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Making sense of the numbers

Rates affordability in the Far North

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Rates as a percentage (%) of gross household income



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1 Introduction

The Far North District Council (FNDC) commissioned Business and Economic Research Limited (BERL) to conduct data analysis of rates affordability across the Far North District and prepare a report outlining rates affordability issues.

1.1 Scope of the report

BERL provided the FNDC with an analysis of the prevalence of rates unaffordability and affordability across the District, for eight different constructed household types. We constructed typical household types based on the residential properties in the Far North. It should be noted that the report only looked at residential rates. Establishing affordability at a commercial level is not feasible and was not considered. BERL determined the median, lower quartile and upper quartile household affordability for the District, as well as smaller geographic areas within the District.

1.2 Rates as a funding mechanism

The Local Government (Rating) Act (LGRA) came into effect in 2002, authorising local and regional authorities to set, assess, and collect rates to fund local government activities. A key aim of the LGRA is to establish clarity, certainty, and stability in rating matters.

The three main purposes of the LGRA are:

- To provide local authorities with flexible powers to set, assess, and collect rates
- To ensure rates reflect decisions made in a transparent and consultative manner
- To provide for processes and information to ensure ratepayers can identify and understand their liability for rates.¹

Funding mechanisms, as set out in the LGRA, including general rates, such as value based general rates or uniform annual general charges (UAGC), and targeted rates, allow local and regional authorities to raise revenue from the community as a whole. As well as those who use or generate need for a service or amenity, or specified groups or categories of ratepayers. These funding tools and their manner of collection, determines the cost of local services and affects affordability of services for individual households.

1.3 Affordability

Affordability in the context of rates has two aspects:

- The cost relative to income (and wealth to the extent that wealth can be converted into income)
- The ability of ratepayers to earn greater income in the future from the spending of the rates, e.g. investment in infrastructure that will allow an individual to earn higher incomes in the future.

Sustainability can be defined as the ability to meet present needs without compromising the needs of future generations. Sustainability represents an extended definition of affordability in the sense that sustainability introduces a longer timeframe in which the issues of fairness and risk must be considered. Within this report, we will explore the cost of rates relative to income.

¹ [http://www.localcouncils.govt.nz/lqip.nsf/wpg_url/Policy-Local-Government-Legislation-Local-Government-\(Rating\)-Act-2002](http://www.localcouncils.govt.nz/lqip.nsf/wpg_url/Policy-Local-Government-Legislation-Local-Government-(Rating)-Act-2002) Retrieved 22 November 2018

Local and regional authorities within New Zealand have a strong reliance on property rates as a taxing instrument, and this may create some affordability issues particularly for households with low or fixed incomes, such as superannuitants, or high property values. Affordability issues may also arise where households are facing financial adversity due to the portion of income spent on housing costs, including rates. Therefore, districts with high levels of low incomes or fixed incomes, will generally face issues regarding affordability. Changes in demographics, i.e. aging populations and changes in household composition, may likewise have implications on affordability.²

The Local Government Funding Review stated:

“Basing rates on the value of property means that for some individuals with reasonably valuable property but limited income, paying rates can cause financial strain. All councils will have some ratepayers in this situation, even if all the issues outlined (rating differentials and statutory rating exemptions) are addressed, and rates are set at a level that is reasonable and affordable for the majority of the community”.³

Concerns about the impact of rates increases on low-income households led to the establishment of The Local Government Rates Inquiry (the Inquiry) in 2007. The resulting report, known as the Shand Report after the Chair David Shand, concluded that rates affordability was the ability to pay rates without serious economic difficulty. The inquiry noted that in 2004, the average rates paid by households represented 2.51 percent for all groups and although there are likely to be pockets of affordability in all types of household, they did not consider rates affordability was a problem for the average household. As an approximate benchmark, affordability concerns will arise where rates exceed five percent of gross household income.⁴

The report also suggested that particular household types will demonstrate rates affordability issues:

- Households in the lowest 40 percent of incomes
- One parent households with children
- One person households
- Households whose principal source of income is New Zealand Superannuation.

These households predominantly have low or fixed incomes.

Consequently, we have used the affordability benchmarks of:

- Rates as a percentage of gross household income, where affordability issues are likely to arise when rates exceed five percent.

To indicate rates affordability issues in each of the tables in this report, we have highlighted every table row grey, where total rates exceed five percent of the household's gross income.

² *Local government funding and financing: Issues Paper* (2018). New Zealand Productivity Commission

³ *Local Government Funding Review – a discussion paper* (2015). National Council of Local Government New Zealand

⁴ *Funding Local Government* (2007). Wellington: Department of Internal Affairs

1.4 Household types

Eight household types were used in this report. The following household types were derived from a case study report on rates affordability in agreement with Far North District Council (FNDC):

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult earning average wage
- Single adult with two children, in receipt of Sole Parent Support
- Single adult with two children, earning average wage
- Couple with two children, one adult earning average wage
- Couple with two children, two adults earning average wage
- Couple with no children at home, two adults earning average wage (based in Auckland).

For all case study households, we compared the differences between lower, median and high quartile rates within each of the following areas:

- Total Far North District
- Te Hiku Ward
- Bay of Islands – Whangaroa Ward
- Kaikohe-Hokianga Ward
- Smaller areas (Kerikeri, Kaikohe, Opononi and Omapere, Kaitaia, Ahipara, Russell, Paihia, and Karikari Peninsula).

Rates figures include all local and regional rates, included targeted rates, and have a breakdown of local authority and FNDC values.

1.5 Data sources

The data in this report has been collected from the following sources:

- Statistics New Zealand (StatsNZ)
 - 2018 Census
 - Household Labour Force Survey (income module), June 2019
- Inland Revenue Department
- Ministry of Social Development
- Far North District Council.

Data on household income within each local authority for each type of household was used.

1.6 Methodology

A rates affordability model was built for each of the wards in the Far North. Within each model the income has been calculated separately for the eight household types from section 1.4.

The affordability of the relevant combined local and regional rates at the lower quartile, median and high quartile were then assessed against gross income.

1.7 Assumptions and limitations

A number of assumptions and limitations were made, and these are described in the following sub-sections.

1.7.1 Income data

As shown in Table 1, the Northland region had the sixth lowest average weekly income for employed people aged between 20 and 65 years of age, at \$1,150, as at June 2019. This is \$86 lower than the New Zealand average of \$1,236, or just over \$4,500 annually. The average weekly income for people aged between 20 and 65 years of age has been used because this fits with the five household types analysed in this report.

Table 1 Average weekly income for employed between 20 and 65 years of age, all regions, 2019

Region	Average weekly income 2019 (\$)
Northland Region	1,150
Auckland Region	1,307
Waikato Region	1,188
Bay of Plenty Region	1,153
Gisborne/Hawkes Bay Regions	1,113
Taranaki Region	1,117
Manawatu-Wanganui Region	1,083
Wellington Region	1,363
Nelson/Tasman/Marlborough/West Coast Regions	1,102
Canterbury Region	1,221
Otago Region	1,083
Southland Region	1,234
New Zealand	1,236

The figures in the table are regional figures, so to estimate the average weekly earnings for employed people in the Far North District requires a number of adjustments as noted below.

For cases where wages and salary were the assumed source of income, the June 2019 weekly average individual income for people aged between 20 and 65, from the Household Labour Force Survey has been used. To calculate the annual average individual incomes, this weekly average individual income has been multiplied by 52, which does assume that effectively every employed member of the household is on a fixed salary rather than an hourly wage.

In addition, because the Household Labour Force Survey can only provide regional income, the Northland Region average income has been used. Finally we have used the average employed individual income, and total individual income from 2018 Census data to find the ratio between the overall Northland region average employed income to the Far North District Council average

employed income. As well as the individual ward and smaller locations average employed income. This allowed the model to adjust the June 2019 average income data to more fairly represent the Far North District Council area, the individual wards and the smaller locations within the District.

For example:

Northland regional average weekly income (June 2019) for employed people aged between 20 and 65 years of age = \$1,150 per week.

Multiplying this weekly figure by 52 yielded the Northland regional average annual income for employed people aged between 20 and 65 years of age = \$59,777.

Taking the Far North District council average income as at the 2018 Census: \$42,931 and dividing it by the Northland regional average income as at the 2018 Census: \$47,194 yield the following income adjustment factor = 0.91.

Multiplying the adjustment factor by the annual regional average income yielded an average annual income for employed people aged between 20 and 65 years of age = \$54,378.

New Zealand Superannuation data used for single and married people on superannuation, and Sole Parent Support rates are accurate at 1 April 2019.

1.7.2 Rates data

FNDC supplied the rating data for the rating year 2019/20, inclusive of GST. The following rating information for 41,064 rating units within the District was provided:

- Unique identifier code
- Capital value
- Land value
- Land use description / Rating category
- Ward location
- FNDC fixed rates
- FNDC targeted rates
- Northland Regional Council (NRC) fixed rates
- NRC targeted rates
- Total assessed rates
- Non-rateable flag
- Location of property owner (inside or outside of the District).

Using this information, we removed all non-residential properties as identified using the land use description/rating category variable. This left 22,762 initial residential property rating units within the District.

BERL undertook a number of steps to ensure that every residential property used in the final calculation phase met the following criteria:

- Had both FNDC and NRC rates assessed for the rating unit
- Had a ward location (Te Hiku Ward, Kaikohe-Hokianga Ward, or Bay of Islands-Whangaroa Ward)

- Did not have a non-rateable flag assigned to it; this flag indicates that the flagged property does not receive a rates bill
- Did not have a residential-special accommodation, residential-public communal-licensed, residential-public communal-unlicensed, residential-communal residence dependant or other use, or residential-vacant land use description. These rating units cannot be categorised as a standard dwelling for a household to reside in, being comprised of rest homes, motels, hotels, college accommodation, or vacant land.

This process ensured that each residential property included in the rating affordability assessment had a dwelling that a household could reside in, had rating information that could be used to assess rating affordability, and fitted into the standard residential property category.

Therefore, the following steps were undertaken to ensure each property met the criteria above:

- Removal of all properties with a non-rateable flag indicator
- Removal of all properties with non FNDC and NRC rates assessed for them
- Removal of all properties with a residential-special accommodation, residential-public communal-licensed, residential-public communal-unlicensed, residential-communal residence dependant or other use, or residential-vacant land use description
- Removal of all properties without a ward location (Te Hiku Ward, Kaikohe-Hokianga Ward, or Bay of Islands-Whangaroa Ward).

Removal of these properties resulted in 17,446 of the original 22,762 residential properties being usable for the rating affordability assessment. As part of the assessment, BERL identified residential properties flagged as having owners living inside the District, as well those residential properties flagged as having owners living outside the District. Out of the 17,446 residential properties, 13,083 were flagged as having owners living inside the District, while 4,363 were flagged as having owners living outside the District.

The last step, undertaken prior to the assessment, was to identify those properties listed with multiple dwellings, and to adjust the total rates for the number of dwellings on the property. For example, a rating unit with two dwellings had their FNDC and NRC rates divided by two for assessing rating affordability, as it would be reasonable to assume that two different families could be living in the two dwellings. To do this BERL undertook the following steps:

- Assumed that rating units with land use descriptions of residential-bach and residential-single unit (other than bach) only had a single dwelling on the rating unit. This covers 16,600 of the residential properties
- For the 846 properties with the land use description of residential-multi unit and residential-multi use, the top 100 properties in terms of total rates were manually investigated by BERL to determine the total number of dwellings present on each rating unit
- Analysis of the remaining 746 properties revealed that rating units with a capital value in excess of \$200,000 higher than their land value generally had two dwellings on the rating unit, while those with a capital value lower than \$200,000 higher than their land value, generally only had one dwelling on the rating unit. Therefore, BERL has assumed that the 561 rating units with a capital value in excess of \$200,000 higher than their land value had two dwellings, and that the 185 rating units with a capital value lower than \$200,000 higher than their land value had only one dwelling.

For each of the eight household types, BERL determined the median, lower quartile and upper quartile properties of each of four locations (Total, Te Hiku Ward, Kaikohe-Hokianga Ward, and Bay of Islands-Whangaroa Ward) and compared their FNDC, NRC, and total rates against gross income.

1.7.3 Household data

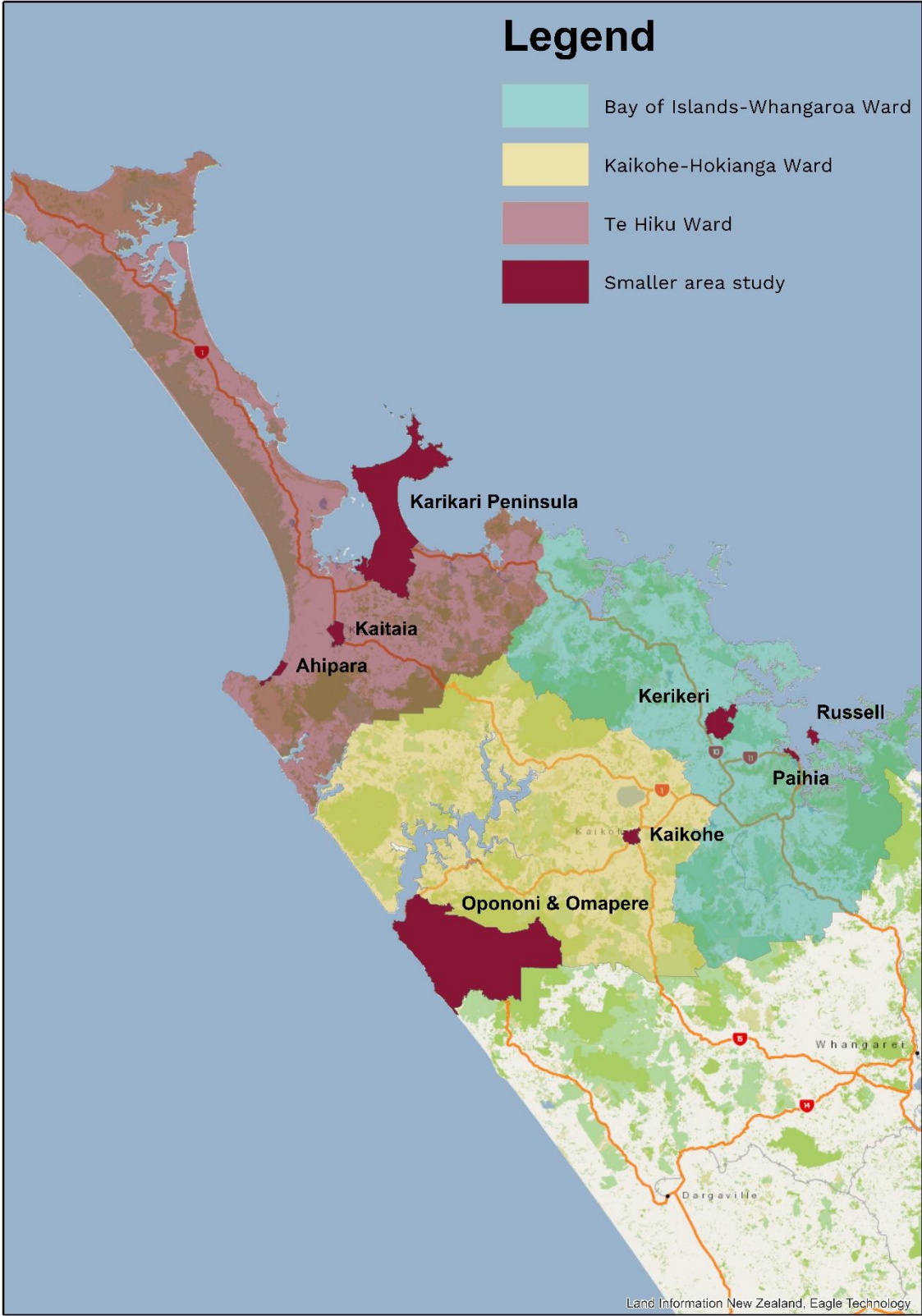
The 2018 Census data provided the number of households by household type. This information was used for the types of households, except for those households normally resident in Auckland, who own secondary houses in the Far North District. The Census is focussed on people's main residences, there is no information on secondary homes available from the Census.

Therefore, to estimate the number of households in this eighth household type, we examined the number of empty dwellings across the District as well as the three wards and eight smaller areas, from the 2018 Census. Empty dwellings in the Census are dwellings in which no one is a usual resident. These dwellings include those rented long-term but not currently occupied, those that are rented to short-term occupiers, those that are secondary homes, and other empty dwellings.

To derive an estimate of the eighth household type (two working adults, based in Auckland), BERL has combined the number of empty dwellings in an area, with information on the location of Airbnb and other short-term rentals, and information from the Far North District Council on the locations of dwellings owned by those outside the District. 2018 Household counts by household type for the Far North District, and the three wards can be found in section 4 of this report.

2 Map of Far North District areas

Figure 1 Map of Far North District study areas



3 Total Far North District

The Far North District is the northern most territorial authority District of New Zealand, consisting of the northern part of the Northland Peninsula in the North Island. It stretches from North Cape and Cape Reinga in the north, down to the Bay of Islands, Hokianga and the town of Kaikohe.

Overall BERL analysed the rates affordability for 17,446 residential properties in the Far North District.

There were a significant number of households with rates affordability issues in the Far North District. These were:

- Single superannuitant with no other income
- Married superannuitants with no other income
- Single adult with two children in receipt of Sole Parent Support households.

These households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels. For example, the average household income for a single superannuitant with no other income was \$24,722, if the superannuitant was paying rates at the lower quartile (\$2,113 as shown in Table 2), then Table 3 shows that 8.5 percent of their income was spent on rates. If the superannuitant was paying rates at the upper quartile (\$2,985 as shown in Table 2), the superannuitant would be spending 12.1 percent of their income on rates (Table 3).

The upper quartile for single adult earning average wage, single adult with two children, earning average wage, and couple with two children, one adult earning average wage households exceed five percent of gross household income. Whereas, couple with two children, two adults earning average wage and couple with no children at home, two adults earning average wage households do not have any categories in excess of five percent of gross household income.

The highest upper quartile for total rates levels is 15.1 percent for single adult with two children in receipt of Sole Parent Support households. Not surprisingly, the lowest upper quartile is 2.3 percent for couple with no children at home, two adults earning average wages households.

The minimum rates payable in the Far North District is \$141 and the maximum is \$25,211. This explains the difference between the median rates value (\$2,512) and the average rates value (\$2,622).

As stated in section 1.7.2, to indicate rates affordability issues in each of the tables in this report it is highlighted in grey.

Far North District average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$54,378
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$54,378
- Couple with two children, one adult earning average wage - \$54,378

- Couple with two children, two adults earning average wage - \$108,756
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 2 Rates payable, Far North District

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	1,841	272	2,113
Median	2,215	297	2,512
Upper Quartile	2,728	257	2,985

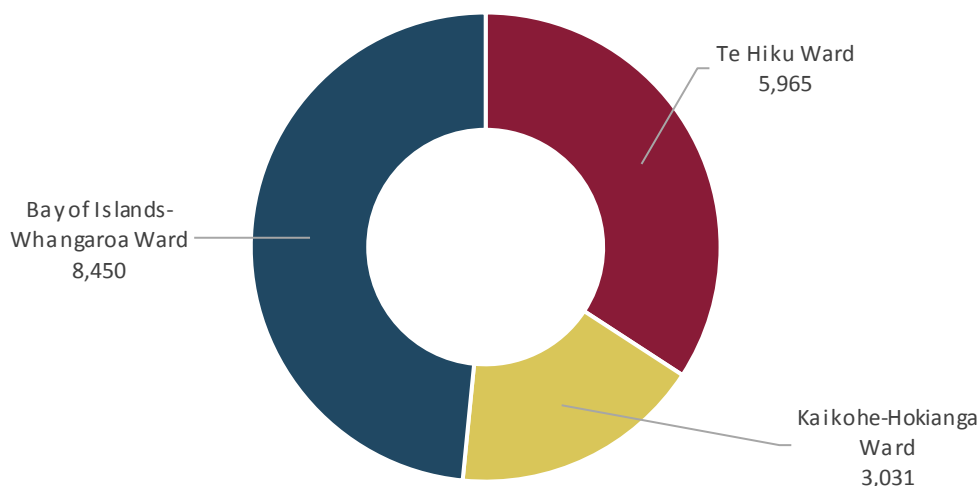
Table 3 Total rates as a percentage of gross income by household type, Far North District

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	7.4	1.1	8.5
	Median	9.0	1.2	10.2
	Upper Quartile	11.0	1.0	12.1
Married superannuitant, no other income	Lower Quartile	4.9	0.7	5.6
	Median	5.9	0.8	6.7
	Upper Quartile	7.3	0.7	8.0
Single working person (no kids)	Lower Quartile	3.4	0.5	3.9
	Median	4.1	0.5	4.6
	Upper Quartile	5.0	0.5	5.5
Single adult, two children, on benefit	Lower Quartile	9.1	1.3	10.4
	Median	11.0	1.5	12.4
	Upper Quartile	13.5	1.3	14.8
Single adult, two children, employed	Lower Quartile	3.4	0.5	3.9
	Median	4.1	0.5	4.6
	Upper Quartile	5.0	0.5	5.5
Couple, two children, one employed	Lower Quartile	3.4	0.5	3.9
	Median	4.1	0.5	4.6
	Upper Quartile	5.0	0.5	5.5
Couple, two children, both employed	Lower Quartile	1.7	0.3	1.9
	Median	2.0	0.3	2.3
	Upper Quartile	2.5	0.2	2.7
Two working adults, based in Auckland	Lower Quartile	1.4	0.2	1.6
	Median	1.6	0.2	1.8
	Upper Quartile	2.0	0.2	2.2

4 Ratepayer and household counts

As noted in section 3, BERL analysed the rates affordability for 17,446 residential properties in the Far North District. Figure 2 below provides a breakdown of that overall number by ward. As shown in the table the largest share of ratepayer properties were located in the Bay of Islands-Whangaroa Ward (48 percent), followed by Te Hiku Ward (34 percent), and finally with the smallest share of properties is the Kaikohe-Hokianga Ward (17 percent).

Figure 2 Ratepayer count by ward, 2018



In order to provide household counts for each of the eight household types examined in this report, BERL provided an estimate of the number of households per household type.

In 2018, the Far North District had a usual resident population of 65,250, living in 22,773 households, or around 2.9 people per household. As shown in Table 4 the seven usual resident household types examined in this report comprise 8,433 households or 37 percent of total households. The largest individual household types are married superannuitants with 3,060 households, followed by single superannuitants with 2,544.

It should be noted that the 14,085 remaining households cover a wide range of household types, including superannuitant still working; single adults with one child, or three or more; couples with no children, one child, or three or more; and single adults flatting with others. Lastly, the 763 households of two working adults, based in Auckland are not included in the total household counts for the Far North District. This is because these households are usually resident in Auckland, not the Far North District.

Table 4 Household counts by household type, Far North District, 2018

Household type	Household count	Percentage of total
Single superannuitant, no other income	2,471	10.9
Married superannuitant, no other income	2,961	13.0
Single working person (no kids)	1,504	6.6
Single adult, two children, on benefit	409	1.8
Single adult, two children, employed	102	0.4
Couple, two children, one employed	749	3.3
Couple, two children, both employed	1,123	4.9
Remaining households	13,442	59.1
Total occupied households	22,761	100.0
Two working adults, based in Auckland	763	

Table 5 Household counts by household type, Far North District, 2013 and 2018

Household type	Household count 2013	Household count 2018	Percentage change
Single superannuitant, no other income	2,302	2,471	7.3
Married superannuitant, no other income	2,731	2,961	8.4
Single working person (no kids)	1,408	1,504	6.8
Single adult, two children, on benefit	384	409	6.5
Single adult, two children, employed	96	102	6.5
Couple, two children, one employed	695	749	7.7
Couple, two children, both employed	1,043	1,123	7.7
Remaining households	13,987	13,442	-3.9
Total occupied households	22,646	22,761	0.5
Two working adults, based in Auckland	1,178	763	-35.2

5 Conclusion

The data analysis of rates affordability in the Far North District highlighted that particular household types will have rates affordability issues and that these households predominantly have low or fixed incomes.

The following households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels in each of the areas:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult with two children, in receipt of Sole Parent Support.

As affordability issues are likely to arise when rates exceed five percent, these households likely face rates affordability issues.

There were many other pockets of rates affordability issues across the areas and the household types, these household types were usually:

- Single adult earning average wage
- Single adult with two children, earning average wage
- Couple with two children, one adult earning average wage.

Whereas the following households did not have rates affordability issues in any of the areas:

- Couple with two children, two adults earning average wage
- Couple with no children at home, two adults earning average wage (based in Auckland).

6 Impact of COVID-19

The sudden onset of the COVID-19 pandemic will have had a profound effect on the Far North District economy, as well as across New Zealand. Unfortunately there is a significant lag time before this can be seen in the official statistics. However, we expect economic activity to slow over the next few years, followed in all probability by a sluggish recovery to 2030. In the short term, the Far North District economy will have falling GDP and rising unemployment, which will result in a decrease in household income and consumer spending. This will have a significant impact upon wellbeing and the community. The ongoing effects on jobs, income and wellbeing will persist for years to come.

COVID-19 has, and will continue to, impact upon the role of central and local government. As household and businesses' spending decreases, it will be left for government to underpin spending and provide confidence in future plans. Continued spending and a focus on the four wellbeings (social, economic, environmental, and cultural) will improve outcomes for people and communities. The impact of COVID-19 has caused local authorities across the country to reassess their long term planning assumptions and documents in an environment of extreme uncertainty. As COVID-19 increases uncertainty, it is paramount that the wellbeing kaupapa remains unchanged.

The social services sector is the largest employer in the Far North District; people employed in the social services sector will be largely insulated against the impact of COVID-19. The primary sector is also a large employer. The primary sector has been deemed essential services, enabling these businesses to continue to operate throughout the COVID-19 lockdown. It is likely that people employed in the primary sector will also be reasonably insulated against the impact of COVID-19.

However, the retail and accommodation sector is likely to face severe challenges in the coming years which may result in increasing unemployment. As the retail and accommodation sector is another large employer in the Far North District, this will cause a significant loss in terms of jobs, income and ultimately negatively impact upon wellbeing. The tourism industry is already feeling the weight of COVID-19 through a drastic drop in revenue. The wage subsidy has helped save jobs in the short-term. However, this is a short-term solution and uncertainty remains about the long-term future of these jobs.

The impact on employment and income may affect people's ability to pay rates. We are aware of pressures across many councils to hold rates increases. We must advise that this kicking the can down the road is likely to jeopardise the delivery of future services. This will act directly against the kaupapa of ensuring the wellbeing (across all four dimensions) of current and future generations. We understand the need to put a realistic Long Term Plan (LTP) together, but the use of deferred payment schemes (rather than zero rates increases) should be explored. Similarly, the use of debt funding should be explored (as should a revision of the debt-ceiling constraint) – given the likelihood of incredibly low interest rates for the foreseeable future. Further, alternative funding mechanisms from central government should be actively pursued (together with LGNZ). Conversely, an untowardly narrow perspective on protecting Council finances will be reflected in deficits across other wellbeing domains – as has been experienced in recent years.

Appendix A Household counts by ward

Table 6 provides the estimated household counts for the Te Hiku, Kaikohe-Hokianaga, and the Bay of Islands-Whangaroa wards, respectively. As shown in the table the Bay of Islands-Whangaroa Ward has the largest number of households with 10,746, with the Te Hiku Ward having the second largest number of households with 7,089, while the Kaikohe-Hokianaga Ward has 4,938 households.

Table 6 Household counts by household type, wards, 2018

Household type	Te Hiku Ward	Kaikohe-Hokianga Ward	Bay of Islands-Whangaroa Ward
Single superannuitant, no other income	744	528	1,199
Married superannuitant, no other income	793	557	1,611
Single working person (no kids)	437	376	691
Single adult, two children, on benefit	118	111	179
Single adult, two children, employed	30	28	45
Couple, two children, one employed	196	172	381
Couple, two children, both employed	293	259	571
Remaining households	4,418	4,190	6,222
Total occupied households	7,029	6,221	10,899
Two working adults, based in Auckland	182	140	442

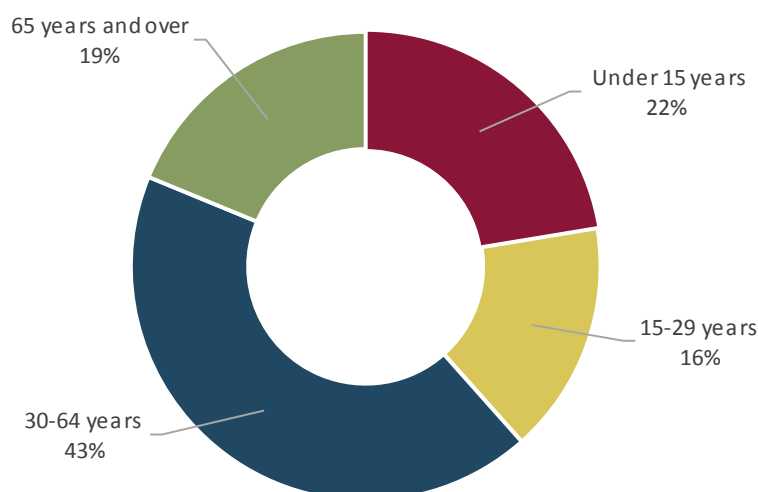
Table 7 Percentage share of households by household type, wards, 2018

Household type	Te Hiku Ward	Kaikohe-Hokianga Ward	Bay of Islands-Whangaroa Ward
Single superannuitant, no other income	10.6	8.5	11.0
Married superannuitant, no other income	11.3	9.0	14.8
Single working person (no kids)	6.2	6.0	6.3
Single adult, two children, on benefit	1.7	1.8	1.6
Single adult, two children, employed	0.4	0.4	0.4
Couple, two children, one employed	2.8	2.8	3.5
Couple, two children, both employed	4.2	4.2	5.2
Remaining households	62.9	67.4	57.1
Total occupied households	100.0	100.0	100.0
Two working adults, based in Auckland			

Appendix B Te Hiku Ward

Te Hiku Ward is the ward at the top of the Far North District as shown in Figure 1. For our analysis, we have examined 5,965 residential properties. The largest proportion of these residential properties by age group were those aged between 30 and 64 years (43 percent).

Figure 3 Percentage by broad age groups, Te Hiku Ward, 2018



Again, the following households face rates affordability issues as these households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult with two children, earning average wage.

The upper quartile is 5.3 percent for single adult earning average wage, single adult with two children, earning average wage, and couple with two children, one adult earning average wage households. Therefore, these groups may face rates affordability issues also.

For example, the average household income for a single adult with two children, in receipt of Sole Parent Support was \$24,722. As the average rates cost was \$2,588 (Table 8), this would be 12.8 percent of their income (Table 9).

There were no significant outliers (minimum is \$197 and maximum is \$7,870) and therefore a small variance between the median (\$2,588) and the average (\$2,524).

Te Hiku Ward average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$52,213

- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$52,213
- Couple with two children, one adult earning average wage - \$52,213
- Couple with two children, two adults earning average wage - \$104,425
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 8 Rates payable, Te Hiku Ward

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	2,095	218	2,313
Median	2,334	254	2,588
Upper Quartile	2,502	260	2,762

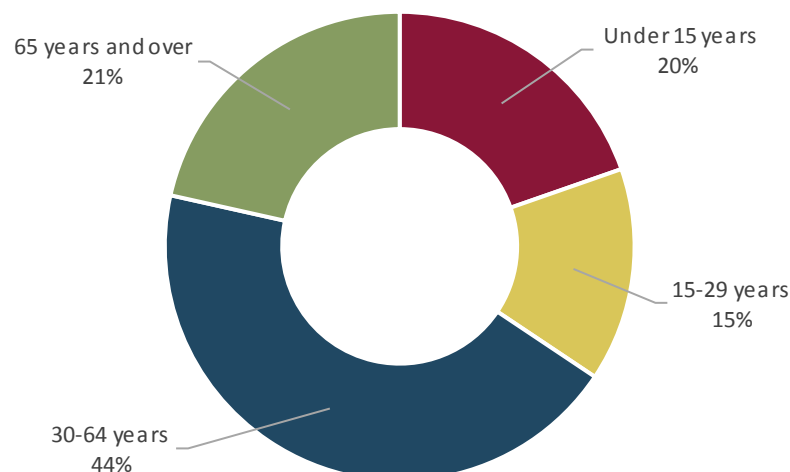
Table 9 Total rates as a percentage of gross income by household type, Te Hiku Ward

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.5	0.9	9.4
	Median	9.4	1.0	10.5
	Upper Quartile	10.1	1.1	11.2
Married superannuitant, no other income	Lower Quartile	5.6	0.6	6.2
	Median	6.2	0.7	6.9
	Upper Quartile	6.7	0.7	7.4
Single working person (no kids)	Lower Quartile	4.0	0.4	4.4
	Median	4.5	0.5	5.0
	Upper Quartile	4.8	0.5	5.3
Single adult, two children, on benefit	Lower Quartile	10.4	1.1	11.4
	Median	11.5	1.3	12.8
	Upper Quartile	12.4	1.3	13.7
Single adult, two children, employed	Lower Quartile	4.0	0.4	4.4
	Median	4.5	0.5	5.0
	Upper Quartile	4.8	0.5	5.3
Couple, two children, one employed	Lower Quartile	4.0	0.4	4.4
	Median	4.5	0.5	5.0
	Upper Quartile	4.8	0.5	5.3
Couple, two children, both employed	Lower Quartile	2.0	0.2	2.2
	Median	2.2	0.2	2.5
	Upper Quartile	2.4	0.2	2.6
Two working adults, based in Auckland	Lower Quartile	1.5	0.2	1.7
	Median	1.7	0.2	1.9
	Upper Quartile	1.8	0.2	2.0

Appendix C Bay of Islands-Whangaroa Ward

Bay of Islands-Whangaroa Ward is the eastern ward of the Far North District. For our analysis, we have examined 8,450 residential properties. Again, those aged between 30 and 64 years old make up the biggest percentage of these residential properties.

Figure 4 Percentage by broad age groups, Bay of Island-Whangaroa Ward, 2018



Households that fall under the following categories face rates affordability issues:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult with two children, in receipt of Sole Parent Support.

These households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels.

The highest upper quartile percentage was 15.8 percent for single adults with two children, in receipt of Sole Parent Support. This means that they are paying 15.8 percent of their income (\$20,223) on rates at the upper quartile (\$3,205 in Table 10).

The maximum rates payable was \$25,211, while the minimum is \$355. Therefore, there was some variance between the median (\$2,673) and the average (\$2,815).

Bay of Islands-Whangaroa Ward average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$59,897
- Single adult with two children, in receipt of Sole Parent Support - \$20,223

- Single adult with two children, earning average wage - \$59,897
- Couple with two children, one adult earning average wage - \$59,897
- Couple with two children, two adults earning average wage - \$119,793
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 10 Rates payable, Bay of Islands-Whangaroa Ward

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	1,898	276	2,174
Median	2,437	236	2,673
Upper Quartile	2,937	267	3,205

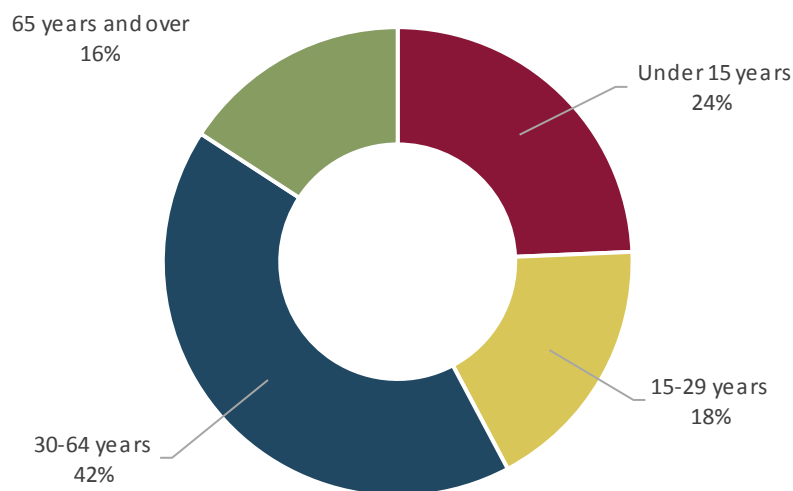
Table 11 Total rates as a percentage of gross income by household type, Bay of Islands-Whangaroa Ward

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	7.7	1.1	8.8
	Median	9.9	1.0	10.8
	Upper Quartile	11.9	1.1	13.0
Married superannuitant, no other income	Lower Quartile	5.1	0.7	5.8
	Median	6.5	0.6	7.1
	Upper Quartile	7.8	0.7	8.5
Single working person (no kids)	Lower Quartile	3.2	0.5	3.6
	Median	4.1	0.4	4.5
	Upper Quartile	4.9	0.4	5.4
Single adult, two children, on benefit	Lower Quartile	9.4	1.4	10.8
	Median	12.0	1.2	13.2
	Upper Quartile	14.5	1.3	15.8
Single adult, two children, employed	Lower Quartile	3.2	0.5	3.6
	Median	4.1	0.4	4.5
	Upper Quartile	4.9	0.4	5.4
Couple, two children, one employed	Lower Quartile	3.2	0.5	3.6
	Median	4.1	0.4	4.5
	Upper Quartile	4.9	0.4	5.4
Couple, two children, both employed	Lower Quartile	1.6	0.2	1.8
	Median	2.0	0.2	2.2
	Upper Quartile	2.5	0.2	2.7
Two working adults, based in Auckland	Lower Quartile	1.4	0.2	1.6
	Median	1.8	0.2	2.0
	Upper Quartile	2.2	0.2	2.4

Appendix D Kaikohe-Hokianga Ward

Kaikohe-Hokianga Ward is the western ward of the Far North District. For our analysis, we have examined 3,031 residential properties. Of these residential properties, 16 percent are aged 65 years and over, 42 percent are aged between 30 and 64 years, 18 percent between 15 and 29 years, and 24 percent under 15 years.

Figure 5 Percentage by broad age groups, Kaikohe-Hokianga Ward, 2018



Even though there were less rates affordability issues in this ward, single superannuitant with no other income and single adult with two children, in receipt of Sole Parent Support households still had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels.

Married superannuitant with no other income; single working person (no kids); single adult employed with two children; and couple with one employed and two children households did not have rates in excess of five percent of gross household income in the lower quartile. However their median and upper quartile still exceeded five percent. For example, the average household income for married superannuitants with no other income is \$37,484. If they are paying median rates of \$2,434 (Table 12), then they are spending 6.5 percent of their income on rates (Table 13).

In Kaikohe-Hokianga the average (\$2,275) was below the median (\$2,434). The minimum was \$141 and the maximum is \$8,991.

Kaikohe-Hokianga Ward average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$46,585
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$46,585

- Couple with two children, one adult earning average wage - \$46,585
- Couple with two children, two adults earning average wage - \$93,170
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 12 Rates payable, Kaikohe-Hokianga Ward

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	1,397	241	1,638
Median	2,198	235	2,434
Upper Quartile	2,272	226	2,499

Table 13 Total rates as a percentage of gross income by household type, Kaikohe-Hokianga Ward

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	5.7	1.0	6.6
	Median	8.9	1.0	9.8
	Upper Quartile	9.2	0.9	10.1
Married superannuitant, no other income	Lower Quartile	3.7	0.6	4.4
	Median	5.9	0.6	6.5
	Upper Quartile	6.1	0.6	6.7
Single working person (no kids)	Lower Quartile	3.0	0.5	3.5
	Median	4.7	0.5	5.2
	Upper Quartile	4.9	0.5	5.4
Single adult, two children, on benefit	Lower Quartile	6.9	1.2	8.1
	Median	10.9	1.2	12.0
	Upper Quartile	11.2	1.1	12.4
Single adult, two children, employed	Lower Quartile	3.0	0.5	3.5
	Median	4.7	0.5	5.2
	Upper Quartile	4.9	0.5	5.4
Couple, two children, one employed	Lower Quartile	3.0	0.5	3.5
	Median	4.7	0.5	5.2
	Upper Quartile	4.9	0.5	5.4
Couple, two children, both employed	Lower Quartile	1.5	0.3	1.8
	Median	2.4	0.3	2.6
	Upper Quartile	2.4	0.2	2.7
Two working adults, based in Auckland	Lower Quartile	1.0	0.2	1.2
	Median	1.6	0.2	1.8
	Upper Quartile	1.7	0.2	1.8

Appendix E Smaller areas within the Far North District

In addition to determining the rates affordability for the Far North District and its three main wards, we examined eight smaller areas within the wards which could be clearly defined within the rating unit database provided by FNDC. The eight smaller areas examined were:

- Kerikeri
- Kaikohe
- Opononi and Omapere
- Kaitaia
- Ahipara
- Paihia
- Russell
- Karikari Peninsula.

For each of the eight smaller areas, BERL examined the number of rating units owned by people living inside the District compared to the number of rating units owned by people living outside the District. For the first five areas listed above the number of units owned by people living outside the District were insufficient for analysis. Therefore, for these five areas (Kerikeri, Kaikohe, Opononi and Omapere, Kaitaia, and Ahipara) we only analysed the rating affordability of all residential properties.

For the three remaining areas (Paihia, Russell, and Karikari peninsula) there were sufficient rating units in both categories to warrant analysis. Therefore, for these three areas we examined the rating affordability of rating units split into two groups, those owned by people living in the District and those owned by people living outside the District.

Kerikeri

Kerikeri had rates affordability issues in the following categories:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult with two children, in receipt of Sole Parent Support.

There were also rates affordability issues for those in the upper quartile of the following categories:

- Single adult earning average wage
- Single adult with two children, earning average wage
- Couple with two children, one adult earning average wage.

Kerikeri average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$59,102
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$59,102
- Couple with two children, one adult earning average wage - \$59,102
- Couple with two children, two adults earning average wage - \$118,205
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 14 Rates payable, Kerikeri

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	1,938	279	2,217
Median	2,190	282	2,472
Upper Quartile	2,672	316	2,988

Table 15 Total rates as a percentage of gross income by household type, Kerikeri

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	7.8	1.1	9.0
	Median	8.9	1.1	10.0
	Upper Quartile	10.8	1.3	12.1
Married superannuitant, no other income	Lower Quartile	5.2	0.7	5.9
	Median	5.8	0.8	6.6
	Upper Quartile	7.1	0.8	8.0
Single working person (no kids)	Lower Quartile	3.3	0.5	3.8
	Median	3.7	0.5	4.2
	Upper Quartile	4.5	0.5	5.1
Single adult, two children, on benefit	Lower Quartile	9.6	1.4	10.9
	Median	10.8	1.4	12.2
	Upper Quartile	13.1	1.6	14.7
Single adult, two children, employed	Lower Quartile	3.3	0.5	3.8
	Median	3.7	0.5	4.2
	Upper Quartile	4.5	0.5	5.1
Couple, two children, one employed	Lower Quartile	3.3	0.5	3.8
	Median	3.7	0.5	4.2
	Upper Quartile	4.5	0.5	5.1
Couple, two children, both employed	Lower Quartile	1.6	0.2	1.9
	Median	1.9	0.2	2.1
	Upper Quartile	2.3	0.3	2.5
Two working adults, based in Auckland	Lower Quartile	1.4	0.2	1.6
	Median	1.6	0.2	1.8
	Upper Quartile	2.0	0.2	2.2

Kaikohe

Again, single superannuitant with no other income, married superannuitant with no other income, single adult with two children, in receipt of Sole Parent Support households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels. These households therefore face rates affordability issues. In addition for Kaikohe the single adult earning average wage, single adult with two children, earning average wage, and couple with two children, one adult earning average wage also had rates affordability issues across lower quartile, median, and upper quartile total rates levels.

Kaikohe average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$44,894

- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$44,894
- Couple with two children, one adult earning average wage - \$44,894
- Couple with two children, two adults earning average wage - \$89,788
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 16 Rates payable, Kaikohe

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	2,157	219	2,376
Median	2,226	223	2,450
Upper Quartile	2,255	225	2,480

Table 17 Total rates as a percentage of gross income by household type, Kaikohe

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.7	0.9	9.6
	Median	9.0	0.9	9.9
	Upper Quartile	9.1	0.9	10.0
Married superannuitant, no other income	Lower Quartile	5.8	0.6	6.3
	Median	5.9	0.6	6.5
	Upper Quartile	6.0	0.6	6.6
Single working person (no kids)	Lower Quartile	4.8	0.5	5.3
	Median	5.0	0.5	5.5
	Upper Quartile	5.0	0.5	5.5
Single adult, two children, on benefit	Lower Quartile	10.7	1.1	11.7
	Median	11.0	1.1	12.1
	Upper Quartile	11.2	1.1	12.3
Single adult, two children, employed	Lower Quartile	4.8	0.5	5.3
	Median	5.0	0.5	5.5
	Upper Quartile	5.0	0.5	5.5
Couple, two children, one employed	Lower Quartile	4.8	0.5	5.3
	Median	5.0	0.5	5.5
	Upper Quartile	5.0	0.5	5.5
Couple, two children, both employed	Lower Quartile	2.4	0.2	2.6
	Median	2.5	0.2	2.7
	Upper Quartile	2.5	0.3	2.8
Two working adults, based in Auckland	Lower Quartile	1.6	0.2	1.7
	Median	1.6	0.2	1.8
	Upper Quartile	1.7	0.2	1.8

Opononi and Omapere

The Opononi and Omapere area had significant rates affordability issues. The following categories had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult earning average wage
- Single adult with two children, in receipt of Sole Parent Support
- Single adult with two children, earning average wage
- Couple with two children, one adult earning average wage.

There are only two categories which do not have rates affordability issues, these categories involve two adults earning average wage.

Opononi and Omapere average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$44,094
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$44,094
- Couple with two children, one adult earning average wage - \$44,094
- Couple with two children, two adults earning average wage - \$88,189
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 18 Rates payable, Opononi and Omapere

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	2,555	259	2,814
Median	3,060	249	3,309
Upper Quartile	3,238	261	3,499

Table 19 Total rates as a percentage of gross income by household type, Opononi and Omapere

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	10.3	1.0	11.4
	Median	12.4	1.0	13.4
	Upper Quartile	13.1	1.1	14.2
Married superannuitant, no other income	Lower Quartile	6.8	0.7	7.5
	Median	8.2	0.7	8.8
	Upper Quartile	8.6	0.7	9.3
Single working person (no kids)	Lower Quartile	5.8	0.6	6.4
	Median	6.9	0.6	7.5
	Upper Quartile	7.3	0.6	7.9
Single adult, two children, on benefit	Lower Quartile	12.6	1.3	13.9
	Median	15.1	1.2	16.4
	Upper Quartile	16.0	1.3	17.3
Single adult, two children, employed	Lower Quartile	5.8	0.6	6.4
	Median	6.9	0.6	7.5
	Upper Quartile	7.3	0.6	7.9
Couple, two children, one employed	Lower Quartile	5.8	0.6	6.4
	Median	6.9	0.6	7.5
	Upper Quartile	7.3	0.6	7.9
Couple, two children, both employed	Lower Quartile	2.9	0.3	3.2
	Median	3.5	0.3	3.8
	Upper Quartile	3.7	0.3	4.0
Two working adults, based in Auckland	Lower Quartile	1.9	0.2	2.1
	Median	2.3	0.2	2.4
	Upper Quartile	2.4	0.2	2.6

Kaitaia

Kaitaia has rates affordability issues; there were six categories with rates in excess of five percent of gross household income across lower, median and high quartile total rates levels. These categories were as follows:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult earning average wage
- Single adult with two children, in receipt of Sole Parent Support
- Single adult with two children, earning average wage
- Couple with two children, one adult earning average wage.

There were only two categories which did not have rates affordability issues, these categories involve two adults earning average wage.

Kaitaia average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$46,076
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$46,076
- Couple with two children, one adult earning average wage - \$46,076
- Couple with two children, two adults earning average wage - \$92,151
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 20 Rates payable, Kaitaia

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	2,141	281	2,422
Median	2,083	545	2,628
Upper Quartile	2,152	550	2,702

Table 21 Total rates as a percentage of gross income by household type, Kaitia

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.7	1.1	9.8
	Median	8.4	2.2	10.6
	Upper Quartile	8.7	2.2	10.9
Married superannuitant, no other income	Lower Quartile	5.7	0.7	6.5
	Median	5.6	1.5	7.0
	Upper Quartile	5.7	1.5	7.2
Single working person (no kids)	Lower Quartile	4.6	0.6	5.3
	Median	4.5	1.2	5.7
	Upper Quartile	4.7	1.2	5.9
Single adult, two children, on benefit	Lower Quartile	10.6	1.4	12.0
	Median	10.3	2.7	13.0
	Upper Quartile	10.6	2.7	13.4
Single adult, two children, employed	Lower Quartile	4.6	0.6	5.3
	Median	4.5	1.2	5.7
	Upper Quartile	4.7	1.2	5.9
Couple, two children, one employed	Lower Quartile	4.6	0.6	5.3
	Median	4.5	1.2	5.7
	Upper Quartile	4.7	1.2	5.9
Couple, two children, both employed	Lower Quartile	2.3	0.3	2.6
	Median	2.3	0.6	2.9
	Upper Quartile	2.3	0.6	2.9
Two working adults, based in Auckland	Lower Quartile	1.6	0.2	1.8
	Median	1.5	0.4	1.9
	Upper Quartile	1.6	0.4	2.0

Ahipara

Ahipara has one of the widest ranges in terms of rates affordability, with a range of between 1.8–16.1 percent. Single adult with two children, in receipt of Sole Parent Support had the highest upper quartile of 16.1 percent, while two working adults based in Auckland had the lowest upper quartile of 2.4 percent.

Again, single superannuitant with no other income, married superannuitant with no other income, and single adult with two children, in receipt of Sole Parent Support households had rates affordability issues. Each of these categories had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels.

Ahipara average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$57,938
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$57,938
- Couple with two children, one adult earning average wage - \$57,938
- Couple with two children, two adults earning average wage - \$115,877
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 22 Rates payable, Ahipara

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Lower Quartile	2,162	240	2,402
Median	2,392	255	2,647
Upper Quartile	2,962	293	3,255

Table 23 Total rates as a percentage of gross income by household type, Ahipara

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.7	1.0	9.7
	Median	9.7	1.0	10.7
	Upper Quartile	12.0	1.2	13.2
Married superannuitant, no other income	Lower Quartile	5.8	0.6	6.4
	Median	6.4	0.7	7.1
	Upper Quartile	7.9	0.8	8.7
Single working person (no kids)	Lower Quartile	3.7	0.4	4.1
	Median	4.1	0.4	4.6
	Upper Quartile	5.1	0.5	5.6
Single adult, two children, on benefit	Lower Quartile	10.7	1.2	11.9
	Median	11.8	1.3	13.1
	Upper Quartile	14.6	1.4	16.1
Single adult, two children, employed	Lower Quartile	3.7	0.4	4.1
	Median	4.1	0.4	4.6
	Upper Quartile	5.1	0.5	5.6
Couple, two children, one employed	Lower Quartile	3.7	0.4	4.1
	Median	4.1	0.4	4.6
	Upper Quartile	5.1	0.5	5.6
Couple, two children, both employed	Lower Quartile	1.9	0.2	2.1
	Median	2.1	0.2	2.3
	Upper Quartile	2.6	0.3	2.8
Two working adults, based in Auckland	Lower Quartile	1.6	0.2	1.8
	Median	1.8	0.2	1.9
	Upper Quartile	2.2	0.2	2.4

Russell

Across the categories and levels those who live outside Russell tend to have greater rates affordability issues. The highest upper quartile was for single adult with two children, in receipt of Sole Parent Support from outside Russell (23.2 percent).

The following categories have rates affordability issues across the lower quartile, median and upper quartile:

- Single superannuitant with no other income, both resident owners and non-resident owners
- Married superannuitant with no other income, both resident owners and non-resident owners
- Single adult with two children, in receipt of Sole Parent Support, both resident owners and non-resident owners.

The following categories have rates affordability issues in the median and upper quartile categories, but not the lower quartile:

- Single adult earning average wage, both resident owners and non-resident owners
- Single adult with two children, earning average wage, both resident owners and non-resident owners
- Couple with two children, one adult earning average wage, both resident owners and non-resident owners.

Russell average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$62,591
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$62,591
- Couple with two children, one adult earning average wage - \$62,591
- Couple with two children, two adults earning average wage - \$125,182
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 24 Rates payable, Russell

		FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Resident owners	Lower Quartile	1,996	280	2,276
	Median	3,101	282	3,382
	Upper Quartile	3,848	332	4,180
Non-resident owners	Lower Quartile	2,721	256	2,977
	Median	3,589	314	3,904
	Upper Quartile	4,337	364	4,702

Table 25 Total rates as a percentage of gross income by household type, resident owners, Russell

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.1	1.1	9.2
	Median	12.5	1.1	13.7
	Upper Quartile	15.6	1.3	16.9
Married superannuitant, no other income	Lower Quartile	5.3	0.7	6.1
	Median	8.3	0.8	9.0
	Upper Quartile	10.3	0.9	11.2
Single working person (no kids)	Lower Quartile	3.2	0.4	3.6
	Median	5.0	0.5	5.4
	Upper Quartile	6.1	0.5	6.7
Single adult, two children, on benefit	Lower Quartile	9.9	1.4	11.3
	Median	15.3	1.4	16.7
	Upper Quartile	19.0	1.6	20.7
Single adult, two children, employed	Lower Quartile	3.2	0.4	3.6
	Median	5.0	0.5	5.4
	Upper Quartile	6.1	0.5	6.7
Couple, two children, one employed	Lower Quartile	3.2	0.4	3.6
	Median	5.0	0.5	5.4
	Upper Quartile	6.1	0.5	6.7
Couple, two children, both employed	Lower Quartile	1.6	0.2	1.8
	Median	2.5	0.2	2.7
	Upper Quartile	3.1	0.3	3.3
Two working adults, based in Auckland	Lower Quartile	1.5	0.2	1.7
	Median	2.3	0.2	2.5
	Upper Quartile	2.8	0.2	3.1

Table 26 Total rates as a percentage of gross income by household type, non-resident owners, Russell

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	11.0	1.0	12.0
	Median	14.5	1.3	15.8
	Upper Quartile	17.5	1.5	19.0
Married superannuitant, no other income	Lower Quartile	7.3	0.7	7.9
	Median	9.6	0.8	10.4
	Upper Quartile	11.6	1.0	12.5
Single working person (no kids)	Lower Quartile	4.3	0.4	4.8
	Median	5.7	0.5	6.2
	Upper Quartile	6.9	0.6	7.5
Single adult, two children, on benefit	Lower Quartile	13.5	1.3	14.7
	Median	17.7	1.6	19.3
	Upper Quartile	21.4	1.8	23.2
Single adult, two children, employed	Lower Quartile	4.3	0.4	4.8
	Median	5.7	0.5	6.2
	Upper Quartile	6.9	0.6	7.5
Couple, two children, one employed	Lower Quartile	4.3	0.4	4.8
	Median	5.7	0.5	6.2
	Upper Quartile	6.9	0.6	7.5
Couple, two children, both employed	Lower Quartile	2.2	0.2	2.4
	Median	2.9	0.3	3.1
	Upper Quartile	3.5	0.3	3.8
Two working adults, based in Auckland	Lower Quartile	2.0	0.2	2.2
	Median	2.6	0.2	2.9
	Upper Quartile	3.2	0.3	3.5

Paihia

Rates affordability issues were substantial in Paihia. Households, both resident owners and non-resident owners of Paihia, had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels in most categories. These categories were:

- Single superannuitant with no other income
- Married superannuitant with no other income
- Single adult with two children, in receipt of Sole Parent Support
- Single adult earning average wage, outside of Paihia
- Single adult with two children, earning average wage, non-resident owners
- Couple with two children, one adult earning average wage, non-resident owners.

The following categories had rates affordability issues in the median and upper quartile categories, but not the lower quartile:

- Single adult earning average wage, resident owners
- Single adult with two children, earning average wage, resident owners
- Couple with two children, one adult earning average wage, resident owners.

Paihia average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$58,004
- Single adult with two children, in receipt of Sole Parent Support - \$20,223
- Single adult with two children, earning average wage - \$58,004
- Couple with two children, one adult earning average wage - \$58,004
- Couple with two children, two adults earning average wage - \$116,007
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 27 Rates payable, Paihia

		FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Resident owners	Lower Quartile	2,535	241	2,775
	Median	2,897	265	3,162
	Upper Quartile	3,265	289	3,554
Non-resident owners	Lower Quartile	2,724	253	2,978
	Median	3,093	278	3,370
	Upper Quartile	4,215	259	4,474

Table 28 Total rates as a percentage of gross income by household type, resident owners, Paihia

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	10.3	1.0	11.2
	Median	11.7	1.1	12.8
	Upper Quartile	13.2	1.2	14.4
Married superannuitant, no other income	Lower Quartile	6.8	0.6	7.4
	Median	7.7	0.7	8.4
	Upper Quartile	8.7	0.8	9.5
Single working person (no kids)	Lower Quartile	4.4	0.4	4.8
	Median	5.0	0.5	5.5
	Upper Quartile	5.6	0.5	6.1
Single adult, two children, on benefit	Lower Quartile	12.5	1.2	13.7
	Median	14.3	1.3	15.6
	Upper Quartile	16.1	1.4	17.6
Single adult, two children, employed	Lower Quartile	4.4	0.4	4.8
	Median	5.0	0.5	5.5
	Upper Quartile	5.6	0.5	6.1
Couple, two children, one employed	Lower Quartile	4.4	0.4	4.8
	Median	5.0	0.5	5.5
	Upper Quartile	5.6	0.5	6.1
Couple, two children, both employed	Lower Quartile	2.2	0.2	2.4
	Median	2.5	0.2	2.7
	Upper Quartile	2.8	0.2	3.1
Two working adults, based in Auckland	Lower Quartile	1.9	0.2	2.0
	Median	2.1	0.2	2.3
	Upper Quartile	2.4	0.2	2.6

Table 29 Total rates as a percentage of gross income by household type, non-resident owners, Paihia

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	11.0	1.0	12.0
	Median	12.5	1.1	13.6
	Upper Quartile	17.0	1.0	18.1
Married superannuitant, no other income	Lower Quartile	7.3	0.7	7.9
	Median	8.3	0.7	9.0
	Upper Quartile	11.2	0.7	11.9
Single working person (no kids)	Lower Quartile	4.7	0.4	5.1
	Median	5.3	0.5	5.8
	Upper Quartile	7.3	0.4	7.7
Single adult, two children, on benefit	Lower Quartile	13.5	1.3	14.7
	Median	15.3	1.4	16.7
	Upper Quartile	20.8	1.3	22.1
Single adult, two children, employed	Lower Quartile	4.7	0.4	5.1
	Median	5.3	0.5	5.8
	Upper Quartile	7.3	0.4	7.7
Couple, two children, one employed	Lower Quartile	4.7	0.4	5.1
	Median	5.3	0.5	5.8
	Upper Quartile	7.3	0.4	7.7
Couple, two children, both employed	Lower Quartile	2.3	0.2	2.6
	Median	2.7	0.2	2.9
	Upper Quartile	3.6	0.2	3.9
Two working adults, based in Auckland	Lower Quartile	2.0	0.2	2.2
	Median	2.3	0.2	2.5
	Upper Quartile	3.1	0.2	3.3

Karikari Peninsula

Again, both inside and outside of Karikari Peninsula, single superannuitant with no other income households, married superannuitants with no other income households, single adult with two children in receipt of Sole Parent Support households had rates in excess of five percent of gross household income across lower, median and high quartile total rates levels.

Karikari peninsula average household income by household composition

Household income for the following household types was used:

- Single superannuitant with no other income - \$24,722
- Married superannuitants with no other income - \$37,484
- Single adult earning average wage - \$55,184
- Single adult with two children, in receipt of Sole Parent Support - \$20,223

- Single adult with two children, earning average wage - \$55,184
- Couple with two children, one adult earning average wage - \$55,184
- Couple with two children, two adults earning average wage - \$110,367
- Couple with no children at home, two adults earning average wage (based in Auckland) - \$135,929.

Table 30 Rates payable, Karikari Peninsula

		FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Resident owners	Lower Quartile	2,163	237	2,400
	Median	2,360	311	2,670
	Upper Quartile	2,738	276	3,014
Non-resident owners	Lower Quartile	2,255	244	2,498
	Median	2,502	260	2,762
	Upper Quartile	2,997	293	3,290

Table 31 Total rates as a percentage of gross income by household type, resident owners, Karikari Peninsula

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	8.7	1.0	9.7
	Median	9.5	1.3	10.8
	Upper Quartile	11.1	1.1	12.2
Married superannuitant, no other income	Lower Quartile	5.8	0.6	6.4
	Median	6.3	0.8	7.1
	Upper Quartile	7.3	0.7	8.0
Single working person (no kids)	Lower Quartile	3.9	0.4	4.3
	Median	4.3	0.6	4.8
	Upper Quartile	5.0	0.5	5.5
Single adult, two children, on benefit	Lower Quartile	10.7	1.2	11.9
	Median	11.7	1.5	13.2
	Upper Quartile	13.5	1.4	14.9
Single adult, two children, employed	Lower Quartile	3.9	0.4	4.3
	Median	4.3	0.6	4.8
	Upper Quartile	5.0	0.5	5.5
Couple, two children, one employed	Lower Quartile	3.9	0.4	4.3
	Median	4.3	0.6	4.8
	Upper Quartile	5.0	0.5	5.5
Couple, two children, both employed	Lower Quartile	2.0	0.2	2.2
	Median	2.1	0.3	2.4
	Upper Quartile	2.5	0.3	2.7
Two working adults, based in Auckland	Lower Quartile	1.6	0.2	1.8
	Median	1.7	0.2	2.0
	Upper Quartile	2.0	0.2	2.2

Table 32 Total rates as a percentage of gross income by household type, non-resident owners, Karikari Peninsula

Household type		FNDC rates (%)	NRC rates (%)	Total rates (%)
Single superannuitant, no other income	Lower Quartile	9.1	1.0	10.1
	Median	10.1	1.1	11.2
	Upper Quartile	12.1	1.2	13.3
Married superannuitant, no other income	Lower Quartile	6.0	0.6	6.7
	Median	6.7	0.7	7.4
	Upper Quartile	8.0	0.8	8.8
Single working person (no kids)	Lower Quartile	4.1	0.4	4.5
	Median	4.5	0.5	5.0
	Upper Quartile	5.4	0.5	6.0
Single adult, two children, on benefit	Lower Quartile	11.1	1.2	12.4
	Median	12.4	1.3	13.7
	Upper Quartile	14.8	1.4	16.3
Single adult, two children, employed	Lower Quartile	4.1	0.4	4.5
	Median	4.5	0.5	5.0
	Upper Quartile	5.4	0.5	6.0
Couple, two children, one employed	Lower Quartile	4.1	0.4	4.5
	Median	4.5	0.5	5.0
	Upper Quartile	5.4	0.5	6.0
Couple, two children, both employed	Lower Quartile	2.0	0.2	2.3
	Median	2.3	0.2	2.5
	Upper Quartile	2.7	0.3	3.0
Two working adults, based in Auckland	Lower Quartile	1.7	0.2	1.8
	Median	1.8	0.2	2.0
	Upper Quartile	2.2	0.2	2.4

Appendix F Average rates assessment for all areas

Table 33 Median rates

	FNDC rates (\$)	NRC rates (\$)	Total rates (\$)
Far North District	2,215	297	2,512
Kaikohe-Hokianga Ward	2,198	235	2,434
Te Hiku Ward	2,334	254	2,588
Bay of Islands-Whangaroa Ward	2,437	236	2,673
Kaitaia	2,083	545	2,628
Ahipara	2,392	255	2,647
Karikari peninsula	2,473	258	2,732
Kaikohe	2,226	223	2,450
Opononi-Omapere	3,060	249	3,309
Kerikeri	2,190	282	2,472
Paihia	2,949	268	3,217
Russell	3,331	297	3,628

Table 34 Median rates as a percentage of gross income for single superannuitant with no other income for each area

Single superannuitant, no other income	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	9.0	1.2	10.2
Kaikohe-Hokianga Ward	8.9	1.0	9.8
Te Hiku Ward	9.4	1.0	10.5
Bay of Islands-Whangaroa Ward	9.9	1.0	10.8
Kaitaia	8.4	2.2	10.6
Ahipara	9.7	1.0	10.7
Karikari peninsula	10.0	1.0	11.0
Kaikohe	9.0	0.9	9.9
Opononi-Omapere	12.4	1.0	13.4
Kerikeri	8.9	1.1	10.0
Paihia	11.9	1.1	13.0
Russell	13.5	1.2	14.7

Table 35 Median rates as a percentage of gross income for married superannuitant with no other income for each area

Married superannuitant, no other income	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	5.9	0.8	6.7
Kaikohe-Hokianga Ward	5.9	0.6	6.5
Te Hiku Ward	6.2	0.7	6.9
Bay of Islands-Whangaroa Ward	6.5	0.6	7.1
Kaitaia	5.6	1.5	7.0
Ahipara	6.4	0.7	7.1
Karikari peninsula	6.6	0.7	7.3
Kaikohe	5.9	0.6	6.5
Opononi-Omapere	8.2	0.7	8.8
Kerikeri	5.8	0.8	6.6
Paihia	7.9	0.7	8.6
Russell	8.9	0.8	9.7

Table 36 Median rates as a percentage of gross income for single working person with no kids for each area

Single working person (no kids)	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	4.1	0.5	4.6
Kaikohe-Hokianga Ward	4.7	0.5	5.2
Te Hiku Ward	4.5	0.5	5.0
Bay of Islands-Whangaroa Ward	4.1	0.4	4.5
Kaitaia	4.5	1.2	5.7
Ahipara	4.1	0.4	4.6
Karikari peninsula	4.5	0.5	4.9
Kaikohe	5.0	0.5	5.5
Opononi-Omapere	6.9	0.6	7.5
Kerikeri	3.7	0.5	4.2
Paihia	5.1	0.5	5.5
Russell	5.3	0.5	5.8

Table 37 Median rates as a percentage of gross income for single working person with no kids for each area

Single adult, two children, on benefit	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	11.0	1.5	12.4
Kaikohe-Hokianga Ward	10.9	1.2	12.0
Te Hiku Ward	11.5	1.3	12.8
Bay of Islands-Whangaroa Ward	12.0	1.2	13.2
Kaitaia	10.3	2.7	13.0
Ahipara	11.8	1.3	13.1
Karikari peninsula	12.2	1.3	13.5
Kaikohe	11.0	1.1	12.1
Opononi-Omapere	15.1	1.2	16.4
Kerikeri	10.8	1.4	12.2
Paihia	14.6	1.3	15.9
Russell	16.5	1.5	17.9

Table 38 Median rates as a percentage of gross income for single working person with two children for each area

Single adult, two children, employed	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	4.1	0.5	4.6
Kaikohe-Hokianga Ward	4.7	0.5	5.2
Te Hiku Ward	4.5	0.5	5.0
Bay of Islands-Whangaroa Ward	4.1	0.4	4.5
Kaitaia	4.5	1.2	5.7
Ahipara	4.1	0.4	4.6
Karikari peninsula	4.5	0.5	4.9
Kaikohe	5.0	0.5	5.5
Opononi-Omapere	6.9	0.6	7.5
Kerikeri	3.7	0.5	4.2
Paihia	5.1	0.5	5.5
Russell	5.3	0.5	5.8

Table 39 Median rates as a percentage of gross income for a couple with two children and one adult worker for each area

Couple, two children, one employed	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	4.1	0.5	4.6
Kaikohe-Hokianga Ward	4.7	0.5	5.2
Te Hiku Ward	4.5	0.5	5.0
Bay of Islands-Whangaroa Ward	4.1	0.4	4.5
Kaitaia	4.5	1.2	5.7
Ahipara	4.1	0.4	4.6
Karikari peninsula	4.5	0.5	4.9
Kaikohe	5.0	0.5	5.5
Opononi-Omapere	6.9	0.6	7.5
Kerikeri	3.7	0.5	4.2
Paihia	5.1	0.5	5.5
Russell	5.3	0.5	5.8

Table 40 Median rates as a percentage of gross income for a couple, with two children who are employed for each area

Couple, two children, both employed	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	2.0	0.3	2.3
Kaikohe-Hokianga Ward	2.4	0.3	2.6
Te Hiku Ward	2.2	0.2	2.5
Bay of Islands-Whangaroa Ward	2.0	0.2	2.2
Kaitaia	2.3	0.6	2.9
Ahipara	2.1	0.2	2.3
Karikari peninsula	2.2	0.2	2.5
Kaikohe	2.5	0.2	2.7
Opononi-Omapere	3.5	0.3	3.8
Kerikeri	1.9	0.2	2.1
Paihia	2.5	0.2	2.8
Russell	2.7	0.2	2.9

Table 41 Median rates as a percentage of gross income for two working adults with no kids, based in Auckland for each area

Two working adults, based in Auckland	FNDC rates (%)	NRC rates (%)	Total rates (%)
Far North District	1.6	0.2	1.8
Kaikohe-Hokianga Ward	1.6	0.2	1.8
Te Hiku Ward	1.7	0.2	1.9
Bay of Islands-Whangaroa Ward	1.8	0.2	2.0
Kaitaia	1.5	0.4	1.9
Ahipara	1.8	0.2	1.9
Karikari peninsula	1.8	0.2	2.0
Kaikohe	1.6	0.2	1.8
Opononi-Omapere	2.3	0.2	2.4
Kerikeri	1.6	0.2	1.8
Paihia	2.2	0.2	2.4
Russell	2.5	0.2	2.7