial forecasts in the Long Term Plan.

1

Activity income

Activity income sources (user fees and charges) subject to inflation are assumed to increase annually in line with the BERL forecast OPEX price adjustor at a minimum. Those activities that are funded in the majority by user fees and charges (as set out in councils Revenue and financing policy) are assumed to increase annually at a rate of BERL plus 0.5%, in order to maintain the funding split set out in that policy.

New Zealand Transport Agency Waka Kotahi (NZTA) subsidies and rating income are excepted from this inflationary assumption.

Mileage is not inflated but updated as prescribed by the Inland Revenue Department.

Budget forecasts were developed on the basis of the inflationary split set out in the Statement of Proposal for User Fees and Charges, approved for consultation by council resolution

The actual activity revenue is influenced by rates of inflation different than the assumed rate.

Likelihood: Low

Impact: Minor

Although activity income streams may vary annually due to factors outside of councils control, it is considered manageable and it is not considered to have a material effect on the overall financial forecasts in the Annual Plan.

1

Subsidies

NZ Transport Agency Waka Kotahi subsidy income

Subsidy income is a function of transport activity cost and work categories. The subsidy available for the work categories varies from no subsidy to 100%, with the majority of the subsidy being 54%. The council has assumed there will be no change to the current government funding formula

Actual subsidy rates and criteria for approved works change from the time the Long Term Plan is compiled.

Likelihood: Low

Impact: Major

The maximum financial impact would be the total elimination of the total subsidy income, estimated at \$4,225,299 in 2024/25.

Changes to the funding priorities of NZ Transport Agency Waka Kotahi are outside council's control.

1

and as such, has applied the subsidy at the level advised by NZ Transport Agency Waka Kotahi at the time of preparing the plan.

If the level of NZ Transport Agency Waka Kotahi's subsidy income is lower than forecast, it may require a reprioritisation of the transport work programme or an increase in funding from alternative sources (e.g. region-wide rates).

Rates

Rates increases applied – rating income

In order to fund the expenditure outlined throughout the Long Term Plan, the council intends to increase its rates at the amounts displayed in the table below:

Year 1	11.05%	Year 6	1.42%
Year 2	5.95%	Year 7	2.33%
Year 3	4.62%	Year 8	2.76%
Year 4	4.27%	Year 9	2.30%
Year 5	1.48%	Year 10	0.99%

That the projected rate increases are insufficient to cover expenditure increases resulting from inflation.

Likelihood: Low

Impact: Moderate

Rate funding provides approximately 67% of council revenue, with the remaining revenue coming from investment income, user charges, grants and subsidies.

A 1% increase in rating income would provide \$525,050 additional income, while a 1% increase in operating costs would equate to an additional \$816,114 of expenditure.

The difference between the two is considered manageable. However, it may result in a reprioritisation of council's work programme and/or an increase in funding from alternative sources.

1

Rates collection and affordability

Rates collection for the 10-year period of the Long Term Plan is assumed to be 93% of overall rated income, or 93 cents in the dollar.

Rates arrears are higher than anticipated, with possible link to new legislation managing Māori freehold land.

Likelihood: Medium low

Impact: Medium

A higher amount of unpaid rates would negatively affect council's budgeted cashflow. A 1 percentage-point decrease in rates collection would result in \$525,050 less income. If the economic recovery from the Covid-19 crisis takes longer to occur than assumed, then the level of rates collection is likely to be lower than expected.

Council has established an opex reserve to provide for such an eventuality.

3

Investments

Externally managed funds

Revenue derived from investments in externally managed funds is calculated upon an assumption of returns of 5.0% in the short-term fund and 7.25% for the long-term fund.

Returns from externally managed funds are lower than forecast.

Likelihood: Medium low

Impact: Major

A 1% decrease in forecast revenue received on council's externally managed funds will result in a decrease in interest and capital gains of approximately \$53,296.

3

Cash investments

No interest income is assumed to be derived from cash investments. The council hold working capital in managed funds and releases funds as required.

There are no risks associated with this assumption.

NA

Forestry investment revenue

Forestry investment revenue will be in line with the forestry management plan.

Projected forestry returns are lower than those estimated in the plan.

Likelihood: Medium low

Impact: Minor

1

There will be no fair-value movements to the managed fund investment portfolio. Managed funds values will only change by investment gains earned and retained	Managed fund fair value will vary from the assumption.	Forestry investment returns are 2.08% of council revenue. If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.	1
The forestry is revalued annually. The valuation adjustments are provided by an independent forestry consultant. These are non-cash and as the forest is a long-term asset, the adjustments do not affect funding or expenditure requirements.	There are no risks associated with this assumption.	Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.	NA

Dividends

Marsden Maritime Holdings Limited

It is assumed that council will maintain its shareholding in Marsden Maritime Holdings Limited and that the dividend, expressed as a cents per share amount (cps), received from this shareholding will be 13.50.

The council is not forecasting any dividends from Regional Software Holdings Limited, nor any special dividends from Marsden Maritime Holdings Limited.

The actual dividend per share in Marsden Maritime Holdings Limited is lower than the assumed amount

Likelihood: Medium high

Impact: Major

A 1-cent-per-share movement in the declared Marsden Maritime Holdings Limited dividend will have an impact on council's dividend income by \$221,429.

If the actual dividend income is lower than the forecast, other funding sources or savings will be considered to offset the difference. Council has established an opex reserve to provide for such an eventuality.

3

Investment property

Rental income

It is assumed that council's investment property portfolio will be tenanted throughout the year at the current occupancy rates, and that rents will be maintained.

Occupancy rates decline, resulting in lower-than-forecast rental income.

Likelihood: Medium low

Impact: Moderate

A 1% reduction in council's investment property rental income equates to \$42,337 in 2024/25.

All investment property rentals are subject to contractual obligations, which have varying renewal and review periods. Most rental properties have 5, 7 and 21-year lease reviews, and the reviews falling due in any one year will not have a material impact on the annual rental income.

2

Commercial property sales

The proceeds from any investment property sale will be reinvested in an investment that provides a return of 7.25% per annum.

That the return on reinvestment is lower than forecast.

Likelihood: Medium low

Impact: Minor

1

Revaluation of investment properties

The values of council's investment properties is assumed to change at the same rate as rental income inflation.

That the actual revaluation movements will vary from those assumed.

Likelihood: Medium low

Impact: Inconsequential

A 1% increase in council's investment property portfolio equates to an estimated increase of \$943,270 in the value of the portfolio.

1

Note: While this is included as an assumption as part of this long term plan process, it has not yet been fully reflected in the financial statements. It will be reflected in the final Long Term Plan 2024 - 2034.

Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.

There is no impact on depreciation as investment properties are not depreciated.

Borrowing costs

External borrowing costs

The cost of existing external borrowing (\$18,358,000 at 1 July 2023) is assumed to continue at the current borrowing rates, and that the cost of new debt (from 1 July 2024) is 5.11%.

The prevailing interest rate is higher than that assumed.

Likelihood: Medium low

Impact: Moderate

Borrowing costs increase or decrease. Small changes are unlikely to affect rates. Large changes, however, may result in an increase or decrease to associated rates.

2

Internal borrowing costs

Internal borrowing rates are outlined in the Financial Strategy. The actual internal borrowing rate may be subject to change and will be based upon the cost of borrowing and available investment returns at the time of borrowing.

The internal borrowing rate is higher than that assumed.

Likelihood: Low

Impact: Inconsequential

Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.

1

Building and assets

Revaluation of land and buildings

The values of council's land and buildings will not change.

The actual revaluation movements will vary from those assumed.

Likelihood: Medium low

Impact: Inconsequential

Any land and building revaluations are non-cash in nature so will have no material impact on the council's funding sources.

For land assets, there is no impact on depreciation as these assets are not depreciated.

If the building revaluations are different from those assumed, it will affect the fixed asset values and flow through to changed levels of depreciation expense. A 1% increase in building asset values will equate to a minimal increase in depreciation.

1

Revaluation of infrastructure assets

The values of the council's infrastructure assets are assumed to increase by cumulative BERL inflation, with the revaluation completed every three years. The first year of revaluation will be applied in 2024/25.

The actual revaluation movements will be significantly different from those forecasted.

Likelihood: Medium low

Impact: Inconsequential

Any infrastructure asset revaluations are non-cash in nature so will have no material impact on the council's funding sources.

For land assets, there is no impact on depreciation as these assets are not depreciated.

1

Asset replacement

It is assumed that sufficient sources of funds for the future replacement of significant assets will be available at the end of their useful life.

Insufficient funds will be available to replace significant assets at the end of their useful lives.

Likelihood: Medium low

Impact: Major

Targeted regional-wide rates, user charges and other targeted rates will increase to achieve the funding requirements. The council may use borrowings in

3

Useful lives of significant assets

The useful lives of significant assets are shown in council's statement of accounting policies.

It is assumed that no significant assets will fail before the end of their useful lives as set out in the council's accounting policy. The council is aware of all planned asset acquisitions and all asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.

That council assets wear out earlier or later than estimated.

accordance with the revenue and financing policy, liability management policy and treasury management policy.

Likelihood: Low

Impact: Severe

The council has several major infrastructural assets. As part of its asset management planning process, council identifies the capacity and condition of such assets and plans its replacement programme accordingly.

Depreciation and interest costs (if borrowing was required) would increase if capital expenditure was required earlier than anticipated, and any earlier replacement may result in the deferral of other discretionary capital projects.

That the council changes activities, resulting in decisions not to replace certain existing assets.

Where a decision is made not to replace an asset, this will be factored into the capital expenditure projections.

Vested assets

It is assumed that no vesting or divesting of assets occurs.

Assets will be vested with the council.

Likelihood: Low

Impact: Major

Vested assets have an associated depreciation expense and this will increase the level of rating required if the council decide that the asset would be replaced at the end of its useful life.

2

1

Depreciation by activity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Community Resilience	358	383	389	400	412	428
Natural Environment	321	596	621	660	702	760
River Management	266	305	360	369	370	370
Regional Leadership	1,290	924	963	1,023	1,087	1,180
Total Depreciation by Activity	2,235	2,208	2,333	2,452	2,571	2,738

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
446	467	489	514	543	Community Resilience
828	903	985	1,076	1,181	Natural Environment
372	373	374	375	377	River Management
1,244	1,227	1,340	1,465	1,606	Regional Leadership
2,890	2,970	3,188	3,430	3,707	Total Depreciation by Activity

Capital expenditure

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Community Resilience						
Improvement	6,185	6,396	1,157	105	107	109
Replacement	1,333 -	-	-	-	-	-
Natural Environmental						
Improvement	474	316	371	386	158	165
Replacement	388	201	261	273	310	373
River Management						
Improvement	4	5,600	235	1,057	780	785
Replacement	-	-	-	-	-	-
Regional Leadership						
Improvement	6,126	4,860	4,888	345	249	249
Replacement	454	535	437	449	526	553
TOTAL CAPITAL EXPENDITURE	14,964	17,909	7,349	2,615	2,132	2,235

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
-	-	-	-	-	Community Resilience
-	-	-	-	-	Improvement
-	57 -	-	-	24	Replacement
					Natural Environmental
230	97	98	164	160	Improvement
473	497	360	351	278	Replacement
					River Management
530	170 -	-	-	-	Improvement
-	-	-	-	-	Replacement
					Regional Leadership
393	141	396	351	324	Improvement
459	596	646	665	721	Replacement
2,085	1,558	1,500	1,531	1,507	TOTAL CAPITAL EXPENDITURE

Schedule of reserves

	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$'000)	\$'000)	\$'000)	\$'000)	\$'000)
Awanui River Reserve					
Opening Balance as at 1 July	154	327	502	675	848
Increase /(Decrease) in Reserve throughout the year (operational transfer)	173	175	173	173	175
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	327	502	675	848	1,023
Kaihu River Reserve					
Opening Balance as at 1 July	89	88	87	86	86
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1)	(1)	(1)	0	(1)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	88	87	86	86	85
Kaeo Whangaroa Rivers Reserve					
Opening Balance as at 1 July	278	341	407	408	408
Increase /(Decrease) in Reserve throughout the year (operational transfer)	63	66	1	0	(3)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	341	407	408	408	405
Whangarei Urban River Reserve					
Opening Balance as at 1 July	(6,599)	(6,068)	(5,512)	(4,946)	(4,358)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	531	556	566	588	603
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	(6,068)	(5,512)	(4,946)	(4,358)	(3,755)
Kerikeri Waipapa Rivers Reserve					
Opening Balance as at 1 July					
Increase /(Decrease) in Reserve throughout the year (operational transfer)					
Increase /(Decrease) in Reserve throughout the year (capital transfer)					
Closing Balance as at 30 June	0	0	0	0	0

Year 6 2029/30 \$(000)	Year 7 2030/31 \$(000)	Year 8 2031/32 \$(000)	Year 9 2032/33 \$(000)	Year 10 2033/34 \$(000)	
Awanui River Reserve					
1,023	1,199	1,374	1,550	1,726	Opening Balance as at 1 July
176	175	176	176	175	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
1,199	1,374	1,550	1,726	1,901	Closing Balance as at 30 June
Kaihu River Reserve					
85	84	83	82	81	Opening Balance as at 1 July
(1)	(1)	(1)	(1)	(1)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
84	83	82	81	80	Closing Balance as at 30 June
Kaeo Whangaroa Rivers Reserve					
405	401	394	386	375	Opening Balance as at 1 July
(4)	(7)	(8)	(11)	(13)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
401	394	386	375	362	Closing Balance as at 30 June
Whangarei Urban River Reserve					
(3,755)	(3,137)	(2,495)	(1,838)	(1,168)	Opening Balance as at 1 July
618	642	657	670	692	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	1	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,137)	(2,495)	(1,838)	(1,168)	(476)	Closing Balance as at 30 June
Kerikeri Waipapa Rivers Reserve					
					Opening Balance as at 1 July
					Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
0	0	0	0	0	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)

Flood Infrastructure Reserve

Opening Balance as at 1 July	(3,957)	(3,834)	(3,451)	(3,790)	(3,743)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	4,687	619	641	677	692
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(4,564)	(236)	(980)	(630)	(785)
Closing Balance as at 30 June	(3,834)	(3,451)	(3,790)	(3,743)	(3,836)

Whangarei Flood Infrastructure Reserve

Opening Balance as at 1 July	194	236	280	327	377
Increase /(Decrease) in Reserve throughout the year (operational transfer)	42	44	47	50	49
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	236	280	327	377	426

Awanui Flood Infrastructure Reserve

Opening Balance as at 1 July	(922)	(897)	(869)	(839)	(805)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	25	28	30	34	36
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	(897)	(869)	(839)	(805)	(769)

Taumāreere Flood Infrastructure Reserve

Opening Balance as at 1 July	(463)	(758)	(725)	(690)	(653)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	31	33	35	37	39
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(326)	0	0	0	0
Closing Balance as at 30 June	(758)	(725)	(690)	(653)	(614)

Kaeo Whangaroa Flood Infrastructure Reserve

Opening Balance as at 1 July	83	36	52	(15)	(160)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	414	16	9	4	4
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(461)	0	(76)	(149)	0
Closing Balance as at 30 June	36	52	(15)	(160)	(156)

Year 6	Year 7	Year 8	Year 9	Year 10
2029/30	2030/31	2031/32	2032/33	2033/34
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)

Flood Infrastructure Reserve				
(3,836)	(3,662)	(3,113)	(2,353)	(1,537)
704	719	760	816	328
(530)	(170)	0	0	0
(3,662)	(3,113)	(2,353)	(1,537)	(1,209)

Whangarei Flood Infrastructure Reserve				
426	463	488	502	512
37	25	14	10	12
0	0	0	0	0
463	488	502	512	524

Awanui Flood Infrastructure Reserve

(769)	(730)	(696)	(656)	(610)	Opening Balance as at 1 July
39	34	40	46	(88)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(730)	(696)	(656)	(610)	(698)	Closing Balance as at 30 June

Taumārere Flood Infrastructure Reserve

(614)	(572)	(528)	(480)	(429)	Opening Balance as at 1 July
42	44	48	51	15	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(572)	(528)	(480)	(429)	(414)	Closing Balance as at 30 June

Kaeo Whangaroa Flood Infrastructure Reserve

(156)	(151)	(147)	(142)	(137)	Opening Balance as at 1 July
5	4	5	5	5	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(151)	(147)	(142)	(137)	(132)	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Land Management Reserve					
Opening Balance as at 1 July	1,769	1,579	1,389	1,199	1,199
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(190)	(190)	(190)	0	0
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	1,579	1,389	1,199	1,199	1,199
IRIS Next GEN Reserve					
Opening Balance as at 1 July	96	(89)	(827)	(2,596)	(2,213)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(185)	(738)	(1,769)	383	420
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	(89)	(827)	(2,596)	(2,213)	(1,793)
Property Reinvestment Fund Reserve					
Opening Balance as at 1 July	26,219	22,428	18,166	18,598	19,008
Increase /(Decrease) in Reserve throughout the year (operational transfer)	659	493	432	410	401
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(4,450)	(4,755)	0	0	0
Closing Balance as at 30 June	22,428	18,166	18,598	19,008	19,409
Regional Projects Reserve					
Opening Balance as at 1 July	13,381	13,822	7,980	8,306	8,623
Increase /(Decrease) in Reserve throughout the year (operational transfer)	441	(5,842)	326	317	306
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	13,822	7,980	8,306	8,623	8,929
Equalisation fund Reserve					
Opening Balance as at 1 July	1,039	848	389	83	795
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(191)	(459)	(306)	712	716
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	848	389	83	795	1,511

Year 6 2029/30 \$(000)	Year 7 2030/31 \$(000)	Year 8 2031/32 \$(000)	Year 9 2032/33 \$(000)	Year 10 2033/34 \$(000)	
Land Management Reserve					
1,199	1,199	1,199	1,199	1,199	Opening Balance as at 1 July
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
1,199	1,199	1,199	1,199	1,199	Closing Balance as at 30 June
IRIS Next GEN Reserve					
(1,793)	(1,359)	(916)	(442)	45	Opening Balance as at 1 July
434	443	474	487	499	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(1,359)	(916)	(442)	45	544	Closing Balance as at 30 June
Property Reinvestment Fund Reserve					
19,409	19,798	20,174	20,559	29,672	Opening Balance as at 1 July
389	376	385	534	535	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	8,579	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
19,798	20,174	20,559	29,672	30,207	Closing Balance as at 30 June
Regional Projects Reserve					
8,929	9,224	9,509	9,796	10,071	Opening Balance as at 1 July
295	285	287	275	278	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
9,224	9,509	9,796	10,071	10,349	Closing Balance as at 30 June
Equalisation fund Reserve					
1,511	1,128	2,171	4,582	4,093	Opening Balance as at 1 July
(383)	1,043	2,411	(489)	4,214	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
1,128	2,171	4,582	4,093	8,307	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)

Hatea River Reserve

Opening Balance as at 1 July	(3)	0	0	0	0
Increase /(Decrease) in Reserve throughout the year (operational transfer)	3	(0)	(0)	(0)	(0)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	0	0	0	0	0

Investment and Growth Reserve

Opening Balance as at 1 July	35	36	46	74	71
Increase /(Decrease) in Reserve throughout the year (operational transfer)	1	10	28	(3)	(3)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	36	46	74	71	68

Whangarei Transport reserve

Opening Balance as at 1 July	569	440	310	183	58
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(129)	(130)	(127)	(125)	(123)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	440	310	183	58	(65)

Far North Bus reserve

Opening Balance as at 1 July	536	556	573	586	595
Increase /(Decrease) in Reserve throughout the year (operational transfer)	20	17	13	9	5
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	556	573	586	595	600

Economic Development Reserve

Opening Balance as at 1 July	18,097	18,394	18,888	19,644	20,463
Increase /(Decrease) in Reserve throughout the year (operational transfer)	297	494	756	819	873
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	18,394	18,888	19,644	20,463	21,336

Year 6	Year 7	Year 8	Year 9	Year 10
2029/30	2030/31	2031/32	2032/33	2033/34
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)

Hatea River Reserve

0	0	0	0	0	Opening Balance as at 1 July
0	0	0	0	(0)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
0	0	0	0	0	Closing Balance as at 30 June

Investment and Growth Reserve

68	66	62	58	54	Opening Balance as at 1 July
(2)	(4)	(4)	(4)	(4)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
66	62	58	54	50	Closing Balance as at 30 June

Whangarei Transport reserve

(65)	(186)	(306)	(424)	(541)	Opening Balance as at 1 July
(121)	(120)	(118)	(117)	(116)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(186)	(306)	(424)	(541)	(657)	Closing Balance as at 30 June

Far North Bus reserve

600	602	600	595	586	Opening Balance as at 1 July
2	(2)	(5)	(9)	(13)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
602	600	595	586	573	Closing Balance as at 30 June

Economic Development Reserve

21,336	22,268	23,265	24,322	25,445	Opening Balance as at 1 July
932	997	1,057	1,123	1,192	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
22,268	23,265	24,322	25,445	26,637	Closing Balance as at 30 June

	Year 1 2024/25 \$(000)	Year 2 2025/26 \$(000)	Year 3 2026/27 \$(000)	Year 4 2027/28 \$(000)	Year 5 2028/29 \$(000)
Vessel replacement reserve					
Opening Balance as at 1 July	(3,152)	(3,829)	(3,654)	(3,475)	(3,292)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(677)	175	179	183	187
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	(3,829)	(3,654)	(3,475)	(3,292)	(3,105)
Operational Reserve					
Opening Balance as at 1 July	1,063	1,967	1,886	1,625	1,492
Increase /(Decrease) in Reserve throughout the year (operational transfer)	904	(81)	(261)	(133)	117
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	1,967	1,886	1,625	1,492	1,609
Kaipara Moana Remediation Reserve					
Opening Balance as at 1 July	(343)	(878)	(1,486)	(2,173)	(1,852)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(535)	(608)	(687)	321	321
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(878)	(1,486)	(2,173)	(1,852)	(1,531)
Enterprise System Reserve					
Opening Balance as at 1 July	(5,507)	(5,561)	(5,611)	(5,107)	(4,490)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(54)	(50)	504	617	618
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(5,561)	(5,611)	(5,107)	(4,490)	(3,872)
CDEM Joint Emergency Centre					
Opening Balance as at 1 July	(218)	(4,878)	(5,221)	(5,016)	(4,818)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	1,491	738	205	198	206
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(6,151)	(1,081)	-	-	-
Closing Balance as at 30 June	(4,878)	(5,221)	(5,016)	(4,818)	(4,612)

Year 6	Year 7	Year 8	Year 9	Year 10	
2029/30	2030/31	2031/32	2032/33	2033/34	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Vessel Replacement Reserve					
(3,105)	(2,912)	(2,712)	(2,505)	(2,289)	Opening Balance as at 1 July
193	200	207	216	226	Increase /(Decrease) in Reserve throughout the year (operational transfer)
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(2,912)	(2,712)	(2,505)	(2,289)	(2,063)	Closing Balance as at 30 June
Operational Reserve					
1,609	1,713	1,741	1,824	1,852	Opening Balance as at 1 July
104	28	83	28	588	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
1,713	1,741	1,824	1,852	2,440	Closing Balance as at 30 June
Kaipara Moana Remediation Reserve					
(1,531)	(1,209)	(888)	(567)	(246)	Opening Balance as at 1 July
322	321	321	321	0	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(1,209)	(888)	(567)	(246)	(246)	Closing Balance as at 30 June
Enterprise System Reserve					
(3,872)	(3,265)	(2,671)	(2,130)	(1,657)	Opening Balance as at 1 July
607	594	541	473	380	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,265)	(2,671)	(2,130)	(1,657)	(1,277)	Closing Balance as at 30 June
CDEM Joint Emergency Centre					
(4,612)	(4,397)	(4,174)	(3,940)	(3,696)	Opening Balance as at 1 July
215	223	234	244	255	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(4,397)	(4,174)	(3,940)	(3,696)	(3,441)	Closing Balance as at 30 June

Equity represents the total value of the council and its assets and is measured by the difference between total assets and liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of accumulated surpluses.

The components of equity are:

- » retained earnings
- » council-created reserves
- » asset revaluation reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves can be used to account for revenue and expenditure collected or incurred in relation to specific work programmes. Where the council sets and collects a targeted rate for a specific purpose, the funds can only be applied to that purpose; keeping track of surpluses and deficits of those work programmes in a reserve ensures the council is accountable and transparent.

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

About council's reserves

Information about the council's reserve funds held for a specific purpose is provided in the following table:

	Purpose	Activities to which the reserve relates
Land and freshwater management reserve	This reserve was created to set aside Land Management rates collected but not fully used in any given year.	Land and Freshwater
River and Flood Infrastructure Reserves	<p>The Awanui, Kaihu, Kāeo -Whangaroa, Kerikeri-Waipapa, Whangārei urban and Taumārere river reserves and flood infrastructure reserves represent accumulated targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:</p> <ul style="list-style-type: none"> » Any future funding shortfalls in respect to the maintenance and operation of existing river flood management schemes (river reserves) » Any future funding shortfalls relating to the development, maintenance and operation of new flood infrastructure schemes (flood infrastructure reserves) <p>This keeps the surpluses/ deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be restored to a positive balance from future targeted river management and flood infrastructure rates collected from the rate payers within the area of benefit identified in the respective flood management plans.</p>	River management
Flood infrastructure reserve	This reserve was created to hold any targeted flood infrastructure rates relating to new flood protection capital programmes, identified in the infrastructure strategy, that were collected and unspent in any given year. These unspent rates will cover any future funding shortfalls in the new flood protection capital programmes.	River management
Property reinvestment reserve	This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. This reserve represents general funds invested in council's long term and short term investment funds that are set aside to be reinvested in income-producing assets, pending the identification of approved property investments. The income from this reserve represents funds available for operational spend for other activities where needed.	Economic development
Equalisation fund reserve	This reserve was created to represent accumulated surplus forestry income (after accounting for the cost of any forestry maintenance) arising in any year. These reserved funds are intended to provide future funding of councils general operating activities with a view to smoothing future rating increases. For example, costs associated with biosecurity responses to incursions of new pest plants or animals. It is further intended that these reserved funds be used to fund the self insurance of forestry infrastructure and the cost of forestry operations in non-harvesting years.	All
Hātea river maintenance reserve	<p>This reserve was created to represent a component of the council services rate specifically levied across the Whangārei constituency, which is set aside to ensure funding is in reserve and immediately available if dredging of the Hātea river is required. The funds may be applied to the following:</p> <ol style="list-style-type: none"> 1. Ongoing maintenance and dredging 2. Disposal of dredged spoil material 3. The provision of an annual hydrographic survey of the river. 	Harbour safety and navigation

	The reserve is to be maintained at a targeted fund of up to \$400,000.	
Investment and growth reserve	This reserve was created to represent the income set aside and held in reserve to fund activities and projects that contribute towards economic well-being in accordance with set criteria, including operational funding for Northland Inc.	Economic development
Economic development reserve	This reserve was established to represent funds held in council's long-term investment fund that are reserved to support Northland's economic development activities including investment in community infrastructure.	Economic development
Civil Defence Emergency Management (CDEM) Multi Agency Coordination Centre reserve	This reserve represents the shortfall in funding relating to the Civil Defence Emergency Management Multi Agency Coordination Centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Multi Agency Coordination Centre
Vessel replacement reserve	This reserve represents the shortfall in funding relating to the required contribution to the construction of new maritime vessels and associated berthing facilities. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term. In addition this reserve will hold rates collected over the life of the vessel to fund the next replacement vessel.	Harbour safety and navigation
Regional projects reserve	This reserve was established to represent funds invested by council, and held for infrastructure and economic development investments, with a view to stabilising the impact of large irregular infrastructure projects on council's income and capital requirements. Investments are made in accordance with set criteria. . The income from this reserve represents funds available for operational spend for other activities where needed.	All
Whangārei and Far North transport reserves	The Whangārei transport reserve and the Far North transport reserve represent accumulated targeted Whangārei transport and Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of their respective transport services. Any deficit balance in these reserves will be restored from future targeted rates collected from ratepayers in the Whangārei district (Whangārei transport rates) and Far North district (Far North transport rates).	Transport
Emergency services reserve	This reserve represents any accumulated targeted Emergency Services rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of Emergency Services funding.	Community representation and engagement
Approved carry forwards reserve	This reserve represents amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.	All
Regional sporting facilities reserve	This reserve represents accumulated targeted regional sporting facilities rates collected and unspent in any given year, and held in reserve to contribute to any future funding shortfalls of regional sporting facilities funding.	Economic development
Operational reserve	This reserve was established to represent the term deposits held to ensure the stability of work-programmes, employment, and councils ongoing day to day operations, by ensuring that the portion of annual operating costs that is intended to be funded from gains from council's managed funds is in reserve. This will cover any unanticipated loss in council's funding arising from adverse economic conditions or volatility in financial markets	All

Capital Subsidy reserve	This reserve represents capital subsidies received by council to offset the future costs associated with capital projects.	Emergency Management
Kaipara Moana remediation reserve	This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Kaipara Moana remediation programme
Enterprise System Reserve	This reserve represents the shortfall in funding relating to the enterprise system. Any deficit in this reserve will be restored to a positive balance from future rates collected.	Enterprise System

All reserves displaying a deficit balance at 1 July 2023 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

Investment and growth reserve

	Year 1	Year 2	Year 3	Year 4	Year 5
	2024/25	2025/26	2026/27	2027/28	2028/29
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast Opening Balance	35	36	38	56	44
TLA Share of Costs	456	562	680	696	711
Economic Development Fund investment revenue transferred to reserve	966	795	577	585	590
Economic Development Rate revenue transferred to reserve	1,017	1,238	1,507	1,547	1,589
Payment to Northland Inc. Limited as operational funding	(2,140)	(2,295)	(2,348)	(2,402)	(2,455)
Payment to fund capital expenditure	-	-	-	-	-
Payments to fund projects	(300)	(300)	(300)	(300)	(300)
Payments for enabling	0	0	(100)	(140)	(150)
Other withdrawals	(0)	(0)	(0)	(0)	(0)
Gains/Interest reinvested	2	2	2	2	2
Forecast Closing Balance	36	38	56	44	31

Year 6	Year 7	Year 8	Year 9	Year 10
2029/30	2030/31	2031/32	2032/33	2033/34
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
31	28	33	43	61 Forecast Opening Balance
726	740	755	770	784 TLA Share of Costs
593	595	606	617	628 Economic Development Fund investment revenue transferred to reserve
1,632	1,674	1,709	1,740	1,775 Economic Development Rate revenue transferred to reserve
(2,506)	(2,556)	(2,607)	(2,657)	(2,707) Payment to Northland Inc. Limited as operational funding
-	-	-	-	- Payment to fund capital expenditure
(300)	(300)	(300)	(300)	(300) Payments to fund projects
(150)	(150)	(155)	(155)	(160) Payments for enabling
(0)	(0)	(0)	(0)	(0) Other withdrawals
2	2	2	3	3 Gains/Interest reinvested
28	33	43	61	84 Forecast Closing Balance

Financial prudence

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

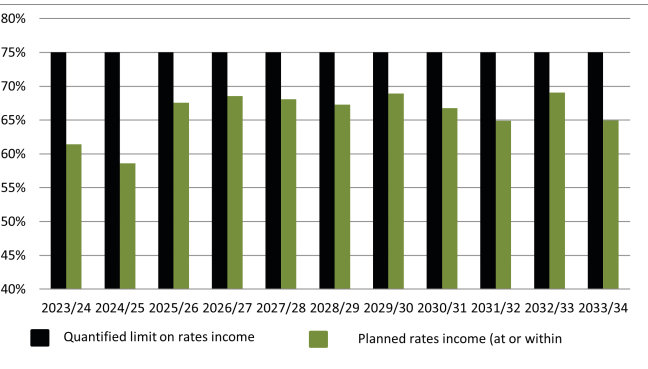
Rates affordability benchmarks

The council meets the rates affordability benchmark if:

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

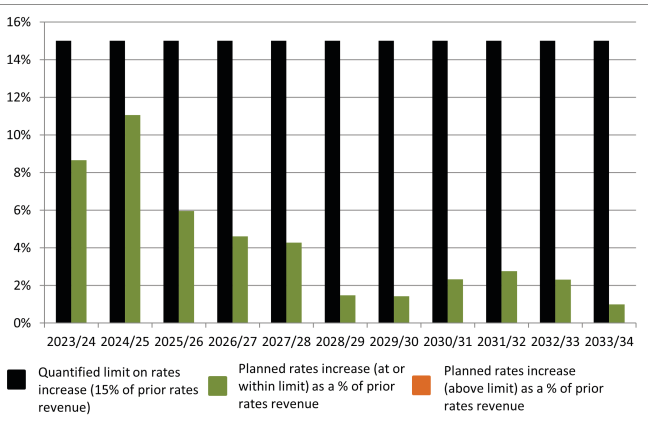
Rates income affordability

The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy within the council's Long Term Plan. The quantified limit is no more than 75% of total revenue.



Rates increases affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy within the council's Long Term Plan. The quantified limit is no more than 15% of prior years' rates revenue.



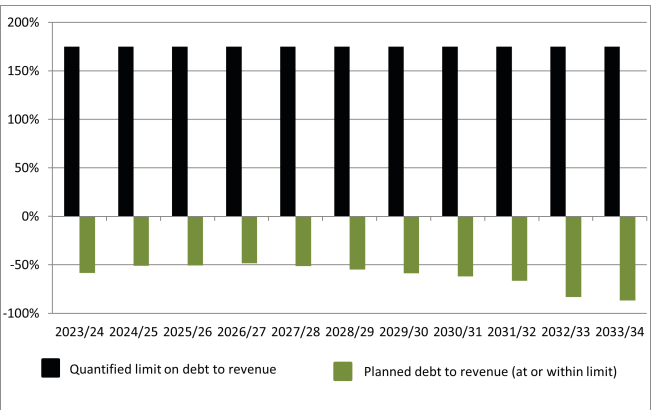
Debt affordability benchmarks

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graphs compare council's planned borrowing with quantified limits on borrowing stated in the financial strategy within the council's Long Term Plan.

Net debt to total revenue

The quantified limit for net debt as a proportion of total revenue is 175%.

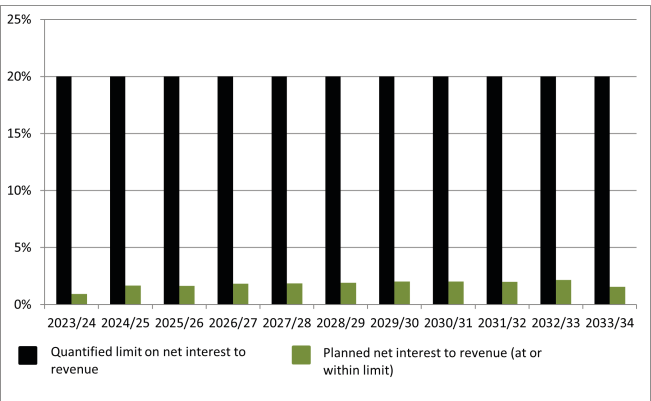


Northland Regional Council carries a significant value of investments categorised as non-current that could be liquidated if required.

The increase in the planned debt-to-revenue percentage is due to increased revenue and mostly static net debt during the Long Term Plan reporting periods.

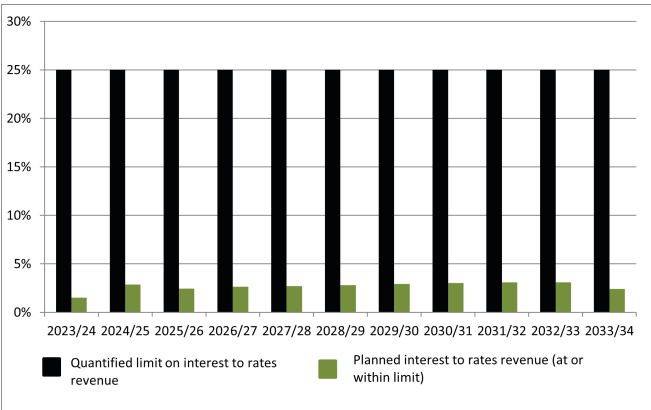
Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 20%.



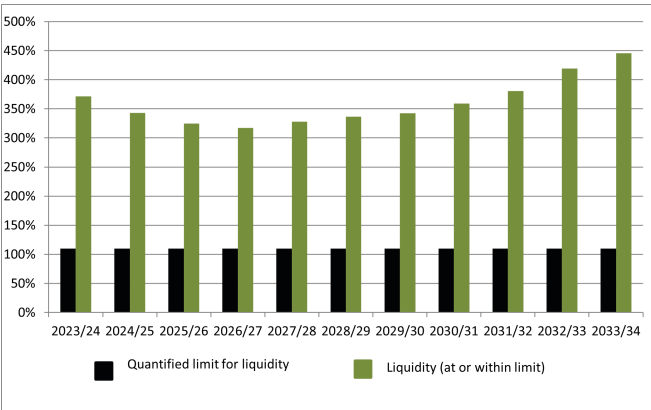
Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



Liquidity

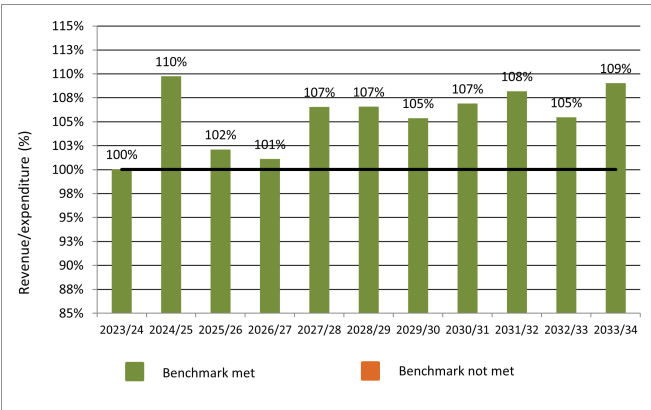
The quantified limit for liquidity is set as a minimum of 110%.



Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

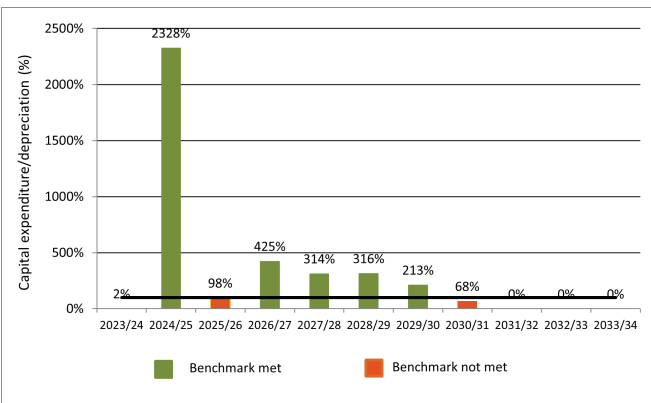
The council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. The benchmark is represented by the black line.

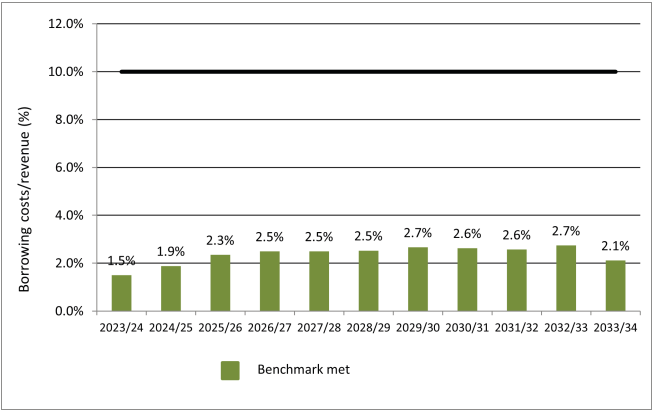


The 2023-24, 2025-26, 2030-31, 2031-32, 2032-33 and 2033-34 years don't include high capital expenditure on flood protection and so falls below the benchmark. This is due to only having budgeted design and investigation work at this stage of infrastructure planning.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Stats NZ projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.



Ngā kaupapa here

Policies



This section sets out the draft policies that we are consulting on as part of our long term plan consultation process. These are our:

- » Revenue and financing policy
- » Financial contributions policy
- » He kaupapa here mō te noho rangapū ā-Tiriti me te Māori – Policy on Te Tiriti Partnerships with Māori
- » Significance and engagement policy

User Fees and charges

Our user fees and charges, including our principles and policies on charging, are also open for consultation concurrently with the long term plan process. The draft charges, policy and statement of proposal are in a separate document that can be found on our website: www.nrc.govt.nz/futureplan

Remission and postponement of rates and penalties

We adopt policies on the remission and postponement of rates and penalties, and early payment of rates, that are the same as the Far North, Kaipara and Whangārei district councils. We do this because the district councils collect rates on our behalf. We don't adopt any policies or parts of policies that don't relate to the rates collected on our behalf (for example a policy related solely to water rates).

The full list of proposed changes to the policies on the remission and postponement of rates and penalties can be found on our website: www.nrc.govt.nz/futureplan

Other supporting policies

We maintain other policies that we're not consulting on as part of this long term plan process, however may be of interest or provide further support to the information in this document:

- » Statement of accounting policies
- » Treasury management policy (including the liability management and investment policy)
- » Policy on the appointment of directors to council organisations

These can also be found on our website: www.nrc.govt.nz/futureplan

Revenue and financing policy

Overview

The Local Government Act 2002 (LGA) requires the council to adopt a Revenue and Financing Policy, outlining the council's approach to funding its operating and capital expenses – in other words, how the council pays for what it does.

The council must manage its finances prudently and in a manner that promotes the current and future interests of the community. Generally, the council must make sure it has a "balanced budget", ensuring that operating revenue covers operating expenses.

The council can fund its activities from a range of sources outlined in section 103 of the Local Government Act. The council usually pays for activities from the following:

1. Targeted region-wide rates.
2. Specific targeted rates.
3. Income from investments.
4. Fees and charges.
5. Grants and subsidies.

The council also uses borrowing to fund some of its activities.

Sources of funding for operating expenses

Targeted region-wide rates

The council typically uses targeted region-wide rates to fund activities that provide a community benefit or public good, not benefits for specific users. In these cases it is usually impossible or impractical to identify customers or users, or to fully recover costs from those who benefit, or those who make the situation worse.

The council has elected to use five targeted region-wide rates, as it considers these to be a fairer approach than setting a general rate and uniform annual general charge. The level of targeted region-wide rates is based on the funding required to provide agreed council activities after identifying other income sources.

Specific targeted rates

The council uses specific targeted rates where it provides services to a certain area or group within the regional community, but there is no mechanism to directly charge them. The activities funded may have a wider community benefit or public good, but a group derives a direct or

greater benefit from the provision of the activity. Where it is appropriate, only this group will be targeted to pay for some or all of the service.

The council may also set a specific targeted rate for transparency and accountability.

Te Ture Whenua Māori Principles

This Revenue and Financing Policy supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993 (Māori Land Act 1993). These principles include recognition of the special relationship between Māori and the Crown under the Treaty of Waitangi; that land is a taonga tuku iho of special significance to Māori and its retention in the hands of its Māori owners should be promoted; that wāhi tapu should be protected; and that the occupation, development, and utilisation of that land should be facilitated for the benefit of its Māori owners, their whānau, and their hapū.

Council considers that this policy supports these principles, particularly when viewed in conjunction with Council's Policy on Remissions and Postponement for Māori freehold land. The Council is also guided by its "Policy on Te Tiriti Partnerships with Māori"; and by the "Tāiaki ē" strategy and action plan for implementation of Council's Te Tiriti responsibilities to Māori, jointly developed by NRC and Te Taitokerau Māori and Council Working Party (TTMAC). These documents provide a foundation for enhancing NRC partnership with tāngata whenua in Te Taitokerau, and for facilitating the achievement of desired shared outcomes.

Income from investments

The council uses its investment returns (dividends, interest, gains and rent) to reduce targeted region-wide rates. For the purposes of this policy, we group investment returns with targeted region-wide rates, and refer to this group as 'rates/general funds'.

Some investment revenue will be diverted to the Investment and Growth Reserve to fund economic development activity.

Fees and charges

User charges are direct charges to identified individuals and/or groups:

- » who use certain council services, or
- » whose actions or inactions cause the council to provide the service.

In these instances, a benefit exists to clearly identifiable people and/or groups, so they are required to pay for all or part of the cost of using that service.

Fees and charges are set based on recovering either the full cost of the service, the marginal cost added by users, or a rate that the market will reasonably pay. Fees and charges are set in accordance with the council's charging policy.

Licence fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

Borrowing

The council may use internal or external borrowing as per its Treasury Risk Management Policy (including Liability Management and Investment Policies) to bring forward or accelerate operating expenditure. The cost and repayment of borrowing is to be funded from the same funding sources available to fund the specified activity.

Reserves and special funds

Reserve funds may be used to fund expenditure for specific purposes. In some circumstances, the reserves are a legal requirement. The council may establish additional reserves as and when required. Any funding surplus or deficit resulting from activities funded through targeted rates is set aside in a specified reserve to be used or repaid in subsequent financial years. Subject to meeting any specified conditions associated with these reserves, the council may spend money of an operating or capital nature from these reserves.

Proceeds from asset sales

Proceeds from asset sales will usually be used to provide funding to acquire assets of a similar nature. The council may also choose to use the proceeds of asset sales to fund operating expenditure. Keeping strategic and investment assets, and using investment returns (operating) to promote economic wellbeing, provides intergenerational equity. Unless the council resolves otherwise, proceeds from the sale of investment assets will be set aside for future reinvestment.

Financial contributions

The council does not require financial contributions.

Grants and subsidies

Central government and other third-party agencies provide various grants and subsidies for specified activities and projects.

Other funding sources: use of surpluses from previous financial periods

Where the council has recorded an actual surplus in one financial period, it may pass this benefit on to ratepayers in a subsequent financial period. The council will not normally carry forward surpluses in relation to the sale of assets or revenue received for capital purposes.

Sources of funding for capital expenditure

Capital expenditure is generally funded from the same sources available to fund operational expenditure. While debt or internal borrowing may sometimes be used to provide the immediate funding needed to acquire an asset, repayment of the debt will be made from the same sources as operating expenditure.

Capital expenditure is funded from depreciation, general funds, targeted rates and borrowing as outlined below:

- » Replacement of an asset: funded out of rates charged to recover depreciation. If funds are insufficient, then reserves or borrowing may be used to provide funding.
- » New asset or the upgrade or increase in service potential of an existing asset: internal or external borrowings.

The funding of capital expenditure from the sale of surplus assets, restricted or special funds is decided on a case-by-case basis.

If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period. The council may impose a targeted rate to fund capital expenditure or repay the borrowings on an asset at a faster rate than over the full life of the asset.

Revenue and financing sources and mechanisms for the council's activities

The following table shows a summary of the funding sources for each activity, and the council's consideration of the factors under Section 101(3) of the Local Government Act 2002 when determining the appropriate funding sources for each activity. The factors considered for each activity were:

- » The community outcomes to which it primarily contributes.
- » The distribution of benefits between:
 - the community as a whole
 - any identifiable parts of the community, and
 - individuals.
- » The period the benefits are expected to occur.
- » How much the actions or inaction of individuals or a group contribute to the need for the activity.
- » The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

We have also considered the overall impact on the community of any allocation of liability for revenue needs. Over the course of this Long Term Plan, the council will borrow funds to pay for the capital infrastructure of our river management schemes. The maximum period of these loans is 30 years, and actual loan periods are determined after considering the extent of the capital works and the period of benefit, affordability and commitment of future generations.

Specific targeted rates will be collected from 2024/34 to ensure the council has sufficient funds to repay these loans as they fall due. The council will invest rates collected in managed funds until the loans are due to be repaid. By collecting rates immediately, the council receives investment returns that will offset the borrowing costs. This approach ensures the financial cost of borrowing, and hence the impact on the community (via the targeted rates they are required to pay each year), is reasonable.

Explanation of notations made in the table

Rates/general funds: includes targeted region-wide rates and general funding (including income from investments).

Full: All, or almost all, the cost of the activity is funded from that source.

If the comment is made regarding rates/general funds, it does not preclude making minor charges for the service, but indicates that the charges are a negligible part of the total funding.

Majority: Most of the service is funded from this source.

When used in reference to fees and charges, it reflects the view that the services should be recovered from users, but that legislation imposes some constraints that may mean that full recovery is not possible.

Residual: A portion of funds comes from this source.

When used in reference to fees and charges, it reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue that is imposed to achieve compliance and may not always cover the costs of enforcement.

Natural environment

The entire community desires a well-structured and effective region, and benefits from integrated regional policies and plans that provide for the sustainable management of Northland's resources. This activity is a public good, which supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue both in the immediate and long term.

For certain activities, applicants must seek consent under the Resource Management Act 1991 (RMA) and the Building Act 2004. This process contributes towards safe and resilient communities, and continuous improvement in water quality and security of supply. The regional community gains assurance that activities requiring consent are in accordance with regional policies and the RMA. RMA and building (dams) consent holders directly benefit from gaining compliance and holding consent. The benefits of these services accrue both in the immediate and long term. Processing resource consent applications is considered to be largely private good, with an element of public benefit. The allocation of costs to those who benefit from the services or cause such costs is beneficial, as the community does not have to bear such costs.

Capital costs are minor and as they do not directly relate to individual consent applications, they are funded from rates/general funds for efficiency reasons.

Individuals may require information and advice on the lawfulness of intended, proposed or existing activities. The regional community benefits from informed participation and decision making. Resource users benefit from guidance on regulation, appropriate use and development of resources. These services support safe and resilient communities, and efficient and effective service delivery, and the benefits accrue both in the immediate and long term. We consider the provision of consents advice and information to be a public and private good. The public good is served by the informed ease of transacting and engaging with the council. Private good exists where advice relates to applications where individuals derive a direct benefit. Fees can be charged for some advice, as per the council's charging policy.

The regional community benefits from improved knowledge and management of the regional environment. This activity is a public good that supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue in the immediate and long term.

Need is created by individuals who have consents and those whose actions or inactions risk or harm the environment. The local and regional communities benefit from environmental protection via the monitoring, enforcement and clean-up actions carried out by the council. This activity supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits of these services accrue both in the immediate and long term. This activity is mostly a private good, however compliance provides public benefit. The allocation of costs to those who benefit from the services, or those who cause such costs, is beneficial to the community, as the community does not have to bear such costs.

Planning and Policy

Operating expenditure:

» Rates/general funds - Full

Minor capital expenditure may be required:

» Rates/general funds - Full

Consents activity: Consent applications

Operating expenditure:

» Fees and charges - Majority

» Rates/general funds - Residual

Minor capital expenditure may be required:

» Rates/general funds - Full

Consents activity: Consents advice and information

Operating expenditure:

» Rates/general funds - Full

Minor capital expenditure may be required:

» Rates/general funds - Full

Science: State of the Environment monitoring

Operating expenditure:

» Rates/general funds - Full

Minor capital expenditure may be required:

» Rates/general funds - Full

Monitoring: Compliance monitoring

Operating expenditure:

» Fees and charges - Majority (Licence and Enforcement fees)

» Rates/general funds - Residual

Minor capital expenditure may be required:

» Rates/general funds - Full

Monitoring: Environmental incidents response

Operating expenditure:

» Rates/general funds - Majority

» Fees and charges - Residual

Minor capital expenditure may be required:

» Rates/general funds - Full

Monitoring: Waste management and contaminated sites

Operating expenditure:

Individuals and communities live or plan development in areas that are subject to natural hazards. Natural hazard management supports safe and resilient communities, and the benefits accrue immediately and in the long term. Individuals and the community benefit from reduced risk to property, projection losses and loss of life. Community-wide benefits include hazard identification and risk reduction analysis throughout the region. Hazard management is primarily a public good, with an element of private benefit to individuals and groups of individuals.

The community wants advanced warning of water risks, and to have our water resource sustainably managed. Hydrology monitors and reports on water quantity (rainfall, groundwater, surface water, rivers and lakes), which contributes to continuous improvement in water quality and security of supply, and safe and resilient communities. Individuals and the community benefit from early notification of rainfall in significant rivers, and management of Northland's water resources. There is community-wide benefit from monitoring and understanding our various water resources and information. The benefits of these services accrue both in the immediate and long term. Hydrology activity is primarily a public good with an element of private benefit to individuals and groups of individuals. Fees and charges are levied for compliance-related activities.

The community wants animal and plant pests to be controlled, and our region's unique ecosystems to be protected. The regional community benefits both in the immediate and long term from the enhancement of indigenous biodiversity and biosecurity in Northland, and from the contribution towards a thriving regional economy through increased land productivity. We consider the provision of biosecurity activities to be largely a public good, with an element of private benefit, where pest control is provided to individuals and/or groups of individuals.

Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources. The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of biodiversity activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.

Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources (improved water quality, reduced run-off and sedimentation, and reduced frequency of flooding). The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of land and water activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.

Natural Hazard Management

- » Rates/general funds - Majority
- » Fees and charges - Residual

Minor capital expenditure may be required:

Rates/general funds - Full

Operating expenditure:

- » Rates/general funds - Full

Capital expenditure may be required:

- » Rates/general funds - Full

Hydrology

Operating expenditure:

- » Rates/general funds - Full

Capital expenditure may be required:

- » Rates/general funds - Full

Biosecurity

Operating expenditure:

- » Rates/general funds - Majority
- » Fees and charges - Residual
- » Grants and subsidies - Residual

Capital expenditure may be required:

- » Rates/general funds - Full

Biodiversity

Operating expenditure:

- » Rates/general funds - Majority
- » Grants and subsidies - Residual

Minor capital expenditure may be required:

- » Rates/general funds - Full

Catchment Management

Operating expenditure:

- » Rates/general funds - Majority
- » Grants and subsidies - Residual

Minor capital expenditure may be required:

- » Rates/general funds - Full

Community resilience

Individuals and the public require flood risk reduction when living or undertaking developments in flood risk areas. The community benefits from reduced incidence of damaging floods in Northland. Individual landowners benefit from the reduction in

Flood risk management

Operating expenditure:

- » Rates/general funds - Majority

property damage and primary projection losses. The benefits of these services support safe and resilient communities, and accrue both in the immediate and long term. We consider river management works to be both a private and public good. Where specific works are carried out, the council considers the public good element to be paramount, and also considers each community's ability to pay additional targeted rates. As such, rates/general funds fund the majority of these works.

The use of targeted rates to partially fund each river scheme promotes accountability and affordability, as residents and business weigh up the costs of flood protection works against the level of risk. The council recognises it may not be realistic or cost effective to precisely identify either direct beneficiaries on the floodplain or indirect beneficiaries in the economic catchment, and proxies will need to be used. It will not always be feasible for the council to recoup costs from some types of beneficiaries. Exception: should the cost of collecting a separate targeted rate on small schemes exceed the benefits, then those works will be funded from rates/general funds along with any design or investigation work undertaken.

Capital expenditure includes any interest and capital repayments where debt is raised. This includes river management infrastructure.

The community desires the response capability and advanced warning provided in emergency events, and benefits from these services. Maintaining a response capability, centralised co-ordination centre and planning for major emergency events benefit the regional and national community. The benefits of these services accrue both in the immediate and long term. Civil defence and emergency response is a public good, which supports safe and resilient communities. It benefits all individuals and landowners during emergency events, so the majority is funded from rates/general funds.

Fuel tankers visit Marsden Point Oil Refinery, which constitutes a major oil spill risk. The local commercial tourism service, fishing fleets and the substantial recreational vessel fleet use the region's coastal waters and associated refuelling facilities. The council's Oil Pollution Response supports safe and resilient communities, and a thriving regional economy. The regional and wider communities benefit from clean seas and coastal environments, and commercial shipping benefits from a spill response system and the availability of resources for cleaning up spills. The benefits of these services accrue both in the immediate and long term. Where evidence permits, the council will seek to charge the exacerbator, however it is not always feasible or cost effective to do so.

Recreational and commercial coastal water users create a need for harbour safety and navigation, which supports safe and resilient communities. Offering harbour safety and navigation services provides both public and private benefits, which accrue both in the immediate and long term. The regional community benefits from safer coastal areas for recreation. The public, including commercial and recreational users, benefits from safe water transport and the provision of services. Charges are levied on larger vessel and coastal structure owners, as direct beneficiaries, in accordance with the Navigation, Water Transport and Maritime Safety bylaw and the council's charging policy. The application of user charges promotes transparency and accountability, and reduces the rating requirement on the community.

Capital expenditure is required for property plant and equipment (including cyclical renewal of vessels, vehicles and navigational aids) to carry out this activity.

Legislation requires, and the community desires, an integrated transport network. Regional transport management is a public good that supports efficient and effective land transport policies and public transport, and safe and resilient communities. The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. The benefits are ongoing, however there is immediate benefit to the transport users.

» Targeted rates - Residual

» Grants and subsidies - Residual

Capital expenditure on river asset infrastructure is undertaken as part of this activity:

» Rates/general funds - Majority

» Targeted rates - Residual

Emergency Management

Operating expenditure:

» Rates/general funds - Majority

» Grants and subsidies - Residual

Minor capital expenditure may be required:

» Rates/general funds - Full

Oil Pollution Response

Operating expenditure:

» Grants and subsidies - Majority

» Rates/general funds - Residual

Capital expenditure may be required:

Rates/general funds - Full

Harbour Safety and Navigation

Operating expenditure:

» Fees and charges- Majority

» Rates/general funds - Residual

Capital expenditure is required:

» Rates/general funds - Full

Transport: Regional Transport Management

Operating expenditure:

» Rates/general funds - Majority

» Grants and subsidies - Residual

Capital expenditure may be required:

» Rates/general funds - Full

The community desires access to public transport services and total mobility schemes. Passenger transport administration supports efficient and effective land transport policies and public transport, and safe and resilient communities. The entire Whangārei district benefits from the provision of community passenger transport services, including the flow-on effects of reduced congestion and improved road safety in Whangārei urban areas where passenger services operate.

Where public transport is provided in other areas across the region, there is both community and individual benefit. The community benefits from having individuals being able to engage in day-to-day activities. The individual benefits from being able to travel and access the community when they otherwise might not be able to do so. The benefits of these services are immediate at the time of using the service/transport. The region benefits from the provision of a passenger transport system.

Each bus service is funded from a combination of central government funding (where available), user fees and charges, and a targeted rate. This combination of funding promotes affordability and transparency, and allows the council to take advantage of available subsidies. Setting user fees at an affordable level is intended to encourage and promote use of the bus service.

Individuals and communities live or plan development in areas that are subject to natural hazards. Natural hazard management supports safe and resilient communities, and the benefits accrue immediately and in the long term. Individuals and the community benefit from reduced risk to property, projection losses and loss of life. Community-wide benefits include hazard identification and risk reduction analysis throughout the region. Hazard management is primarily a public good, with an element of private benefit to individuals and groups of individuals.

Transport:
Passenger Transport
Administration

Operating expenditure:

- » Grants and subsidies - Majority
- » Fees and charges - Residual
- » Targeted rates - Residual

Capital expenditure may be required:

- » Rates/general funds - Full

Climate Change
resilience

Operating expenditure:

- » Rates/general funds - Full

Capital expenditure may be required:

- » Rates/general funds - Full

Regional leadership

The Local Government Act 2002 requires councils to work with the community to make and implement key decisions. Both the community and council benefit immediately and in the long term from the community's contribution towards the council's decision-making. Community representation is a public good that contributes to safe and resilient communities.

The Local Government Act 2002 requires councils to work with Māori to make and implement key decisions. Māori Engagement is a public good, which contributes to prosperous relationships with tangata whenua, and ensures safe and resilient communities. Both the community and council benefit immediately and in the long term from improved decision making and representation.

The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Communication is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.

The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Online communication and engagement is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.

The community wants the environment to be maintained or improved. Environmental education supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The community benefits from the opportunity to learn about and participate in the sustainable use, development and protection of the region's resources. The benefits are ongoing, but there is immediate benefit to the recipients. While some individuals (children and schools) may

Governance:
Community
Representation

Operating expenditure:

- » Rates/general funds - Full

Minor capital expenditure may be required:

- » Rates/general funds - Full

Māori Engagement

Operating expenditure:

- » Rates/general funds - Full

Communication and
Engagement:
Communication

Operating expenditure:

- » Rates/general funds - Full

Communication and
Engagement: Online

Operating expenditure:

- » Rates/general funds - Full

Communication and
Engagement:
Environmental
Education

Operating expenditure:

- » Rates/general funds - Majority
- » Grants and subsidies - Residual

Minor capital expenditure may be required:

- » Rates/general funds - Full

derive private benefit, the cost of providing this activity by imposing user charges on the recipients would potentially make the programme unaffordable for the direct recipients.

The community wants to improve regional wealth. Economic development activities support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth, which includes improved economic activity, employment and income opportunities. Individuals and businesses benefit directly from increased economic opportunities, and the tourism sector benefits from sector support and promotion. Targeted rates may be set to provide transparency and accountability regarding the provision of specific activities.

The community wants to improve regional wealth. Economic development projects support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth. Individuals and individual businesses benefit directly from increased economic opportunities flowing out of specific initiatives. Funding these projects from targeted rates ensures transparency and accountability.

The community desires regional infrastructure, including sporting facilities. The regional community benefits from improved infrastructure and economic activity, contributing to a thriving regional economy. Individuals and businesses will benefit from direct use of the infrastructure. The benefits accrue both in the immediate and long term. Funding from targeted rates ensures transparency and accountability.

The community wants to access council information and services, and to transact with the council. The provision of customer services supports efficient and effective service delivery, and is also used to support prosperous relationships with tangata whenua. The community benefits from having easy access to council information and services, and the council benefits from closer relationships with the community and improvement in its reputation. These benefits accrue immediately and in the long term. We consider customer services to be largely a public good, with an element of private benefit, where information and support is provided to individuals.

Corporate services provides corporate services to the rest of the council, including finance, human resources, health and safety, continuous improvement, information management, information technology, the Chief Executive Officer (CEO) Office and property. This activity is a public good that supports efficient and effective service delivery. Corporate services are allocated to activities based on relevant cost drivers.

Commercial investment activity supports improved returns on council investments, and a thriving regional economy. The community desires that the council's commercial investments are managed prudently for the benefit of current and future ratepayers. The regional community benefits immediately and in the long term from the direct investment income generated from commercial investments, as this revenue is applied to fund council operations, including economic development, and helps to keep rates affordable. The community also benefits from any wider economic development gains that may accrue from investment and commercial decisions.

Operating: We consider the entire revenue stream and capital growth associated with investment activities are a public good.

Economic Development: Economic Development Activities

Operating expenditure:

- » Rates/general funds - Residual
- » Income from Economic Development Reserve - Majority
- » Grants and subsidies - Residual

Capital expenditure may be required:

- » Rates/general funds - Full

Economic Development: Projects

Operating expenditure:

- » Targeted rate - Majority
- » Rates/general funds (Investment and Growth Reserve) - Residual
- » Grants and subsidies - Residual

Capital expenditure may be required:

- » Targeted rates - Full

Economic Development: Infrastructure

Operating expenditure:

- » Targeted rates - Full

Capital expenditure:

- » Targeted rates - Full

Customer Services

Operating expenditure:

Rates/general funds - Full

Corporate Services: All except Commercial Investments and Regional Sporting Facilities

Operating expenditure:

- » Rates/general funds - Majority
- » Fees and charges - Residual
- » Grants and subsidies - Residual

Capital expenditure is required:

- » Rates/general funds - Full

Corporate Services: Commercial Investments

Operating:

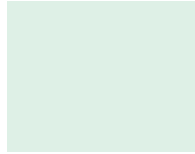
- » Rates/general funds - Majority
- » Fees and charges - Residual

Commercial investment provides net investment revenue funding to contribute towards rates/general funds

Capital expenditure may relate to specific commercial development projects:

- » Rates/general funds - Full

Capital: Investments can be tailored to achieve a mix of financial and strategic objectives. The growth of council investments, through further investment and capital appreciation, promotes intergenerational equity, which ensures assets are available for the future benefit of the community.



Financial contributions policy

This policy describes Northland regional Councils approach to development and financial contributions.

Development contributions

Northland Regional Council will not be seeking any development contributions as provided for under the Local Government Act 2002. The power to levy such contributions is restricted to territorial authorities.

Financial contributions

The operative Regional Air Quality Plan, Regional Coastal Plan and Regional Water and Soil Plan prepared by the Northland Regional Council under the Resource Management Act 1991 include financial contribution provisions. However, these regional plans will be replaced by the Regional Plan for Northland, which does not include financial contributions provisions and is scheduled for adoption in late 2024.

No financial contributions can be levied by Northland Regional Council unless provisions for such are included within a regional plan – the inclusion of financial contributions provisions may be considered as part of any review and/or change to the regional plan.

He kaupapa here mō te noho rangapū ā-Tiriti me te Māori

Policy on Te Tiriti Partnerships with Māori

Te Tiriti o Waitangi

Tōna hautoru pea o te taupori e noho ana ki Te Taitokerau e tohungia he Māori ia — he nui ake tēnei wehenga tātanga i te nuinga o ngā rohe kē atu o Aotearoa whānui.

He motuhake a Te Taitokerau i Aotearoa nei, i te mea koia tēnei te wāhi i hainatia ai He Whakaputanga o te Rangatiratanga o Nū Tirenī me Te Tiriti o Waitangi e ngā rangatira tokomaha nō ngā hapū o tēnei rohe. I whakatauria e te uiuinga a te Paparahi o te Raki, i raro i Te Taraipūnara o Waitangi, kīhai rātou ngā rangatira i hainatia Te Tiriti o Waitangi i tuku i tō rātou tino rangatiratanga. He mea tino nui ki ngā tātanga whenua o Te Taitokerau ā rātou kōrero tuku iho. E mōhiotia whānuitia ana te Tiriti o Waitangi hei kawenata tapu o te motu, ka mutu, e whakamanahia ana te noho rangapū a te iwi Māori me te Karauna. He mea whakaū hoki tēnei i te takune o He Whakaputanga.

I runga i tāna mōhio ki tēnei hītori me ngā whakarereanga iho, ka whakaaro nui te Kaunihera i roto i āna mahi ki ngā mōtika me te whai tikanga a te Māori i raro i Te Tiriti. Ka whaiwhakaaro hoki ki te whaipānga me te whakamahinga o Te Tiriti, āna mātāpono rānei, ngā mea e rua rānei, kua tūtuhutia i roto i ngā ture me ngā tauākī kaupapa here ā-motu e whai take ana.

I a ia e whakawhanake kaupapa here ana, mahere hoki, ka whaiwhakaaro te Kaunihera, mā te kōrero tahi ki te Māori, mehemea me rerekē ngā huarahi mā te Māori i runga anō i ngā pānga rerekē ki a rātou i whakapaehia. Ka whaiwhakaaro hoki ki ngā taonga Māori me ngā tikanga pērā ki te mana, te whakapapa, te whanaungatanga, te manaakitanga, me te kaitiakitanga.

E mōhiotia ana e te Kaunihera ngā hua o te mahi tahi ki ngā tātanga whenua e āhei ai rātou ki te whai wāhi ōrite mai ki ngā tukanga whakatau kaupapa o te Kaunihera, mā roto i ngā tikanga e whakatutuki ai i tā te Māori e hiahiaitia ai, e wawatahia ai, tae atu rā ki ērā ā te rohe whānui anō hoki. Kua whakaūtia anōtia te ngākau whakamomori o te Kaunihera i runga i te pōtitanga o ngā kaikaunihera wāri Māori i te tau 2023.

Te Horopaki Whakature

E manahia ana e te Local Government Act 2002 (LGA) te hononga i waenganui i te iwi Māori me te Karauna i raro i te maru o te Tiriti o Waitangi. E pēnei mai ana te Wāhanga 4 o te LGA:

‘Kei te Wāhanga 2 me te Wāhanga 6 ngā mātāpono me ngā herenga mō ngā mana ā-rohe e whakamana ai, e whakaute ai hoki i te haepapa o te Karauna ki ngā mātāpono o te Tiriti o Waitangi, ka mutu, e mau tonu ai, e nui ake ai hoki te whai wāhi a te Māori ki ngā tukanga whakatau kaupapa a ngā kāwanatanga ā-rohe. Ko te takune, kia ngāwari ai te whai wāhi a te Māori ki roto i ēnei tukanga whakatau kaupapa ā-rohe.’

Te Tiriti o Waitangi | Treaty of Waitangi

Approximately a third of Te Taitokerau region’s population identifies as Māori — a higher proportion than most other regions of Aotearoa New Zealand.

Te Taitokerau has a special place in Aotearoa as the signing place of He Whakaputanga o te Rangatiratanga o Nū Tirenī (Declaration of Independence of New Zealand) and Te Tiriti o Waitangi by many rangatira of the hapū of the region. The Waitangi Tribunal’s Paparahi o te Raki inquiry concluded that the rangatira who signed Te Tiriti did not cede their sovereignty. Tātanga whenua of Te Taitokerau feel very strongly about their heritage and regard Te Tiriti o Waitangi as the founding document of the nation, which recognises a partnership between Māori and the Crown, and further reinforces the intent of He Whakaputanga.

Cognisant of this history and its legacy, Council commits to have regard in its work to the rights and interests of Māori under Te Tiriti, and to consider the relevance and application of Te Tiriti and / or its principles as prescribed in relevant legislation and national policy statements.

When developing policies and plans, Council will, in consultation with Māori, consider whether different approaches are required for Māori due to expected different effects or impacts on them, and will take into account Māori taonga, and tikanga values and practices such as mana, whakapapa, whanaungatanga, manaakitanga and kaitiakitanga.

Council recognises the benefits of working with tātanga whenua to enable equitable participation in council decision-making processes, in ways that meet the needs and aspirations of Māori as well as regional outcomes. The election of Māori ward councillors in 2023 has given further expression to Council’s commitment.

Legislative context

The Local Government Act 2002 (LGA) recognises the relationship between Māori and the Crown under the Treaty of Waitangi. Section 4 of the LGA states:

‘In order to recognise and respect the Crown’s responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes.’

Me whakatinana mārika ngā Kaunihera i ngā mātāpono me ngā herenga o te LGA kia ngāwari ai te whai wāhi a te Māori ki roto i ngā tukanga whakatau kaupapa ā-rohe.

E whakamanatia ana i te Wāhanga 81 o te LGA te whai wāhi a te Māori ki roto i ngā whakataunga kaupapa, mā te tono ki ngā kaunihera ā-rohe ki te:

- Whakarite, mau hoki i ngā tukanga e whai wāhi ai te Māori ki ngā tukanga whakatau kaupapa o te mana ā-rohe; ā,
- Whakaaro mō ngā huarahi e whakawhanake ai i tō te Māori raukaha ki te whai wāhi ki ngā tukanga whakatau kaupapa o te mana ā-rohe; ā,
- Whakamōhiotia atu ki te Māori ngā pārongo whaitake e tutuki ai ngā kaupapa o ngā kōwae a) me te b).

Me whakaatu e ngā kaunihera i roto i ā rātou Mahere Paetawhiti ngā hātepe katoa e whanake ai tō te Māori raukaha ki te whai wāhi atu ki ngā whakataunga kaupapa a ngā kaunihera.

E whakatairanga ana Te Ture Whakahaere Rauemi 1991 (RMA) i te whakahaere toitū o ngā taonga a taiao — māori mai, ōkiko mai hoki. E manahia ana e te RMA te hononga i waenganui i te Māori me te Karauna, ā, e tonongia ana ngā kaunihera kia whakaarotia ngā mātāpono o te Tiriti o Waitangi (Wāhanga 8) i roto i ā rātou mahi. Kua tautuhitia ēnei mātāpono e ngā kōti me Te Rōpū Whakamana i te Tiriti o Waitangi. Ko ngā mātāpono matua ko te noho rangapū, te tauutuutu, ngā painga pātahi, me te whakahaumarū hāoho. He utanga tō te Kaunihera (hei kanohi o te Karauna), tō te iwi Māori hoki, kia mahi matatika i runga i te ngākau pono. He haepapa hoki tō te Kaunihera ki te whakatau kaupapa i runga i te tino mōhio. Ko te āta wānanga tahi me te whiriwhiri tahi i waenganui i te Kaunihera me te tangata whenua tētahi o ngā huarahi e whakaatungia ai te ngākau pono. Mā tēnei e kaha ake ai te whakatinana o te rangatiratanga me te noho rangapū i raro i Te Tiriti.

Ko te whakahaumarutanga o te reo Māori kei raro hoki i te haepapa whakahaumarū hāoho. E whakamanahia ana te reo Māori hei reo ōkawa o Aotearoa e Te Ture mō te Reo Māori / Māori Language Act 2016 (1987 i ngā wā o mua). Kua tauākītia i tēnei Ture te utanga o te Karauna ki te mahi ngātahi me te iwi Māori e whakahaumarū hāohotia, e whakatairangatia hoki ai te reo Māori, e mōhio whānuitia nei he taonga tuku iho. Kei te Kaunihera hoki tēnei haepapa.

E mea ana te RMA kāhore e whakaae ana kia tapareretia e ngā kaupapa here me ngā mahere o te Kaunihera ngā ture whaitake mō te whai wāhi a ngā iwi me ngā hapū (tae atu ki ngā whakataunga Tiriti). Nā konā, me whai whakaaro te Kaunihera ki ngā whakataunga Tiriti i roto i āna kaupapa here, mahere, tukanga hoki. He tikanga anō ngā Mana Whakahono ā-Rohe i raro i te RMA e taea e ngā Kaunihera te mahi tahi me ngā iwi, hapū rānei, ki te whakawhitiwhiti kōrero, whakaae me te whakatau i ngā huarahi e whai wāhi atu ai ngā tāngata whenua ki roto i ngā tukanga whakahaere rauemi, whakataunga kaupapa anō hoki.

Ngā uara o te Kaunihera

Ko te uaratanga hukihuki a te Kaunihera, 'Poipoi a te taiao, whiria te tangata'.

I runga anō i ngā herenga ā-ture o te Kaunihera ki te whakamana i te whai wāhi a te Māori ki ngā tukanga o te kāwanatanga ā-rohe, ko tētahi aronga matua a te Kaunihera ko te poipoi i ngā 'hononga mauroa i raro i Te Tiriti ki ngā tāngata whenua'.

E kōrero ana te whakakitenga 'Te Pae Tawhiti 2021-2040' o Te Ohu Mahi o te Kāhui Māori o Te Taitokerau me Te Kaunihera (TTMAC) mō 'te mahi ngātahi a te Rangatiratanga me te Kāwanatanga mō te oranga o te taiao'. E hono ana

Councils must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes.

Section 81 of the LGA provides for Māori participation in decision-making by requiring local authorities to:

- establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and*
- consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and*
- provide relevant information to Māori for the purposes of paragraphs a) and b).*

Councils are required to outline in their Long Term Plan any steps that they intend to take to foster the development of Māori capacity in order to contribute to council decision-making.

The Resource Management Act 1991 (RMA) promotes the sustainable management of natural and physical resources. The RMA recognises the relationship between Māori and the Crown and requires councils to take into account the principles of the Treaty of Waitangi (section 8) when undertaking their functions. These principles have been defined by the courts and the Waitangi Tribunal. Key principles include partnership, reciprocity, mutual benefit, and active protection. There is an obligation on Council (as a representative of the Crown) and Māori to act reasonably, honourably, and in good faith. There is also a duty for Council to make informed decisions. Genuine and meaningful consultation and negotiation among Council and tāngata whenua is one way of demonstrating good faith. Such consultation should enhance the exercise of rangatiratanga and serve to strengthen the Treaty partnership.

The duty of active protection includes protecting te reo Māori. Te Ture mō te Reo Māori / Māori Language Act 2016 — formerly 1987) recognises the Māori language as an official language of New Zealand. In this Act, the Crown expressed its commitment to work in partnership with Māori to actively protect and promote te reo Māori, which is recognised as a taonga tuku iho (cultural treasure). Council also has this responsibility.

The RMA states that council policies and plans cannot limit any relevant iwi and hapū participation legislation (including treaty settlements). Accordingly, Council must take into account Treaty settlements in its policies, plans and processes. Mana Whakahono ā-Rohe (iwi participation arrangements) are another mechanism under the RMA that Council can enter into with iwi or hapū to discuss, agree and record ways in which tāngata whenua may participate in resource management and decision-making processes.

Council's values

Council's draft mission statement is 'Poipoi a te taiao, whiria te tangata — Nurture the environment, weave the people together'.

With statutory obligations to empower Māori to participate in local government processes, a key focus area for Council is fostering 'meaningful partnerships with tāngata whenua under Te Tiriti'.

Te Taitokerau Māori and Council (TTMAC) Working Party's vision 'Strategic Intent 2021-2040' speaks of 'Rangatiratanga and Kāwanatanga working in partnership for the wellbeing of the taiao'. Its key whāinga and strategic objectives have regard for Wai/Marine, Building Capacity and Capability, Climate Crises, Māori Representation and Economic Development.

ōna whāinga matua ki te Wai/Moana, te Whakawhanake i te Raukaha me te Āheinga, te Tairaru Āhuarangi, te Whai Kanohi Māori, me te Whakawhanaketanga o te Ōhanga Māori.

E ngākau titikaha ana te Kaunihera ki te whakawhanake me te tiaki i ngā hononga pūmau ki te iwi Māori i roto i āna mahi katoa. Hei ārahi i te Kaunihera me āna kaimahi ki te whakatutuki i tēnei whāinga, ka wāriutia e te Kaunihera te Māori (o inamata, o onamata, o anamata anō hoki), tōna ahurea me āna tikanga hoki, me te whakatinana i tēnei i roto i ā rātou mahi katoa.

Ngā hononga

Ka raranga tonutia e te Kaunihera ngā hononga pūmau me te iwi Māori hei tūāpapa e pai ai tāna whai wāhi mai ki roto ki ā te Kaunihera tukanga whakatau kaupapa. Ka ū tonu te Kaunihera ki te tiaki me te whakakaha hoki i ēnei hononga.

He taukaea Te Ohu Mahi o te Kāhui Māori o Taitokerau me Te Kaunihera (TTMAC) e whiringia ana te iwi Māori ki roto i ngā tukanga whakatau kaupapa o te Kaunihera. E toru tekau ngā mema o te rōpū mahi nei, ka mutu e 21 mema nō ngā hapū/iwi, ā, tokoiwa ko ngā kaikaunihera katoa. Ko te whāinga matua o tēnei rōpū kia 'kōkiritia he tauira mahi ngātahi ki te iwi Māori, e tautoko nei i ngā kaupapa matua o te taiao, te ōhanga, te pāpori, te ahurea, te wairua hoki puta noa i te rohe'.

E ngākau whakamomori tonu ana te Kaunihera ki te raranga i tētahi hononga ā-rohe ki Te Kahu o Taonui (te rōpū ā-rohe o ngā Heamana ā-Iwi), ki ngā Heamana ā-Iwi, rātou ko ngā Kaiwhakahaere Matua ā-Iwi.

Te whakawhitiwhiti kōrero me te pārongo

E whai hua ai te whai wāhi a te Māori ā-tangata whenua nei ki roto i ngā tukanga whakatau kaupapa o te Kaunihera, me tika te tuku pārongo whaitake, i te wā tika, mā te hanga e whai patanga ana ki taua tukanga whakatau kaupapa, otirā, ki te hunga e whiwhi ana i aua pārongo.

Ka whakawhanake tonutia e te Kaunihera ōna tukanga mahi, ngā rauemi kaimahi, te āheitanga ā-ahurea, ngā huarahi me ngā tikanga whakawhitiwhiti kōrero hoki, e pai ai te whakawhiti kōrero whai hua me te mahi tahi ki te iwi Māori.

Te poipoi i te whai wāhi a te Māori

E whai ake nei ko ngā hātepe whāiti ka whāia e te Kaunihera ki te poipoi i te whakapiki raukaha me te whakarite kia whai wāhi mai te Māori ki roto i āna whakatau kaupapa:

- » Kia aro nuitia, kia whakatinana tonutia a Tāiki ē (Te Rautaki Whakamana i Te Tiriti o NRC, me tāna Mahere Whakahaere). Ko ngā arotahinga matua o Tāiki ē pēnei: kia nui ake ai te raukaha me ngā āheinga o te iwi Māori ki te whakatutuki i ōna wawata, ka mutu, kia pai ai te whai kanohi Māori i roto i ngā tukanga whakatau kaupapa o te Kaunihera, mā te mahi ngātahi i raro i Te Tiriti.
- » Kia rite tonu te arotaketia e ngā mātanga motuhake te tutukitanga a te Kaunihera i ngā Paetohu Mahi Matua (KPI) mō Te Tiriti, e tika ai tā te Kaunihera whakatinana i āna herenga ki Te Tiriti.
- » Kia rangona tonutia i ngā anga mana urungi o te Kaunihera te reo whaimana o ngā kaikaunihera, kua pōtitia e te Māori, me ngā mātanga tāngata whenua motuhake hoki, i roto i ngā take nui ki te Māori.

Council is committed to developing and maintaining meaningful partnerships with Māori across all aspects of council business. To help guide Council and staff in achieving this goal, Council will ensure that Māori (past, present and future), and their culture and traditions, are valued and reflected in their work.

Relationships

Council will continue to develop genuine relationships with Māori that will underpin and facilitate the inclusion of Māori in its decision-making processes. Council will remain committed to maintaining and strengthening these relationships.

Te Taitokerau Māori and Council (TTMAC) Working Party is a key relationship mechanism that is facilitating the inclusion of Māori in Council's decision-making processes. The 30-strong working party consists of 21 iwi/hapū members and all nine councillors, and its key purpose is 'to advance a model of Māori engagement that supports environmental, economic, social, cultural and spiritual priorities across the region'.

Council remains committed to building a regional relationship with Te Kahu o Taonui (regional Iwi Chairs collective), Iwi Chairs and Chief Executives.

Liaison and information

For Māori as tāngata whenua to have effective input into council's decision-making processes, relevant information must be communicated accurately, in a timely manner, and in a form that is appropriate to the decision-making process and audience.

Council will continue to develop its processes, staff resources, cultural competency, and communication channels and methods, to enable effective communication and positive interactions with Māori.

Fostering Māori participation

Below are specific steps that Council will take to foster capacity-building and provide opportunities for Māori to contribute to Council's decisions:

- » *Continue to prioritise and deliver on Tāiki ē (NRC Te Tiriti Strategy and Implementation Plan). Tāiki ē focuses on actions to improve the capacity and capability of Māori to give effect to their aspirations, and to achieve effective Māori representation in Council decision-making via a Treaty-based partnership.*
- » *Continue to do regular reviews of council's performance against Te Tiriti Key Performance Indicators by independent experts (the bi-annual Te Tiriti Health Check), to ensure council gives effect in a meaningful way to its Te Tiriti obligations.*
- » *Ensure that Māori elected councillors and independent tāngata whenua experts continue to have an effective voice on matters important to Māori in the governance of Council.*
- » *Ensure that Council's governance structures reflect a commitment to Māori representation and independent tāngata whenua experts.*

- » Kia tautoko tonu i ngā whakahaere o Te Ohu Mahi TTMAC, me te whakarato tonu i ngā rauemi ki a ia, hei huarahi mā te iwi Māori e whai wāhi ai ia ki roto i ngā tukanga whakatau kaupapa o te Kaunihera, ā, hei whakapiki hoki i te raukaha o ngā hāpori Māori whānui ki te whai wāhi ki ngā whakatau a te Kaunihera.
- » Kia tautoko tonu i te mahi a te Rōpū Mātanga Tohutohu Māori (MTAG) (he rōpū iti i raro i te Ohu Mahi TTMAC) me te whakarato tonu i ngā rauemi ki a ia. Ko te mahi a MTAG he tuku wawe mai i ngā tohutohu mō ngā mahere me ngā tukanga mahi o te Kaunihera.
- » Kia tautoko tonu i te mahi a te Rōpū Mātanga Tohutohu Māori mō ngā Kaupapa Wai-māori (TWWAG) me te whakarato tonu i ngā rauemi ki a ia. Ko ngā mahi a te rōpū nei: ka tahi, he tātari, he tuku kupu tūtohu ki a TTMAC mai i te tirohanga Māori, e tautoko ai i te tukanga panoni mahere wai-māori; ka rua, he whakawhanake tūtohu mō te Kaunihera ki te kōrero ki te hāpori Māori whānui mō te kaupapa o te panoni mahere wai-māori; ka toru, he whakapiki hoki i tā NRC mārama ki te mana me te mauri o te wai.
- » Kia wawe te whakawhiti kōrero me te Māori i mua noa atu mō ngā tukanga whakamahere katoa i raro i te RMA.
- » Kia whakatairanga, kia tautoko hoki i te tohatoha pārongo me te whakawhiti kōrero i waenganui i ngā iwi me ngā Heamana Kaunihera, kaikaunihera hoki i tēnei rohe. Ka pēnei mā te tōpūtanga ā-iwi o Te Kahu o Tainui (TKOT), me te wānanga o te Iwi Local Government Chief Executives (ILGACE).
- » Kia whakatairanga, kia tautoko hoki i te tohatoha pārongo me te whakawhiti kōrero tonu i waenganui i ngā kaiwhakahaere matua o ngā mana ā-iwi me ngā kaunihera hoki o te rohe.
- » Kia whakapakari tonu te mōhio ā-ahurea o ngā kaimahi kaunihera, rātou ko ngā kaikaunihera, mā te whakangungu, te whakarato i ngā rauemi mōhiohio, te tuitui i ngā tūtakitanga kanohi-ki-te-kanohi me ngā tangata whenua mā te whai i ngā tikanga Māori. He whakarato hoki i te tautoko taha tikanga me te taha reo mai i te Rōpū Hononga Māori o te Kaunihera.
- » Kia whakaratohia ngā kaimahi e mātau ana ki te ahurea Māori, hei āwhina i ngā kanohi a ngā hinonga me ngā hāpori tangata whenua ki te mahi tahi ki ngā kaimahi kaunihera, otirā, kia mārama ai rātou ki ngā tukanga mahi o te Kaunihera anō hoki.
- » Kia tukuna tonutia ngā pūtea tautoko hei whakawhanake, whakahou rānei i ngā Mahere Whakahaere Take Taiao a te Iwi/Hapū.
- » Kia tiakina, kia whakahoungia tonutia te pātengi raraunga whakapāpā Māori kia ngāwari ai ngā taunekeneke i waenganui i te Kaunihera rātou ko ngā hinonga me ngā hāpori Māori.
- » Kia tuaritua atu ngā tārua o ngā tono whakaaetanga whakahaere rauemi, kua tukuna kē mai ki te Kaunihera, ki ngā marae, hapū, me ngā mana ā-iwi e whaipānga ana ki a rātou aua tono, e tū ana rānei hei māngai mō ngā tāngata whenua ka pāngia pea e aua whakaaetanga.
- » Whakaratongia tonutia ngā kōwhiringa maha ki ngā rangatira, ngā mātanga, ngā kaitiaki Māori hoki kei te rohe, kia ako ai rātou mō te taha whakature, ngā kaupapa here, ngā waeture, ngā mahere, me ngā ture e whaitake ana ki a rātou.
- » Whakaratongia ngā kōwhiringa ki ngā pakihi Māori me ngā mātanga Māori, i runga anō te kaupapa here o te Kaunihera e pā ana ki te whiwhinga ratonga Māori.
- » *Continue to support and resource the operation of the TTMAC Working Party as an avenue for Māori to provide input into Council's decision-making processes, and for building the capacity of the wider Māori community to contribute to the decisions of Council.*
- » *Continue to support and resource the operation of the Māori Technical Advisory Group (MTAG – a sub-group of the TTMAC Working Party), to provide early technical input into Council's plans and processes.*
- » *Continue to support and resource the operation of the Tāngata Whenua Water Advisory Group (TWWAG), to provide analysis and to make recommendations to TTMAC from a Māori perspective, to support the freshwater plan change process; to develop recommendations to Council on engagement with the wider Māori community on the freshwater plan change; and to generally enhance NRC's understanding of te mana me te mauri o te wai.*
- » *Undertake early pre-consultation with Māori on all RMA planning processes.*
- » *Promote and support information sharing and consultation among Iwi and Council Chairs/councillors in the region through Te Kahu o Taonui (TKOT) iwi collective, and the Iwi Local Government Chief Executives (ILGACE) forum.*
- » *Promote and support ongoing information sharing and consultation among the chief executives of iwi authorities and councils in the region.*
- » *Continually enhance the cultural competency of Council staff and councillors, through training, provision of information resources, facilitation of kanohi ki te kanohi (face-to-face) interaction with tāngata whenua following tikanga Māori, and provision of tikanga and language support from Council's Māori Relationships Team.*
- » *Provide culturally competent staff support to help representatives of tāngata whenua entities and communities to interact with Council staff and understand Council processes.*
- » *Continue to provide grants for developing or updating Iwi/Hapū Environmental Management Plans.*
- » *Maintain and continuously update Council's Māori contact database to facilitate Council's interaction with Māori entities and communities.*
- » *Distribute copies of resource consent applications lodged with Council to marae, hapū and iwi entities that may have an interest in the applications or that represent tāngata whenua who may potentially be affected by those consents.*
- » *Provide regular opportunities for Māori leaders, technicians, and kaitiaki in the region to learn about legislation, policies, regulations, plans and rules that may be relevant to them.*
- » *Provide opportunities for Māori businesses and experts in accordance with Council's Māori services procurement policy.*

Significance and engagement policy

Council makes decisions every day, ranging from day-to-day matters to those with a very high level of importance, impact, or public interest. This policy sets out when and how our communities can expect to be engaged in our decision-making processes¹

The policy:

- » tells our community **when and how we will engage** with them on a matter or proposal; and
- » provides us with a tool for defining **what is significant**² helping to determine where a greater level of community engagement will result in better decision making.

In this policy we use the following Māori terms:

Kaitiaki	Tāngata whenua who carry out kaitiakitanga
Kaitiakitanga	The implementation by tāngata whenua of the responsibilities and kaupapa passed down from their ancestors to take care of the places, natural resources and other taonga (valued material and non-material assets) in their rohe, and the mauri (essential life force) which exists within them
Kaupapa	Plan, purpose, strategy, method or fundamental principle
Mana whenua	Territorial rights, authority or jurisdiction over land or territory; power associated with possession and occupation of tribal land
Rohe	Region, area or territory; also the geographical territory of an iwi or hapū
Takiwā	District or area; place or territory used by or associated with an iwi, hapū or whānau
Wāhi tapu	Special or sacred place or site

Our approach to community engagement

Community engagement means connecting with other people in a decision-making process, to share ideas and build understanding. It involves a range of different approaches.

We are elected to make decisions on your behalf, however, when we’re engaging communities, or deciding the extent of engagement, we will be guided by the following principles:

- » seek community views on significant matters, to ensure we have enough information to make our decisions;
- » give you the information you need to be involved;
- » listen to your views and consider them with an open mind;
- » continue to improve how we engage with Māori and enable input into our decisions;
- » target our engagement to those directly affected or interested in the decision;
- » do our best to provide opportunities for you to present your views in a way that suits you;

1 This policy is intended to meet the requirements of the Local Government Act 2002 (Section 76AA) for a Significance and Engagement Policy

2 Significance (as defined by the Local Government Act 2002) means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so

- » let you know what decisions we make and why;
- » continue to improve how we engage with you.

When and how we will engage

Different levels of community engagement will be used in different situations. Sometimes we already have a good understanding of community views and preferences, but at other times we may need more information. Wherever possible, we will endeavour to engage with communities on their turf, and at a time that best meets their needs, to make it as simple as we can for them to have their say.

Consulting

We will **consult** when we are required to by law, when a proposal is considered significant (as defined later in this policy) and when we need more information on options for responding to an issue.

When we **consult**, we will make information about the issue or proposal available to the relevant communities, present options where relevant, tell them how our process works, and how they can provide feedback. We will offer an opportunity to talk to councillors, or independent commissioners, face-to-face. We will collect information and feedback on the proposal or issue from our communities and use this to guide decision-making. This will often follow a formal process set out in legislation.

Involving and collaborating

We will **involve or collaborate** with our communities in decision-making when we need more information on community views to fully understand an issue and develop a proposal for dealing with that issue, or where we can be more effective and efficient in achieving our priorities through working with others.

When we **involve or collaborate**, we will invite our communities to share their thoughts, ideas and aspirations. This will guide our decision-making, and in some cases help us to decide if we need to consult. We'll also work with already-established groups to achieve shared goals.

Informing

We will **inform** our communities about decisions made when we believe that there is some interest in the decision and/or people may be affected by the decision, but that further engagement is not warranted.

When we **inform**, we will let you know what we have decided to do, from where you can find out more information, and who to talk to if you have questions; and we will advise you of any timeframes that might be relevant.

No engagement

When there is a need for confidentiality or the matters concern internal operational issues, we won't engage. In this case we will follow all procedures required by law to ensure that decisions are made in a lawful way.

We will always consider

- » The likely impact on, and consequences for, the environmental, social, cultural and economic wellbeing of the region;
- » Who is affected by or likely to have an interest in or to want to be involved in decision making on the issue; and what we know about their preferences for engagement;
- » The importance of the matter to us as the council, as well as to those affected;
- » The impact on Māori and their relationship with ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga;
- » The role of Māori as kaitiaki in their rohe;
- » How to engage Māori in a way that is meaningful and appropriate to them;
- » What we already know about community views;
- » The circumstances in which the issue has arisen;
- » Options, benefits and costs (current and future);
- » The extent to which options will achieve or promote council objectives;
- » The extent to which any costs outweigh the benefits of engagement methods;
- » The impact on council's capability to fulfil its statutory responsibilities;
- » The likely impact on service delivery, levels of service or any of council's strategic assets;
- » The degree of information / research required to inform decision-making;
- » How we'll inform you of the final outcome of the decision or issue.

Defining which issues and decisions are significant

Distinguishing which decisions are significant, and which are not, is not always black and white. The significance of an issue, proposal, asset, decision or activity (referred to in this document as a "matter") lies somewhere on a continuum from low to high, and its significance will influence the level of engagement that council undertakes.

We will consider the significance of each matter on a case-by-case basis. When considering whether any matter is significant, we will consider a combination of factors as detailed in the following table:

What the matter being considered involves	Degree of significance	What this means
Rates Setting a new rate; or Increasing an existing specific targeted rate; or Increasing an existing region-wide targeted rate by more than 2% (annually) above that previously approved in the most recent Long Term Plan	SIGNIFICANT	We will consult with our communities
Assets The transfer, replacement or abandonment of a strategic asset	SIGNIFICANT	We will consult with our communities
Level of Service A proposal to begin a new activity or cease an existing activity Activities as set out in the 'Groups of activities' section of the Long Term Plan 2024-2034	SIGNIFICANT	We will consult with our communities
Legislation A legislative requirement to consult	SIGNIFICANT	We will consult with our communities
Thresholds The matter triggers two or more of the following thresholds: <ul style="list-style-type: none"> » Is substantially inconsistent with existing policies, strategies or decisions » Incurs high capital or operational expenditure, or a financial transaction, with a value greater than \$1.3M³ » Large divisions in community interest or high levels of prior public interest » The decision is irreversible, has a high degree of risk, or significance of the decision is largely unknown » The decision has a large impact on a moderate number of people or a moderate impact on a large number of people.⁴ » An increase in emissions, or failure to demonstrate adaptation to climate change (e.g. building new facilities in a coastal hazard or flood zone) 	LIKELY TO BE SIGNIFICANT	We will determine the best approach, which may be to: <ul style="list-style-type: none"> » consult » involve/collaborate » inform
Iwi and hapū The matter materially impacts on iwi or hapū with mana whenua, or exercising kaitiakitanga (guardianship) in the rohe/region or takiwā/area.	LIKELY TO BE SIGNIFICANT	We will determine the best approach, which may be to: <ul style="list-style-type: none"> » consult » involve/collaborate » inform⁵
Everyday operations The matter is part of normal day-to-day operations of council or is provided for in the Long Term Plan or Annual Plan.	NOT SIGNIFICANT	We will follow usual decision-making procedures

3 This limit covers a single issue, asset or matter, as well as a package of the same, aligned to deliver a single outcome or objective. This limit does not apply to expenditure funded from the Investment and Growth Reserve, Regional Projects Reserve, Regional Economic Development Reserve, or changes to the council's investment portfolio. Note that these investments will need to meet the criteria of council's Investment Policy, pursuant to section 102 of the Local Government Act.

4 As a guide: a moderate number of people is considered to be 4000-8000, and a large number of people is considered to be greater than 8000

5 Determination of best approach is to occur in consultation with council's Māori Relationships Team in the first instance. Consideration about whether and how to inform, engage or consult with potentially affected iwi or hapū may include: the involvement of the Te Taitokerau Māori Advisory Committee and/or Te Kahu o Taonui Iwi Collective, existing memorandums of understanding with specific hapū or iwi, Mana Whakahono ā Rohe (iwi or hapū participation arrangements), and Iwi and Hapū Environmental Management Plans that have been lodged with council and recognised by an iwi authority.

Every report to the council or decision-making body will include an assessment of the significance of the matter, the degree of engagement proposed, the engagement plan proposed and a clear recommendation.

Strategic assets

A strategic asset (as defined by the Local Government Act 2002) means an asset or group of assets that the local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

The Northland Regional Council's strategic assets as defined in this policy are:

- » its interests in Marsden Maritime Holdings Ltd and the Northport shares held by Marsden Maritime Holding Ltd.
- » the Awanui river scheme;
- » Hopua te Nihotetea (the Kotuku Street Dam in the Whangārei urban rivers scheme) and the land which the dam structure occupies;
- » the Kāeo stopbank scheme;
- » the Panguru flood scheme;
- » other river scheme assets as they are constructed.

A decision to transfer the ownership or control of a strategic asset to or from the regional council can only be taken if it has been provided for in its Long Term Plan and, therefore, will be the subject of the Local Government special consultative procedure.

Reviewing this policy

Council intends to review this policy every three years as part of its Long Term Plan process.

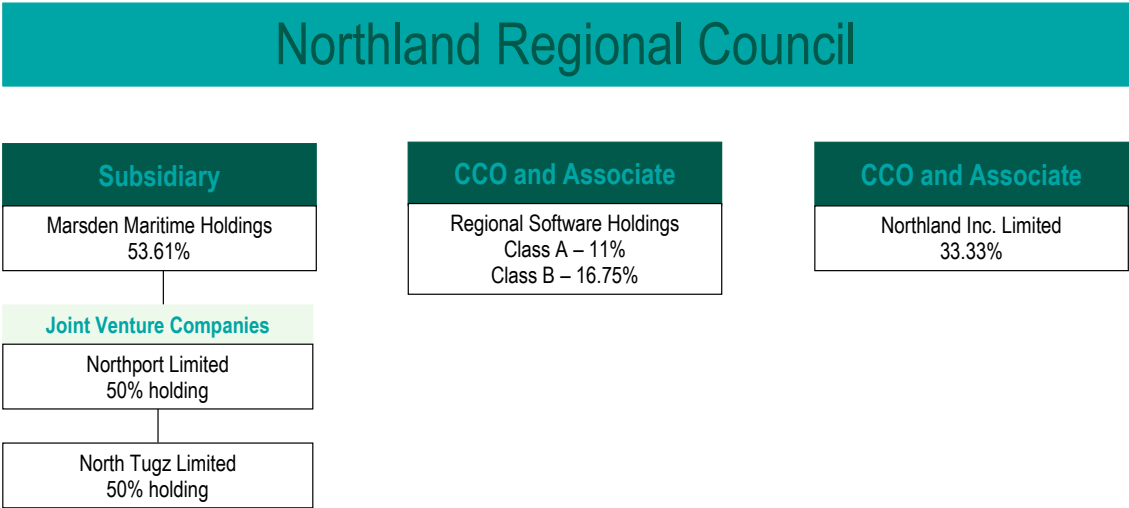
Ngā rōpū e tūhonongia ana ki te Kaunihera

Related organisations



Group structure

Ehara taku toa, i te toa takitahi engari he toa takitini
Success is not the work of one but the work of many



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a Statement of Intent and report against their policies, objectives and performance in their annual reports unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a Statement of Intent.

Council-controlled organisations

Council has two council-controlled organisations: Northland Inc. Limited and Regional Software Holdings Limited.

Northland Inc. Limited

About this council-controlled organisation (CCO)

Northland Inc Limited, established in July 2012, is the region’s economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council (NRC). Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils).

A joint committee has been established to co-ordinate the responsibilities, duties and powers of councils as shareholders of Northland Inc. Furthermore, all three councils have committed to an annual level of funding for economic development in their Long Term Plans 2021–2031, which will be transferred into, and subsequently allocated from, Northland Regional Council’s Investment and Growth Reserve.

Northland Inc is primarily funded by an operational contribution from the Investment and Growth Reserve. It is project-funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed on a fixed-term basis by the shareholder councils. Operational activity is led by a chief executive officer.

Proposed changes to shareholding

Whangarei District Council are consulting on becoming a joint shareholder of Northland Inc as part of their Long Term Plan 2024–2034. This includes becoming a member of the joint committee and making a funding contribution into the Investment and Growth Reserve. This eventuality is provided for in the shareholders’ agreement between the three current owners.

Our contribution to Northland Inc - by way of the Investment and Growth Reserve - will remain the same whether Whangarei District Council’s opt to join or not, so there is no impact on NRC budgets as a result of this proposal. If Whangarei District Council chooses to become a joint owner, then its contributions will add more to the economic development pot.

Draft objectives and activities

The draft mission of Northland Inc Limited is to make a purposeful economic development impact that builds resilience and improves the prosperity, wellness and equity of Te Tai Tokerau Northland. To achieve this, three priority areas and six enabling activities are proposed. These six enablers are part of the ‘BAU’ of Northland Inc and support (‘enable’) their activities over a range of sectors and initiatives.

Strategic priority 1 – Investment and Infrastructure

Objectives	Activities
Grow investment and business support services such that regional economic activity improves consistently year on year.	» Credible and proactive in the region linking projects with private investment, Councils and Government & assisting to de-risk key projects
Prioritise activities and business ideas/proposals, with a view to applying our resources on focused impactful projects reflecting the organisational capacity at any time.	» Leverage the Investment and Growth Reserve to increase investment into Te Tai Tokerau Northland
Strategically focus on attracting, nurturing, and evaluating a pipeline of promising investment opportunities that align with an impact framework.	» Actively support and facilitate investment in strategic sectors (Aquaculture, Agriculture and Horticulture, Digital, Tourism, Ship and Boat Building and Repair Services) in Te Tai Tokerau Northland
Actively engage in advocating for and securing substantial investments for the region, in collaboration with a range of different investment and delivery partners.	» Support and facilitate the development of new and enabling infrastructure such as renewable Energy, digital Connectivity, roads, rail, and water
	» Connected with investment providers into the Region to help direct investment to the most impactful projects
	» Credible and proactive voice for the region that is informing Government funding options and influencing priorities

- » Well informed on infrastructure challenges and opportunities in Te Tai Tokerau
- » Strongly connected at both regional and national levels, joining the dots to ensure equitable investment in infrastructure

Strategic priority 2 – Tuputupu Grow Northland

Objectives	Activities
Support and facilitate adaptation and innovation in Northland's primary and associated manufacturing sectors to ensure the people and environment of Tai Tokerau can thrive into the future.	<ul style="list-style-type: none"> » Facilitate adaptation and innovation in Northland's primary sector around land use optimisation through to commercialising new agri-business opportunities for domestic and export markets. » Facilitate and enable proposals for commercialisation and value-added manufacturing investment locally » Support the Ngawha Innovation and Enterprise Park » Collaborative engagements across - central and local government, national and regionally based sector organisations; landowners and supply chain enablers » Advocate for world class food and fibre businesses to be based in and grow out of Te Tai Tokerau

Strategic priority 3 – Tourism and Destination Management

Objectives	Activities
<p>Deliver destination management and marketing activity to support a visitor economy that aims to enhance the distribution of benefits across the region, environmental sustainability, heritage, and culture.</p> <p>Position Te Tai Tokerau Northland within target markets as a desirable place to visit.</p>	<ul style="list-style-type: none"> » Lead the Destination Management Plan (DMP) in partnership with relevant stakeholders, industry, iwi and hapū » Facilitate regional investment through sector collaboration groups, marketing the region nationally and internationally, and providing targeted business support for tourism operators » Play a key role in attracting direct investment into the region for infrastructure to support tourism and support the development of sustainable pathways for businesses operating in the region » Honour dual heritage and Māori story telling traditions by supporting stories told by those who have the right to tell them. A strong partnership approach with iwi, hapu, Māori tourism operators and landowners are the basis for growing this portion of the market » Improve regional dispersal, length of stay, expenditure, and the appeal of off-peak travel particularly through leverage of the Twin Coast Discovery programme as a region wide development framework for tourism » Co-ordinate, and where appropriate, lead the implementation of an Annual Regional Tactical Marketing Plan for destination marketing, in alignment with the direction of national tourism organisations and in partnership with the Te Tai Tokerau Northland tourism sector

Enabler 1 – Innovation and Enterprise

Objectives	Activities
<p>Support SME's and Start Ups who want to start or grow their business in Northland.</p> <p>As well as helping owners and entrepreneurs to identify their next move, we also provide a front door for them into the many central government programmes, services and funding available to them.</p> <p>Seek to partner with others to deliver this service most effectively.</p>	<ul style="list-style-type: none"> » Support SME's and Start Ups on their business growth journey » Work with Government and other Stakeholders to deliver funding, innovation, R&D and business support programmes into Tai Tokerau » Contribute towards Tai Tokerau Northland's journey towards a more innovative, digital and technologically advanced environment that supports our core and developing industries » Deliver business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership, New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand

- » Develop clusters, business networks or associations to take advantage of market development opportunities that leverage Te Tai Tokerau Northland's key sectors and comparative advantages
- » Build and sharing specialist knowledge through a business events programme and providing opportunities to access a range of capital support mechanisms for Te Tai Tokerau Northland businesses

Enabler 2 – Advocacy and Brand

Objectives	Activities
Advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.	<ul style="list-style-type: none"> » Northland Inc is proactive and well informed on both the challenges and opportunities in Te Tai Tokerau and is acknowledged as regional leader in impactful economic development
Develop and improve the profile of economic development and of Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc.	<ul style="list-style-type: none"> » A respected voice for the region and a credible source for central and local government to understand the regional context and to prioritise investment, policy settings and decisions on key economic opportunities » Uses powerful communications and a well-connected network to improve the reputation and visibility of the region while advocating for its needs » Leads the implementation of the regions long-term Economic Development Strategy for Te Tai Tokerau (Te Rerenga) » Facilitates the Tai Tokerau Economic Action Plan (TTNEAP) for the region » Provides economic development intelligence and insights » Assists with project management and delivery of economic response activities

Enabler 3 – Māori Economic Development (“Āe Mārika”!)

Objectives	Activities
Assist strategic partners in the Māori Economic Development economy with their high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those with whom we partner with for delivery.	<ul style="list-style-type: none"> » Support tangata whenua to develop and implement their own visions and economic development plans » Partner with Māori organisations to deliver services to Māori businesses » Connect into existing local and national Māori Economic Development activity and strategies that will support Te Tai Tokerau
Respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori.	<ul style="list-style-type: none"> » Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment, business growth and completion of economic development projects
Implement of our internal capability pathway – He Korowai Manawanui – a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.	<ul style="list-style-type: none"> » Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth » Build a competent team (Northland Inc and partners) that operates as Te Tiriti based partners to support iwi, hapu, whānau and pakihi in achieving their economic development goals » Engage with MBIE on the continual improvement of the RBP delivery into the Māori economy

Enabler 4 – Environmental Sustainability

Objectives	Activities
Help prepare Northland businesses to reduce their emissions by partnering to provide support and practical programmes; and take an environmental sustainability focus when assessing all active projects.	<ul style="list-style-type: none"> » Support Northland businesses to meet climate adaptation targets set by Central Government through access to appropriate information and tools » Partner to provide support to Northland businesses with practical programmes » Use an environmental sustainability focus for all active projects » Assessing the environmental aspirations of businesses and projects

- » Utilise Te Ao Māori/Mātauranga Māori in environment/ sustainability Kaupapa
- » Have environmentally sustainable business practices within Northland Inc

Enabler 5 – Partnerships

Objectives	Activities
Develop and nurture high trust partnerships across the region with those who have the capability to positively impact economic development outcomes across Te Tai Tokerau.	» Develop and maintain high trust partnerships with stakeholders who impact economic development outcomes across Te Tai Tokerau
Northland Inc is a trusted and valuable organisation to partner with that develops initiatives that have visible and measurable impact and generates positive economic development outcomes.	» Northland Inc is embedded within a network of relationships that bring capabilities and contributions to key projects with shared interests
Expand these partnerships leading to increased opportunities and resilience, creating a stronger, interconnected region.	» Partnership activity spread across Central Government, Local Government, business communities, investors and other stakeholders

Enabler 6 – Organisational Culture and Capability

Objectives	Activities
Uphold an internal culture where our team are respectful and supportive of one another; our histories, our whānau, and our aspirations.	» Have quality resource that supports capability uplift in staff skills
Our culture is supportive, encouraging and positive - supporting our people and their livelihoods.	» Capability to deploy impact or surge capacity in times of crisis or emergency response and have a strong network of operational partners that can activate as opportunity or needs arise
Our capability is performance focused, fit for purpose and within resource available.	» Well-connected across the region; understands our local economy and employs highly skilled networked people
	» Attract, retain and grow appropriate talent aligned to our culture and capability needs
	» Culture of being performance and outcome driven, encouraging professional development, and personal wellbeing

Draft key performance measures¹

Strategic priority 1 – Investment and Infrastructure

How we will measure	2024/25	2025/26	2026/27
Number of inward delegations hosted	3	3	3
Number of projects actively managed within the investment pipeline	10	10	10
Number of potential revenue generation opportunities fully investigated	1	1	1
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	4	4

Strategic priority 2 – Tuputupu Grow Northland

How we will measure	2024/25	2025/26	2026/27
Projects assisted through stages of growth	6	6	6
Number of meaningful engagements and relationships with landowners, businesses, stakeholder that lead to and support positive outcomes	80	80	80
Number of engagements or established relationships with iwi/hapu groups and other organisations that lead to a positive outcome	8	8	8
Projects supported to project implementation	3	3	3
Number of businesses and landowners that as a result of engagement are exploring, developing, leading and delivering on change activity	20	20	20
Number of Māori organisations that as a result of engagement are exploring, developing leading and delivering on change activity	4	4	4

¹ Key performance measures are not specifically set for Enablers 5 and 6 as these are covered by KPIS for other areas.

Strategic priority 3 – Tourism and Destination Management

How we will measure	2024/25	2025/26	2026/27
Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1	1	1
Number of actions under implementation from the Destination Management Plan	6	7	8
Number of engagements or established relationships with iwi/hapu groups and other organisations that lead to a positive outcome	8	8	8

Enabler 1 – Innovation and Enterprise

How we will measure	2024/25	2025/26	2026/27
Number of unique businesses assisted (reporting by TA and industry)	250	250	250
Proportion of those businesses assisted that are Māori (by TA and industry)	35%	40%	45%
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	NPS>50	NPS>50	NPS>50
Value of grant funding and investment facilitated for Māori businesses	\$130k	\$140k	\$150k

Enabler 2 – Advocacy and Brand

How we will measure	2024/25	2025/26	2026/27
Number of regional economic development updates or reports released	6	6	6
Number of media features that profile the region	24	24	24
Number of media activity that references Northland Inc	52	52	52

Enabler 3 – Māori Economic Development (“Āe Mārika”!)

How we will measure	2024/25	2025/26	2026/27
Number of iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. actively supported	18	20	22
Proportion of Māori organisations that are satisfied with Northland Inc support	>80%	>85%	>90%

Enabler 4 – Environmental Sustainability

How we will measure	2024/25	2025/26	2026/27
Number of businesses and organisations supported to improve their climate resilience journey	20	30	40
Proportion of projects funded through Project Development that have identified their pathway to low emissions	80%	100%	100%

Regional Software Holdings Limited

RSHL is the Shared Services organisation of Te Uru Kahika.² All 16 Regional and Unitary Councils in New Zealand are customers of RSHL.

RSHL delivers a wide range of Digital, Operational and Financial programmes, on behalf of Te Uru Kahika, and participating councils.

Over the 2023 financial year RSHL has taken a leap forward towards the vision of providing high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

In November 2022, RSHL completed the process started on 3 August 2021 when the RCEOs Group approved the business case for the creation of a Regional Sector Shared Services organization based on RSHL.

The restructure of RSHL into the Te Uru Kahika Shared Services organisation is complete. RSHL has a new constitution and shareholders agreement. Nine councils are currently shareholders of RSHL with others imminent. The new share structure makes it simple, low risk and low cost for additional councils to join.

Along with the original 6 founding shareholders, we welcome Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders. We anticipate more councils becoming shareholders in the next year.

As part of the new constitution, RSHL directors are elected and retire by rotation. The process to elect an inaugural board of eight for the new entity concluded at a special general meeting on 23 February 2023.

As part of the transformation of the company, our staff establishment has grown from 2 to 8 staff, including the Regional Sector Office staff and the EMAR/LAWA Project Manager.

Financially the company is in a healthy position, with a year-to-date surplus of \$955K against a budgeted loss of \$326K. The favourable position is largely due to timing differences in the planned expenditure for work programmes.

The Integrated Regional Information System (IRIS) programme is RSHLs longest running programme. The six member councils developed a software solution (IRIS) for regional council specific functions. Hawkes Bay Regional Council also uses IRIS. The programme has been in place for nearly 10 years and has been a remarkable success. Overall, we expect that the IRIS Activity will continue to operate slightly favourable to budget and with reduced member contributions as the product is managing into retirement.

In September, the IRIS NextGen Partnership agreement was signed by RSHL and 9 councils. IRIS NextGen will provide the replacement for the IRIS product in use at 7 councils but has a bigger goal of delivering game-changing productivity improvements to the sector, achieved through alignment around consistent good practice processes, supported by fit for purpose software. The development of good-practice processes and the build of the underpinning software product are progressing to plan and preparations are underway for the pilot implementation at Otago Regional Council starting July 2024.

Datacom have been selected as our partner for the implementation of IRIS NextGen, with an offering based on their ERP platform "Datascape" and professional services to support the development of good practice process.

RSHL also operates the Sector Financial Management System (SFMS) on behalf of Te Uru Kahika. Under this agreement, RSHL supports a range of sector work programmes and projects. RSHL manages funding collected from the sector to support shared sector activities, as well and providing project management support.

The Sector Financial Management System allows RSHL to further achieve its vision "To provide a high-quality shared service for the regional council sector (and associated agencies) that delivers value to customers, shareholders and the sector."

RSHL continues to extend the services and value it provides to Te Uru Kahika.

The Sector Financial Management System is also favourable to budget with a surplus of \$330K versus a budget a loss of \$847. This difference is purely driven by the timing of SFMS expenditure. It should be noted that any surplus remaining at the end of the financial year will be refunded to councils or allocated to FY24 programmes at the discretion of the RCEOs Group.

Notably 42% of the revenue collected for the SFMS in FY23 came from central government. This funding was provided in support of work in the Essential Freshwater Programme, EMAR, iwi capability building and spatial projects. This investment from central government is an endorsement of the work of Te Uru Kahika, as well as the operating model that RSHL provides to the sector.

Te Uru Kahika is a local government success story that will continue to evolve and grow. RSHL and the shareholding councils can be proud of the role that we are playing in enabling this success.

In this period Malcolm Nicolson, Jane Carroll, John Crane, Heather Mabin and Amy Kubrycht resigned as board members. We thank them for their service to the

² Te Uru Kahika is the collective of the 16 regional councils and unitary authorities that make up the regional sector.

organisation. We particularly note John Cranes contribution to RSHL, first as the General Manager and more recently as a director for a period of four years.

We also acknowledge former director Malcolm Nicolson who was made a Member of the New Zealand Order of Merit in the Kings Birthday honours for his services to local government and the community.

The shareholding of the Company as at 30 June 2023 is as follows.

Shareholding

Organisation	Class A (Control) Shares	Class B (IRIS) Shares
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400
Bay of Plenty Regional Council	1	
Gisborne District Council	1	
Hawkes Bay Regional Council	1	

Our council's experience

For Northland, the increasing focus on collaboration to projects continues to bring together the best ideas, practices and experiences into solutions that are fit for purpose, perform well and achieve more through working together for the sector.

Statement of Intent and performance targets

The following performance measures were incorporated into the Statement of Intent for the 2022/23 financial year.

Non-financial	1 July 2022 - 30 June 2023																																													
With participating councils, define and agree milestones for the IRIS NextGen Programme.	<p>Achieved - The Partnership Agreement for IRIS NextGen was executed in September. This sets the overarching structure of the programme.</p> <p>The milestones for the programme were endorsed by the Steering Group in November 2022 and are documented in the Programme Plan.</p>																																													
Undertake an annual survey of IRIS users and shareholder/customer Councils in relation to product performance, Datacom support and RSHL support.	<p>Achieved - This survey was completed in June 2023 to ensure that all councils were on the latest version of the IRIS Software.</p> <p>4 councils completed the customer survey. Results were markedly better across all categories for RSHL and Datacom service performance.</p>																																													
Provide a summary of the survey results in the annual report, including performance against the baseline.																																														
Survey results to be the same or better than the previous year.	<div><p>Rating RSHL Performance</p><table><thead><tr><th>Category</th><th>2019</th><th>2020</th><th>2021</th><th>2023</th></tr></thead><tbody><tr><td>Communication</td><td>3.83</td><td>3.83</td><td>4</td><td>4.5</td></tr><tr><td>Vendor Management</td><td>3.4</td><td>3.83</td><td>4.17</td><td>4.5</td></tr><tr><td>Facilitating collaboration around product development</td><td>3.83</td><td>3.67</td><td>3.86</td><td>4.25</td></tr><tr><td>Facilitating knowledge sharing around the IRIS product</td><td>3.5</td><td>3.17</td><td>3.5</td><td>3.75</td></tr></tbody></table></div> <div><p>Rating Datacom Performance</p><table><thead><tr><th>Category</th><th>2019</th><th>2020</th><th>2021</th><th>2023</th></tr></thead><tbody><tr><td>Quality of software developed</td><td>2.9</td><td>3.7</td><td>3.7</td><td>3.75</td></tr><tr><td>Quality of user support</td><td>3</td><td>3.3</td><td>4.3</td><td>4.5</td></tr><tr><td>Leadership around the IRIS programme</td><td>2.7</td><td>3.8</td><td>3.9</td><td>4.25</td></tr></tbody></table></div> <p><i>In these results the scale is 1-Very Poor, 2-Poor, 3-Neutral, 4-Good, 5-Outstanding</i></p> <p>83 Continuous or Frequent users of IRIS responded to the user surveys. Compared to previous years, results were mixed (within the margin of error) but still generally favourable. For “IRIS provides me the information I need” and “IRIS supports me to do my job”. Results for “Speed of the IRIS application” were well down, but this issue was limited to one council, with users at other councils reporting speed improvements.</p>	Category	2019	2020	2021	2023	Communication	3.83	3.83	4	4.5	Vendor Management	3.4	3.83	4.17	4.5	Facilitating collaboration around product development	3.83	3.67	3.86	4.25	Facilitating knowledge sharing around the IRIS product	3.5	3.17	3.5	3.75	Category	2019	2020	2021	2023	Quality of software developed	2.9	3.7	3.7	3.75	Quality of user support	3	3.3	4.3	4.5	Leadership around the IRIS programme	2.7	3.8	3.9	4.25
Category	2019	2020	2021	2023																																										
Communication	3.83	3.83	4	4.5																																										
Vendor Management	3.4	3.83	4.17	4.5																																										
Facilitating collaboration around product development	3.83	3.67	3.86	4.25																																										
Facilitating knowledge sharing around the IRIS product	3.5	3.17	3.5	3.75																																										
Category	2019	2020	2021	2023																																										
Quality of software developed	2.9	3.7	3.7	3.75																																										
Quality of user support	3	3.3	4.3	4.5																																										
Leadership around the IRIS programme	2.7	3.8	3.9	4.25																																										
Prepare and adopt the annual IRIS development roadmap by 30 June for delivery in the subsequent year.	<p>Achieved - The roadmap is constantly reviewed by the IRIS Advisory Group. It was last presented to the board in June 2023.</p>																																													
Major IRIS Enhancement projects are completed within approved budget or (for items in progress) on track against their agreed timeline and budget at 30 June of each year.	<p>Achieved - The MAJ058 IRIS data migration project definition phase was completed under budget - the budget for the project was \$69K, with the total invoiced \$65K.</p> <p>On track</p> <p>As at 30 June 2023 the following projects are on track:</p> <ul style="list-style-type: none">» MAJ059 IRIS Data Migration Base Platform» MAJ060 IRIS Data Migration Base Templates» MAJ061 IRIS Data Migration - Loading Data																																													

	The outputs of this work will be a platform for migration of data from IRIS to Datascope (IRIS NextGen) and tools to identify data issues and cleanse, export and transform the data.									
Budgets for IRIS support and minor enhancements are approved by the Board by 30 June each year and delivery within these budgets is effectively managed by the Advisory Group and the General Manager.	<p>Achieved – Budgets were approved via the Statement of Intent Process in June 2023.</p> <p>Both support and development were under budget at year end.</p> <table><tr><th>Category</th><th>Expenditure \$000s</th><th>Budget \$000s</th></tr><tr><td>Develop</td><td>\$100</td><td>\$140</td></tr><tr><td>Support</td><td>\$211</td><td>\$222</td></tr></table>	Category	Expenditure \$000s	Budget \$000s	Develop	\$100	\$140	Support	\$211	\$222
Category	Expenditure \$000s	Budget \$000s								
Develop	\$100	\$140								
Support	\$211	\$222								
Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.	<p>Achieved– RSHL has effectively managed the SFMS.</p> <p>Revenue is well ahead of plan, due to significant funding provided by central government. Expenditure is consistent with the amounts documented in the SFMS Briefing Paper.</p> <p>RSHL held 30 service contracts on behalf of Te Uru Kahika over this financial year.</p> <p>\$8.9M dollars of funding was collected for sector work programmes including \$5.3M from central government. The support from central government highlights the value of the SFMS as a focus point for funding.</p>									
Effectively support the activities of the Regional Sector through the Regional Sector Office.	<p>Achieved - Over the first part of the year the Executive Policy Advisors focussed on coordinating sector submissions to a raft of central government proposals including:</p> <ul style="list-style-type: none">» Resource management reform legislation» The Future for Local Government Review» Freshwater farm plan regulations» Water services legislation» LGOIMA amendments <p>The policy advisors also coordinated the preparation of induction material for incoming Elected Members.</p> <p>With the election of new Chairs and Mayors in October 2022 the Office also undertook a review of the Sector’s priorities and work programmes for the 23/24 year and beyond.</p> <p>The Regional Sector SIG Network Administrator has taken responsibility for coordinating the RCEOs meetings along with the induction sessions for incoming mayors and chairs, this is in addition to normal duties.</p> <p>The Chief Science Advisor has focussed on:</p> <ul style="list-style-type: none">» Implementation of several initiatives that enhance the coordinated vision for regional sector science, build relationships with key internal and external parties, and champion the regional sector’s science capability and capacity;» Establishment of channels for sector science input into Resource Management reform;» Embedding of science input into the regional sector’s newly established Climate Group;» Promoting the role and interests of the regional sector in current reform of the New Zealand science system.									
Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager.	<p>Achieved – The Workplan and Budget for this year was endorsed by the EMAR SG in late 2021/22 FY and formally signed off on the 8th of July 2023.</p> <p>EOFY status - work has been delivered within available budget.</p> <p><u>Workstream activities:</u></p> <p>Ongoing – EMAR and LAWA Strategies to inform longer-term direction</p> <p>Complete - All planned updates and upgrades to existing topics</p> <p>In train – development of a new topic ‘Actions for Healthy Waterways’</p>									
Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	<p>Achieved – Under the SFMS and ReCoCo programmes, RSHL supports the delivery of the following projects:</p> <ul style="list-style-type: none">» Environmental Data Programme» Sector Reference Model Engagement Project» N-Cap Implementation									

	<ul style="list-style-type: none"> » INFDP Programme » Essential Freshwater Implementation » Freshwater Farm Plans Implementation.
	<p>RSHL ensured appropriate project management controls were in place for each project.</p> <p>RSHL also managed the funding for the following sector programmes:</p> <ul style="list-style-type: none"> » LIDAR PGF Programme Manager » WellsNZ » Retrolens
Financial	1 July 2022 - 30 June 2023
RSHL will operate within approved budget, with any material variations approved by the Board.	<p>Achieved – RSHL is operating within approved operating budgets for all programmes.</p> <p>In November, the Board approved a variation to the budget approved in the SOI, to reflect the additional revenue and expenditure from the IRIS NextGen Implementation Programme, which started in September 2022. The budget for this programme was not confirmed when the SOI was approved.</p>
Annual charges for shareholders and customers to be at level approved by the Board and councils based upon the approved operating budget and budgets.	Achieved - All charges have been the same or less that approved by the respective programmes.
Growth	1 July 2022 - 30 June 2023
Monitor the regional council sector market and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	<p>Achieved – In November, RSHL welcomed Bay of Plenty Regional Council, Gisborne District Council and Hawkes Bay Regional Council as shareholders.</p> <p>Additional councils will join when and if they are able, including Otago Regional Council which signed a deed of accession in July 2023.</p>
Work with the Regional Sector SIG Network to develop shared service opportunities.	<p>Achieved - The Partnership agreement for IRIS NextGen was executed in September.</p> <p>In addition, RSHL is supporting the Essential Freshwater Programme to deliver the Integrated National Farm Data Platform.</p> <p>RSHL is supporting the Environmental Data Group and Digital Solutions Group to deliver the Environmental Data Management System.</p>
<p>Engage with councils in the regional sector to increase the scope of the usage of IRIS NextGen.</p> <p>The objective is to increase the number of councils using the solution, and the breadth of the solution in use.</p>	<p>Achieved - The Partnership Agreement for IRIS NextGen was executed in September with 9 councils committing to the programme (two more that use IRIS).</p> <p>For the remainder of this year the focus will be on fully establishing the programme and planning the implementation schedule for the 9 participating councils.</p>

It should be noted that the achievement of some of the above performance targets are dependent on decisions to be made by parties over which the board of directors has limited influence.

Subsidiary organisations

Marsden Maritime Holdings Limited

Northland Regional Council owns 53.61% (22.1 million shares) of the issued capital of Marsden Maritime Holdings Limited, which is presently 41,300,651 ordinary shares of 35 cents each. The balance of shares is held by the public and Ports of Auckland, and all shares are listed on the New Zealand Stock Exchange.

The council reviews its shareholding in Marsden Holdings Limited and the Northport shares held by it during the triennial review of its strategic plan.

As a listed company, Marsden Maritime Holdings Limited is not required to publish a statement of corporate intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations provisions of the Local Government Act 2002.

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