

Draft Annual Plan

2013/14



Putting Northland first

YOUR PLACE, YOUR SAY

This plan sets out the council's budgets for the 2013/14 year's work programme and the rates required to fund it. We need to know if we've got it right, so get involved and tell us what you think.

SUBMISSIONS CLOSE at 3pm on Thursday 21 February 2013

There are several ways to have your say and make a submission:

- Do it online at www.nrc.govt.nz/haveyoursay
- Send an email to mailroom@nrc.govt.nz
- Write to us and post it to: Northland Regional Council, Draft Annual Plan submission, Freepost 139690, Private Bag 9021, Whāngārei 0148
- Fill in the submission form in this plan and post it or scan and email it to us
- Visit us at our regional council offices in Whāngārei, Ōpua, Dargaville or Kaitiāia and we'll record your submission.

Northland Regional Council offices

WHĀNGĀREI: 36 Water Street, Whāngārei;
Private Bag 9021, Whāngārei Mail Centre, Whāngārei 0148;
Phone 09 470 1200, Freephone 0800 002 004, Fax 09 470 1202.

ŌPUA: Unit 10, Ōpua Marine Park, Ōpua 0200;
Phone 09 402 7516, Fax 09 402 7510.

DARGAVILLE: 61B Victoria Street, Dargaville 0310;
Phone 09 439 3300, Fax 09 439 3301.

KAITĀIA: 192 Commerce Street, Kaitiāia 0410;
Phone 09 408 6600, Fax 09 408 6601.

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FACEBOOK: www.facebook.com/NorthlandRegionalCouncil

TWITTER: www.twitter.com/NRCExpress

www.nrc.govt.nz

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Message from Chairman and Chief Executive

With no immediate end in sight to the tough economic times Northlanders have endured for several years now, your councillors remain committed to keeping costs as low as possible while delivering services to you. This has been at the forefront of our minds in developing this Draft Annual Plan.

While our rates remain low compared to most other regions, we recognise this is little comfort to those still struggling with the recession's effects.

In our Long Term Plan 2012–2022, general rates for the coming year had been projected to increase by an average of 6.45%. However, given the ongoing tough times, we took a second, very critical look at our figures and have managed to trim this to a proposed average increase of just 3% under this Draft Annual Plan.

Despite some cost-cutting, we have not compromised on the level of services we deliver on behalf of the region, and we will continue to build our Investment and Growth Reserve to support the region's economic development. Our ability to do this has been aided in part by a higher-than-anticipated return on our investments last financial year – we're proposing most of this windfall goes straight into reducing your rates.

Under this Draft Annual Plan we plan to stick to core business and have driven hard to find cost savings within the services we deliver. We'll also use some of our reserves for distinct, one-off costs – like the upcoming elections and the hearing costs associated with the Proposed Regional Policy Statement – again in a bid to smooth the impact of rate increases.

Of course, keeping expenditure to a minimum does have some consequences and one of these is that we're not proposing to allocate funds towards any new public requests for funding in the coming year.

However, our Long Term Plan, adopted in June 2012, does set out an agreed work programme for the next decade and we intend to continue that, including the grant funding already committed.

In line with the Long Term Plan, our key areas of focus for 2013/14 will be improving Northland's freshwater management (under our Waiora Northland Water programme), implementing the new Regional Policy Statement, investing in economic opportunities for Northlanders, and delivering a programme of flood protection works.

The flood protection works programme for the coming year includes major capital works in Whāngārei, Kaeo,



and Awanui; continuing to prepare for works in the Kerikeri, Waipapa and Wairoa River catchments; plus our ongoing maintenance, minor work and improvement programmes.

Local government reform is currently high on the Government's agenda, and parliament has passed legislation to amend the purpose of local government.

Councils are still required to enable democratic local decision-making and action by, and on behalf of, communities. However, our other purpose – to promote the four well-beings – has been removed and replaced with achieving cost-effective good-quality local infrastructure, local public services and regulatory functions. It remains to be seen whether we will receive guidance from Government about how we should interpret the new purpose and marry it with enabling democratic local decision-making. We will need to adapt to anything we receive, including your submissions, as we go.

The amended legislation is also intended to make local government reorganisation easier. We agree that changes need to be made to the local governance arrangements in Northland to deliver better governance and services to you. However, we believe that change should be community driven, so we have been reluctant to enter the debate early before we knew what the new law would look like and what options would be available to communities. Now the law is in place, we look forward to engaging with individuals and

communities of interest within the region before we engage with the Local Government Commission, Ministers, and others on reform.

We are also looking forward to our new representation arrangements being in place for the 2013 local body elections. Our representation review recognised that Northland needs a more equitable governance structure that embraces diversity. We have endeavoured through the review to transform the council into a body more connected with its communities, more engaged with its people and more representative of the myriad of different needs and priorities of our region.

As we consult on this Draft Annual Plan, the Local Government Commission will be considering the objections and appeals that have been lodged on our Final Proposal but we are confident that changes will occur.

If the Final Proposal is accepted then this would drop the existing representation model – which is based on the region's three district council boundaries – and

replace it with seven smaller constituencies served by nine councillors. That's one more councillor than we have currently but all nine will be paid from the same salary pool currently allocated to eight. Final decisions will be made by the Local Government Commission in April 2013.

This year's Draft Annual Plan is one in which we have worked hard to reflect the economic challenges felt by many of our households. We urge you to take this opportunity to comment on the Draft Annual Plan 2013/14 and tell us whether you think we've got it right.



Craig Brown
Chairman



Malcolm Nicolson
Chief Executive Officer

Your councillors



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Ian Walker
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Phone: 09 408 0072
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About this Draft Annual Plan

This Draft Annual Plan 2013/14 outlines the council's proposed budgets and rates for the coming year's activities.

The work programme is closely aligned with what is set out in the council's Long Term Plan 2012–2022, adopted in June 2012. The Long Term Plan covers ten years with more focus on the first three years.

In this Draft Annual Plan we highlight where a budget or proposal differs from what's in the Long Term Plan. This document summarises our activities and financial

strategy rather than repeating the detailed information that is in the Long Term Plan. Copies of the Long Term Plan 2012–2022 are available from council offices or our website: www.nrc.govt.nz/ltp

Before making our final decisions on the council's work programme and budgets for the year ahead, we want to hear what you think. Whether you support what's in this Draft Annual Plan or you think we should be focussing on something different, now is the time to have your say.

Key changes from the Long Term Plan

Lower-than-projected general rates

Under the Long Term Plan, a 6.45% increase in general rates had been projected for 2013/14. We have now managed to cut that by more than half, to a proposed increase of just 3% for the year.

We can achieve this by using extra investment income we have received, plus looking closely at our budgets for further cost saving opportunities.

Currently the council's investment income is split between funding council operations and the Investment and Growth Reserve (to be used for economic development projects). Our investment income has been higher than forecast in the Long Term Plan, and council has continued to split it on the same basis – that means 70% of the additional income will go into council operations (effectively a rates subsidy), and 30% will go to the Investment and Growth Reserve.

The cost savings we have identified should not compromise what we have committed to deliver in our Long Term Plan. Some of the savings will be offset by a higher provision for 'doubtful debt' (\$250,000 primarily relating to non-payment of rates). However, overall savings would still be about \$386,000 (or about 3% of the general rate).

Local Government reform

In March 2012, the government announced its eight point reform programme for local government. The reforms "are aimed at providing better clarity around the role of councils, stronger governance, improved efficiency and more responsible financial management" (Department of Internal Affairs website).

Since then the Local Government Act Amendment Bill has been introduced, debated and passed by Parliament.

The council, like many others, made submissions on the Bill. Our key messages were:

- Keep the purpose of local government as it is – that is maintaining the focus of local government on community wellbeing (economic, environmental, cultural and social).
- Ensure that future reform of local government meets community needs. We asked for flexibility in the models for local government, noting that one size fits all models rarely deliver optimum solutions. We asked instead, the government loosen the reins and allow the Local Government Commission to come up with the best local government structure for local communities – and in particular the Northland community.
- Ensure that in any reform of local government, that there is both local democracy and a regional entity central government can deal with, that can address integrated strategic planning and cost effective service delivery.

It was very important to us that any future reform did not undermine the ability of Northland's councils, and our successors, to improve the lot of Northlanders, to get and maintain the infrastructure we need, and to invest where we need to.

In December 2012, as the Local Government Act Amendment Bill became law, the purpose of local government changed. While we still exist to enable democratic local decision-making and action by, and on behalf of, our regional communities the requirement to promote the four well-beings has been removed.

We believe that by delivering the activities contained in the Long Term Plan 2012–22 we have enabled and are responding to democratic local decision making. This Draft Annual Plan, the feedback we receive on it and the actions we take as a result will be in keeping with this limb of the purpose of local government. It remains to be seen whether we will receive guidance from government about how we should interpret the new requirement to cost-effective good-quality local infrastructure, local public services and regulatory functions and how this is to be reconciled with community aspirations that may be wider than this. We will need to adapt to anything we receive as we go and we look forward to hearing the views of the communities of Northland as we consult on this Draft Annual Plan.

The amendment has also defined the options for local government reform, and the potential for community councils or local boards with a regional tier is not going to be possible for Northland without special legislation.

Despite our disappointment that the full suite of governance models will not be available to Northlanders under the current law, during 2013 we will engage people in Northland in a conversation about the principles of governance, which local governance arrangements they think will work best for Northland, and how the regional council should respond to any proposals to reform local government in Northland.

We know the current situation is not working as well as it could be and that Northland's local governance is ripe

for change. However we think this change should be community driven, and we have not therefore proposed or injected a preferred solution into the debate. We look forward to talking with individuals and various communities of interest within the region and hearing their views before we engage with the Local Government Commission, Ministers, and others on reform.

As we deliberate and adopt the Annual Plan 2013/14 the landscape for local government reform, governance and service delivery in Northland will be clearer. We will also have had an opportunity to hear your views and we will continue to advocate on behalf of all Northlanders.

New rating policies for Kaipara District ratepayers

The Kaipara District Council has indicated to us that it intends to revise its policy for rate remissions and the postponement of rates. The revised policy will be included in the Kaipara District Council's Draft Annual Plan which will be available for public consultation in March/April 2013. We encourage Kaipara residents to get involved in the district council's submission process.

Our rates are collected by the three district councils on our behalf, to achieve efficiencies. Historically we have adopted the rates remissions and postponement of rates policies of the district councils for each district and we intend to continue this practice.

Overview – our strategic direction

Council's strategic direction

Over the 2013/14 financial year we aim to continue delivering our existing programmes and strategies, increase our involvement in economic development and implement new government policies as outlined in the Long Term Plan 2012–2022.

Our efforts in economic development will focus on funding projects that will increase jobs in Northland, increase the average weekly household income of Northlanders and increase the GDP of Northland. These projects will be funded from the Investment and Growth Reserve (which was established under the Annual Plan 2011/12 and is funded from our investment income). Applications for funding are being administered by Northland Inc (a council-controlled organisation).

In 2011/12 we started to transition our investment income away from funding operations. In the Long Term Plan 2012–2022 the council decided on a ten year transition; that means in 2013/14 70% of the council's investment income will still fund operations and 30% will go into the Investment and Growth Reserve to fund economic development projects. Eventually the reserve will receive all of our investment income (approximately \$6.7 million yearly). Our other key focus areas include:

- **Waiora Northland Water – improving Northland's freshwater management.**

Water is one of Northland's most precious natural resources and much of council's work revolves around it. Our rivers and streams, lakes, aquifers and wetlands are important to us for our survival and economic prosperity. They provide important habitats for a range of plants and animals and have cultural and historical value to Northlanders.

Waiora Northland Water incorporates our water quality work, including the government's new direction for improving the management of the region's freshwater lakes, rivers, aquifers and wetlands, and it has given us an extra impetus to make some changes for the benefit of the region.

During 2013/14 we will continue to work within our priority catchments and set new objectives with associated quality and allocation limits. Catchments have been prioritised on the basis of known issues, and we will continue incentivise and develop existing good management practices, and develop programmes and set objectives, limits and flows for the most urgent water bodies first.

- **Developing and implementing the new Regional Policy Statement for Northland.**

This is arguably our most important planning document as it sets out how the region's natural and physical resources will be managed. With this document, we aim to enable development and economic and social improvements, but also safeguard environmental bottom lines, Northland's special places and the things we – and those who will come after us – value.

We are currently completing the formal consultation process on the Proposed Regional Policy Statement, which was notified for public submissions in October 2012. This represents the culmination of a process that began more than three years ago and has involved input from a wide range of individuals and groups along the way.

We aim to have a council decision on the Proposed Regional Policy Statement around the start of the 2013/14 year. It is likely that, given the scale and scope of the Proposed Regional Policy Statement, some decisions will be appealed. Appeals will affect the timing of when the whole Regional Policy Statement will have legal force.

- **Flood protection improvements.**

We are committed to working through the 27 identified priority rivers and implementing flood protection works where economically viable. In 2013/14 the new Whāngārei detention dam will be built and design work for capital works on the Kerikeri–Waipapa and Awanui River Flood Management Schemes will be progressed.

For more information, see the section *Our activities* from page 41 of this plan. There is also more detail in our Long Term Plan 2012–2022 which is available on our website: www.nrc.govt.nz/ltp

Summary of council's financial strategy

We aim to maintain a strong balance sheet with a balanced budget; remain a net investor (borrowing internally where appropriate); and redirect our investment income away from funding operations to instead invest in economic development initiatives.

The biggest driver for rate increases over the next eight years as a consequence of this financial strategy is the transition of our investment income away from funding operations. Several large river management projects also contribute to rate increases in targeted geographic

areas (in Whāngārei, Kaeo, Kerikeri – Waipapa and potentially for Awanui).

In a bid to balance the demand on our resources and keep rates as affordable as possible we have also implemented the following decisions:

- Last year we slowed the transition of the investment income from five years to 10 years.
- We will fund distinctive and one-off costs from the Forestry Income Equalisation Reserve to smooth rates increases.
- We will use the Investment and Growth Reserve, rather than rates, to fund our economic development activities (finding, facilitating and delivering suitable projects).

To view the council's full financial strategy please refer to the council's Long Term Plan 2012–2022 which is available on our website: www.nrc.govt.nz/ltf

Council's financial policies

We have a suite of financial policies to guide the management of our financial resources which include:

- Revenue and Financing Policy – shows how each activity's operational and capital expenditure is funded and why.
- Treasury Management Policy – policies on investing and borrowing.
- Rating Policy – council adopts the rating policies of the region's three district councils, which collect rates on the regional council's behalf.

The council's current financial policies (as listed above) can be found in the council's Long Term 2012–2022 Plan which is available on our website:

www.nrc.govt.nz/ltf

About our consultation

Consultation on this Draft Annual Plan runs from 19 January to 21 February 2013. This is your chance to have your say on the council's budget and activities for 2013/14, so get involved and tell us what you think.

During that month, council staff will be available to talk you and interested groups about the proposals in this plan. To arrange a meeting please call us on 0800 002 004 or email us at mailroom@nrc.govt.nz

After consultation closes you will have the opportunity to present your views in person at the council hearings (we will notify submitters of dates and times). The councillors will have read your submission, so this is a chance to highlight your key points and provide any clarification required by the councillors. Your submission will be printed and made publicly available to anyone interested in reading them.

How to make a submission

Submissions close at 3pm on Thursday 21 February 2013. You can:

- Fill in a form online at www.nrc.govt.nz/haveyoursay
- Email us at mailroom@nrc.govt.nz
- Write to us and post it to: Northland Regional Council, Annual Plan Submission, Freepost 139690, Private Bag 9021, Whāngārei 0148
- Fill in the submission form on page 9 (or in the summary) and post or scan/email it to us
- Visit us at our regional offices or phone us (0800 002 004) and we will record your submission.

Where to find more information

Full Draft Annual Plan 2013/14, Summary Draft Annual Plan 2013/14, and Long Term Plan 2012–2022

- On our website at www.nrc.govt.nz/haveyoursay
- At our regional offices in Whāngārei, Dargaville, Kaitiāia and Ōpua, or at public libraries
- Phone us on 09 470 1200 or 0800 002 004 for a copy to be sent to you.

More about our activities, strategies and policies

- On our website
- Phone us on 09 470 1200 or 0800 002 004
- Phone your councillor (contact details on page 6).

Key consultation dates

19 January 2013	Public consultation begins
21 February 2013	Public consultation ends – submission period closes
27 February 2013	Letters advising hearing appointments sent out
11 March 2013	Submission hearing in Dargaville
12 March 2013	Submission hearing in Kaikohe
13 March 2013	Submission hearing in Whāngārei
26 March 2013	Council meeting to make decisions
16 April 2013	Council meeting to adopt final Annual Plan and set rates for 2013/14

Submission form

Northland's Draft Annual Plan 2013/14



Submitter details (please print clearly)

First name:	Surname:	Mr	Mrs	Ms
Organisation (if applicable):				
Postal address:				
Email address:			Post code:	
After hours telephone:		Business hours telephone:		

Please write your comments in the space provided and forward your submission to:

Draft Annual Plan 2013/14 Submission Northland Regional Council Freepost 139690 Private Bag 9021, Whāngārei Mail Centre Whāngārei 0148	Online: www.nrc.govt.nz/haveyoursay Fax: 09 470 1202 e-mail: mailroom@nrc.govt.nz
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Submissions should reach the council by 3.00pm, Thursday 21 February 2013.

Submissions received after 3.00pm are considered "late submissions" and are considered at the council's discretion.

Would you like to attend a hearing to tell councillors in person more about your views? Please ✓

The hearings of submissions will be held between 11–14 March 2013

<input type="checkbox"/>	I DO NOT wish to appear in support of my submission
<input type="checkbox"/>	I DO wish to appear in support of my submission

Please ✓ your preferred hearing venue – see page 8 for hearing dates

Whāngārei		Dargaville		Kaikohe	
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Your submission:				
I support/oppose				
Because:				
I support/oppose				
Because:				
How did you find out about this consultation on the Draft Annual Plan 2013/14? (please circle options)				
Word of mouth	Community Group	Newspaper	Email alert from us	Twitter/Facebook
Council website	Radio advertising	Letter from us		

(There is space on the next page for more comments – you can also attach more pages if necessary.)

Signature: _____ Date: _____

[illegible]

(Attach extra pages if necessary. Submissions presented to council are considered public documents subject to the provisions of the Local Government Official Information and Meetings Act 1987.)

Council's objectives and vision

The council will report its progress annually against each of the council objectives within its Annual Report.

Maintain and improve the quality of Northland's overall environment.

Build a business friendly environment that encourages business and employment opportunities.

Invest in Northland to increase all our communities' economic performance and quality of living and reduce disparities.

Promote regionally significant infrastructure and improvements that enable economic development, enhance the environment, and connect people and Northland to the wider world.

Encourage the sustainable access and use of our environment in ways that will progress our collective quality of living.

Promote the awareness and appreciation of our heritage, landforms, freshwater and marine environment to encourage our collective pride in Northland.

Our vision

Creating a region of choice

Our motto

Putting Northland first

Our mission

Through growth, putting Northland first by providing regional leadership, environmental protection, economic opportunities and integrated infrastructure.

Our values

- Put our community and region first
- Be a champion for our natural environment
- Be forward-thinking and innovative
- Be flexible and open
- Be responsive and deliver value
- Be professional and accountable
- Work with others.

Our values in action

Put our community and region first

Provide regional leadership, focussed on working towards strategies and action which will make a positive difference to Northland's communities and people.

Be a champion for our natural environment

We will provide policies, guidance and resources to enable our community to manage and enhance its environmental sustainability.

Be forward-thinking and innovative

We will always look long-term at issues facing our region and seek innovative solutions.

Be flexible and open

We will adapt to change quickly, listen carefully to our communities and act fairly and openly in all we do.

Be responsive and deliver value

We are committed to understanding what is important to Northlanders and taking action to deliver value to them.

Be professional and accountable

We strive to deliver the highest levels of professionalism and we are responsible to the people and ratepayers of the Northland region.

Work with others

We will work together and in partnership with others to achieve the most effective and affordable outcome for the Northland region.

**Whatungarongaro he tangata toitu te
whenua – Mankind passes on but the
earth remains for all eternity**

E rua ano nga hua e kite ana e te tāngata i te wā e ora
ana e ia i runga i te mata o te whenua.

Ko nga mea na Te Atua i hanga, me nga mea na te
tāngata ano i hanga.

Ta Te Atua i hanga ai, he taonga, he mea tapu, tapu
rawa, mei ata tiaki marika, mehemea ngaro ai, ka ngaro
mo ake tonu atu.

Ta te tāngata i hanga ai, he taputapu noa iho māna, ka
whakamahia, ka whakapaua, ka whakarerea, e taea noa
iho te whakahoua.

During a person's time on earth, he or she will see only
two things; things created by the hand of God and
things manufactured by the hand of man.

Things created by the hand of God are of divine
creation and are given the sacred description of
Taonga. Being most sacred, they must be protected at
all costs for once lost, they are lost forever.

Things manufactured by the hand of man are personal
belongings and are for his or her convenience only. As
such, they are usable, consumable, disposable and
replaceable.

Financial overview

Operational spending

Council is forecasting \$27.5 million of operational expenditure to support service delivery in 2013/14.

Operational expenditure provides for all our day-to-day operations and services; things like working with the community to care for our environment – air, land, water and coast.

We also have flood management responsibilities, look after the navigational safety of all vessels in our region's harbours, and work with regional and national agencies to help ensure the provision and security of core regional infrastructure like transport, energy and telecommunications.

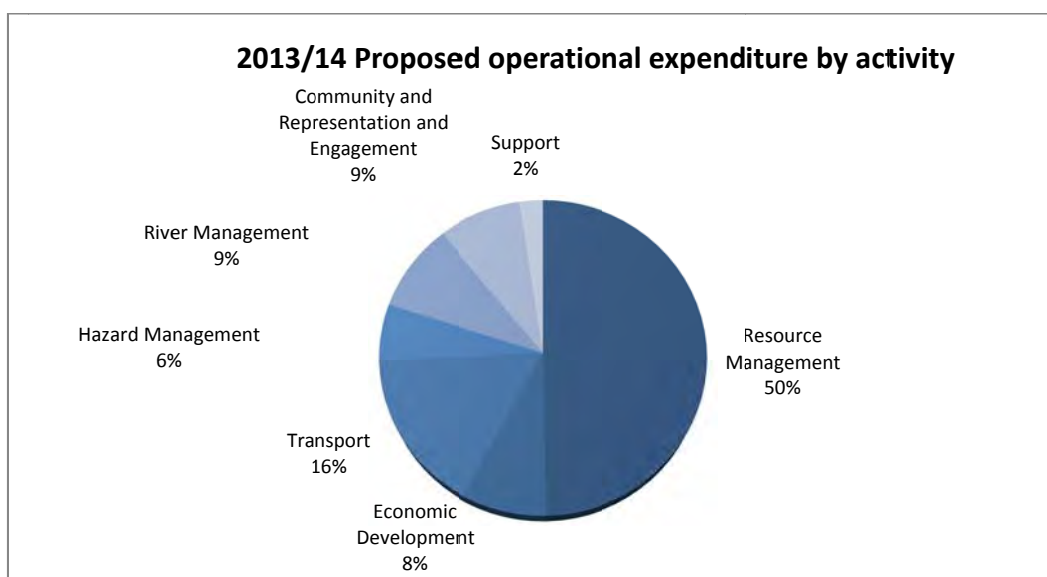
We administer Whāngārei and Kaitiāia's urban bus services and help plan the region's transport network,

ensure there is enough water for everyone and work to protect our environment from harmful impacts of pest animals, pest plants and diseases.

We also coordinate Northland's Civil Defence Emergency Management Group.

In 2013/14 the Resource Management group of activities accounts for the largest portion of operating expenditure (50% of the \$27.5 million). The activities within the Resource Management group include consents, monitoring, land and biodiversity, resource management planning and biosecurity.

The operating expenditure for each activity group and the proportion that this comprises of councils total operating expenditure for 2013/14 is set out in the graph below.



Capital spending

The total capital expenditure funding requirement for 2013/14 is \$7.7 million – the Whāngārei detention dam accounts for \$6.4 million of this. Our capital expenditure also includes \$558,000 for the cyclical replacement of plant and equipment; \$416,000 for information technology; \$310,000 for vehicle replacement; and \$53,000 for the Awanui River Flood Management Scheme.

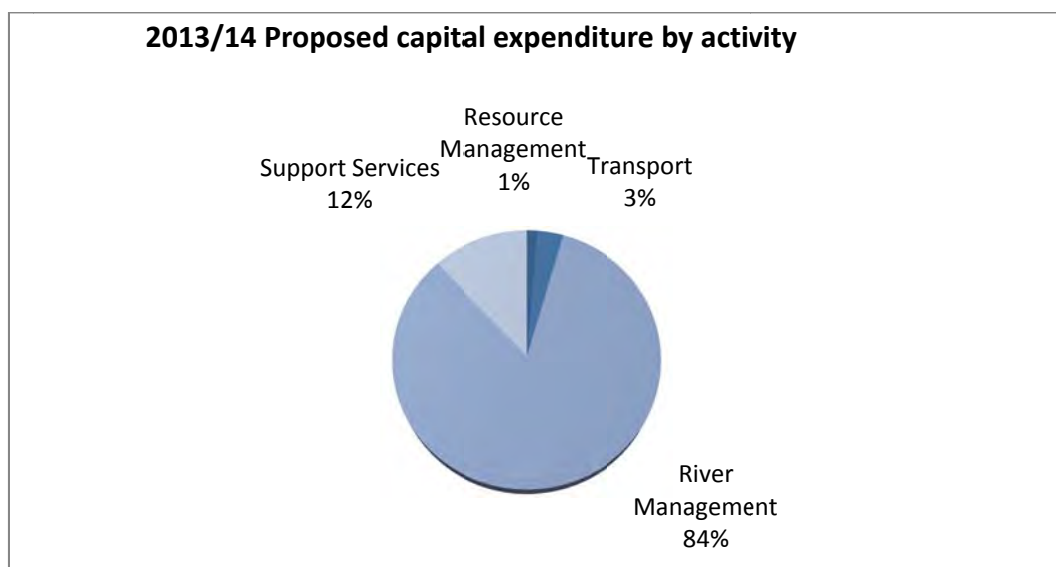
Proposed new capital expenditure does not include any proposed carry-forwards or unspent capital expenditure from the current financial year. At the end of the

current financial year a review will be carried out of ongoing projects where capital expenditure remains unspent and where appropriate a proposal will be put to the council's Audit and Finance Committee, requesting capital funding to be carried forward into the 2013/14 financial year to enable projects to be completed.

The capital expenditure for each activity group and its proportion of council's total capital expenditure for 2013/14 is shown in the table and graph on the following page.

Proposed capital expenditure for 2013/14 by activity

Group of activities	Long Term Plan forecast for 2013/14 (\$)	Proposed Draft Annual Plan 2013/14 (\$)
Resource Management	89,082	99,082
Transport	286,553	242,451
Hazard Management	2,064	6,250
River Management	6,459,968	6,459,968
Support	880,296	930,456
Total	7,717,964	7,738,207

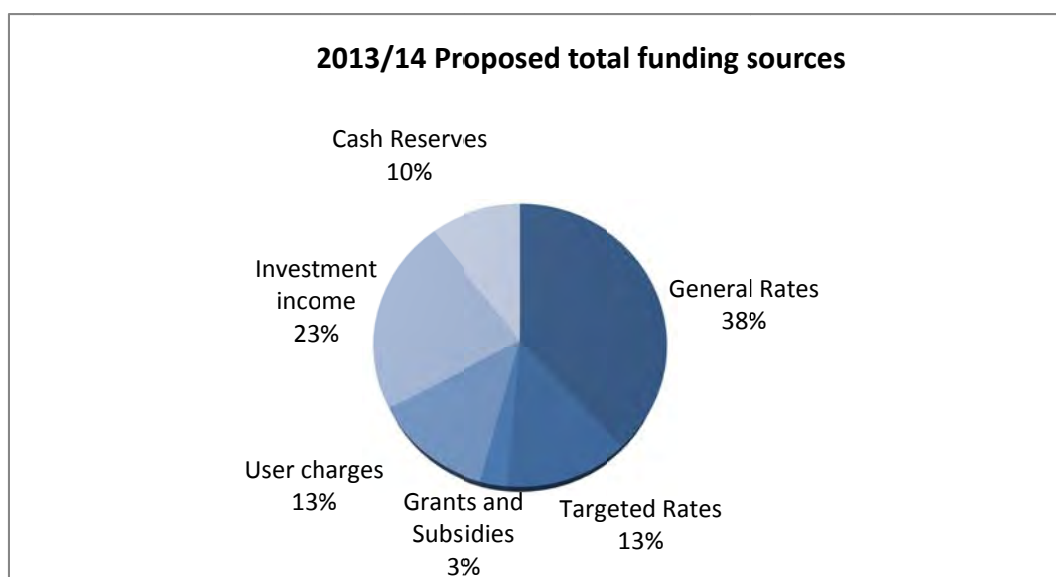


Sources of funding for council activities

Council is required to fund its operating expenditure (less depreciation), capital expenditure, principle repayments towards any internal borrowing and contributions to any council reserve funds. The funding sources include general rates, targeted rates, user fees

and charges, grants and subsidies, investment income and cash reserves.

The graph below summarises council's proposed funding mix for 2013/14. For a full breakdown of our funding sources, see page 17.



Rate requirements

Under the Draft Annual Plan for 2013/14, general rates will typically increase by 3%. On average that is about \$5 including GST a year. The continuing policy of transferring our investment income from subsidising rates and into economic development is the biggest driver behind the rates increase signalled in this draft plan.

The table below indicates what your rates will be if your property has a land value of \$225,000. It should be noted the targeted Land Management Rate and Regional Infrastructure Rate are set as a rate in the dollar per dollar of land value. The rate in the dollar is different for each district as the rates are equalised using data from Quotable Value, to effectively align the three districts' valuation dates.

The example below doesn't include river management rates or the Kaitiāia Transport Rate which are levied on specific areas.

Proposed rates for 2013/14

	Far North (per SUIP) incl. GST	Kaipara (per RU) incl. GST	Whāngārei (per SUIP) incl. GST
<i>(Assuming Land Value is \$225,000, and excluding River Management Rates)</i>			
Council Services Rate	\$93.75	\$100.13	\$107.96
Land Management Rate	\$61.04	\$65.08	\$69.86
Regional Recreational Facilities Rate	\$5.75	\$5.75	\$28.75
Regional Infrastructure Rate	\$6.93	\$7.47	\$8.01
Rescue Helicopter Service Rate	\$8.18	\$8.18	\$8.18
Transport Rate (Whāngārei District)			\$12.64
TOTAL (incl. GST)	\$175.65	\$186.60	\$235.40

Revenue from the Regional Infrastructure Rate is proposed to increase by 3%, representing an average increase of about \$0.23 including GST per ratepayer.

The Whāngārei Urban Rivers Management Rate has been increased to the levels signalled for the 2013/14 financial year in our Long Term Plan 2012–2022. The funds collected from this targeted rate will fund the

construction of the detention dam. The other River Management Rates remain largely unchanged from the 2012/13 financial year.

The Whāngārei and Kaitiāia transport rates have increased slightly to cover the costs of rates remissions and administering these two bus services. The proposed increases are \$0.52 (including GST) per annum per ratepayer for the Whāngārei bus service, and \$2.10 including GST annum per annum for ratepayers located near the Kaitiāia bus route (identified in the map on page 21).

User fees and charges

We also impose fees and charges for some of our services, in line with our Fees and Charges Policy.

It is proposed to increase the hourly staff charges and other fees across most activity areas by approximately 1.8%, in line with inflation-related cost increases.

Proposed budget compared to Long Term Plan forecasts

Operating revenue

Under this Draft Annual Plan our proposed revenue take forecast is \$30,761,178.

This is about \$357,000 less than our Long Term Plan forecast of operating revenue for the 2013/14 year, which was \$31,118,492.

The main reasons for the 1.2% decrease are:

- A lower proposed annual general rate increase of 3% included in this plan (compared to a 6.45% increase forecast in the Long Term Plan). This results in general rating income reducing by \$504,000.
- Our projected income from dividends is \$664,000 higher than originally forecast in the Long Term Plan. A \$0.065 per share dividend was projected in the Long Term Plan; however the dividend was revised in this Draft Annual Plan to \$0.095 per share.
- Grants and subsidies are \$359,000 lower than forecast in the Long Term Plan. This is mainly due to the reduction in subsidies received from the New Zealand Transport Agency and the removal of the Department of Conservation's Bio-Condition subsidy funding.
- Interest income is \$223,000 lower than forecast in the Long Term Plan. This is mainly due to the returns generated from the Community Investment

Fund being reviewed and adjusted to reflect the interest rates prevailing in the current market.

Operating expenditure

Under this Draft Annual Plan our proposed spending forecast for the coming year is \$27,530,777.

This is about \$375,000 less than our Long Term Plan forecast of operating expenditure for the 2013/14 year, which was \$27,905,912.

The main reasons for the 1.3% decrease are:

- Reduced expenditure on our Transport activity work due to decreased level of New Zealand Transport Agency subsidies being received.

- Reduced expenditure on the Bio-Condition fund projects.
- Reduced operational expenditure resulting from a comprehensive review of council's operations, which has identified \$386,000 of cost reductions across a range of council activities.
- An increase of \$250,000 for the provision for doubtful debts on rates arrears, bringing the total provision to \$508,000.

Capital expenditure

This Draft Annual Plan forecasts our capital expenditure at \$7,738,207 for the coming 2013/14 year. This is in line with what was originally forecast in our Long Term Plan (that is, \$7,717,964 for 2013/14).

Rating Funding Impact Statement

The prescribed funding impact statement – required by clause 15 of schedule 10 of the Local Government Act 2002 and the Local Government (Financial Reporting) Regulations 2011 – is set out on pages 36 and 37. The following table shows total gross expenditure and lists, by rate and income type, the funding derived from each source for easy reference.

Excluding GST	Long Term Plan Yr2 2013/14 \$	Draft Annual Plan 2013/14 \$	Variance
Operational expenditure	26,778,520	26,400,654	377,866
Capital expenditure	7,717,964	7,738,207	(20,244)
Total gross expenditure	34,496,484	34,138,861	357,623
Funded by			
Council Service Rate	7,855,008	7,691,524	(163,484)
Land Management Rate	5,654,673	5,314,261	(340,412)
Targeted Regional Infrastructure Rate	593,602	611,350	17,749
Targeted Regional Recreational Facilities Rate	1,233,300	1,235,035	1,735
Other targeted rates	2,699,985	2,670,275	(29,710)
Grants and subsidies	1,343,573	984,027	(359,546)
User charges	4,231,484	4,235,922	4,438
Rental income	3,633,523	3,648,608	15,085
Interest income	2,141,330	1,917,620	(223,710)
Dividend income	1,439,289	2,103,577	664,288
Sundry income	125,935	170,846	44,911
Cash reserves from/(to)	3,544,782	3,555,816	11,034
Total funding	34,496,484	34,138,861	(357,623)

Rates

This section describes the various rates proposed for 2013/14.

For Kaipara and Far North District rates assessments, keep in mind that, for efficiency, the Regional Recreational Facilities Rate, Council Services Rate and the Rescue Helicopter Service Rate will be shown as a single amount on the face of the joint regional and district rates assessments issued by the Kaipara District Council and Far North District Council. The amounts and descriptions of the separate rates are shown clearly on the reverse of all assessments.

Uniform Annual General Charge

The council does not assess a Uniform Annual General Charge.

Targeted general rates

The council levies two rates which are applied as targeted general rates – the Council Services Rate and the Land Management Rate. Targeted general rates are paid on all rateable properties in the Northland region.

Council Services Rate

What it funds

The council uses the targeted Council Services Rate to fund activities which 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 which 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 fixed rate, differentiated by location assessed on each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts and on each rating unit in the Kaipara District. 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. An additional \$1.71 (including GST) per SUIP of a rating unit is to be levied across the Whāngārei district to provide \$68,081 to fund ongoing maintenance of the Hātea River channel.

This rating policy recognises that a differentiated, fixed charge 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.

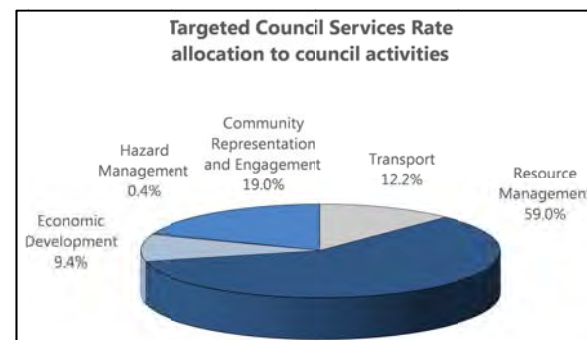
How much is the rate?

The estimated total Council Services Rate amounts to \$8,845,253 (including GST) for the 2013/14 financial year.

The general rate payable in respect of each rating unit in the Kaipara District, and each separately used or inhabited parts (SUIP) of a rating unit in the Far North and Whāngārei Districts of the Northland region, will be levied as shown in the following table.

District	Excl. GST	Incl. GST	
Far North District	\$81.53	\$93.75	per SUIP
Kaipara District	\$87.07	\$100.13	per rating unit
Whāngārei District	\$93.88	\$107.96	per SUIP

How is the rate applied?



Land Management Rate

What it funds

This land value based rate is used to fund activities that are carried out under the Biosecurity Act 1993, the Soil Conservation and Rivers Control Act 1941 and the Civil Defence Emergency Management Act 2002 and the Resource Management Act 1991.

The targeted Land Management Rate will specifically fund land and general river management planning, minor river works and pest plant and pest animal control functions that have a direct relationship to land.

The Land Management Rate is levied across all sectors of the Northland community and recognises that all communities benefit from the protection of forests, the

prevention of soil erosion, and the minimisation of damage by floodwaters and resulting improvements in water quality.

How it is set

The Land Management Rate is assessed on the land value of each rating unit in the region. The rate is set per dollar of the actual rateable land value. The rate per dollar of actual rateable 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. Remissions have been applied on district basis. The council does not apply a differential on this rate.

How much is the rate?

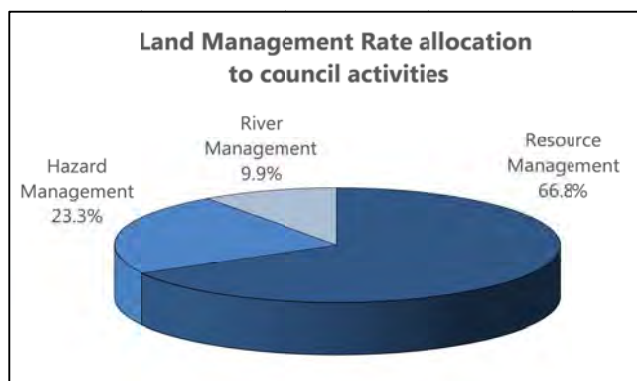
The estimated total Land Management Rate is \$6,111,401 (including GST) for the 2013/14 financial year.

The following table shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	8,659,386	7,490,109	\$23.59	\$27.13
Kaipara District	3,559,985	3,316,518	\$25.15	\$28.92
Whāngārei District	8,935,205	8,934,205	\$27.00	\$21.05

If all districts had the same valuation date, each district would have the same rate per dollar for each \$100,000 of actual land value.

How is the rate applied?



Targeted rates

The following targeted rates are proposed for 2013/14:

Regional Recreational Facilities Rate

What it funds

This rate funds the development of the regional events centre.

How it is set

The Regional Recreation Facilities Rate is a targeted, fixed rate differentiated by location in the region. The rate is set at \$28.75 (including GST) per separately used or inhabited part (SUIP) of a rating unit in the Whāngārei District; \$5.75 (including GST) per of a rating unit in the Far North District; and \$5.75 (including GST) per rating unit in the Kaipara District.

How much is the rate?

The estimated total Northland Regional Recreational Facilities Rate amounts to \$1,420,290 (including GST) for the 2013/14 financial year. The rate is to be assessed as follows.

District	Excl. GST	Incl. GST	
Far North District	\$5.00	\$5.75	per SUIP
Kaipara District	\$5.00	\$5.75	per rating unit
Whāngārei District	\$25.00	\$28.75	per SUIP

How is the rate applied?

This rate is applied 100% to the development of the regional events centre which forms part of the Economic Development Activity.

Regional Infrastructure Rate

What it funds

The council will fund activities relating to the development and/or completion of regional infrastructure projects, beginning with the Marsden Point Rail Link project.

How it is set

The Regional Infrastructure Rate is assessed on the land value of each rating unit in the region. The rate is set per dollar of actual rateable land value. The rate per dollar of actual rateable land value is different for each 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. The council does not apply a differential on this rate.

How much is the rate?

The estimated total Regional Infrastructure Rate is \$703,054 (including GST) for the 2013/14 financial year. The table below shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	8,659,386	7,490,109	\$2.68	\$3.08
Kaipara District	3,559,985	3,316,518	\$2.89	\$3.32
Whāngārei District	8,935,205	8,934,205	\$3.10	\$3.56

If all districts had the same valuation date, each district would have the same rate per dollar for each \$100,000 of actual land value.

How is the rate applied?

This rate is applied 100% to the Infrastructure Development Activity. The proceeds from this rate will be applied to funding the Marsden Point Rail Link designation.

Rescue Helicopter Service Rate

What it funds

The council will collect the Rescue Helicopter Service Rate to provide funding certainty to the Northland Emergency Services Trust which administers the Northland Rescue Helicopter. The rescue helicopter provides emergency services to all Northlanders.

How it is set

The Rescue Helicopter Service Rate will be set as a targeted, fixed rate assessed on a uniform basis.

The fixed charge is to be assessed on each rating unit in the Kaipara District, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts.

How much is the rate?

The estimated total Rescue Helicopter Service Rate is \$714,331 (including GST) for the 2013/14 financial year.

The fixed charge for each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of a rating unit in the Far North and Whāngārei Districts is \$8.18 (including GST) or \$7.11 (excluding GST).

How is the rate applied?

The Rescue Helicopter Service Rate will be applied to the Northland Emergency Services Trust. The collection and payment of this rate forms part of the Economic Development Activity.

Transport Rate (Whāngārei District)

What it funds

This rate forms the local contribution required to fund the Whāngārei bus passenger transport service.

How it is set

The Transport Rate (Whāngārei District) is to be set as a fixed charge on each separately used or inhabited part (SUIP) of a rating unit in the Whāngārei District.

How much is the rate?

The estimated total Transport Rate (Whāngārei District) is \$504,428 (including GST) for the 2013/14 financial year.

The fixed charge will be set at \$12.64 (including GST) or \$10.99 (excluding GST) for each separately used or inhabited part (SUIP) of a rating unit in the Whāngārei District.

How is the rate applied?

The Transport Rate (Whāngārei District) will be applied to the Regional Transport Management Activity to subsidise bus passenger transport in the Whāngārei District.

Kaitiāia Transport Rate (Far North District)

What it funds

This rate funds the Kaitiāia bus passenger transport service.

How it is set

The Kaitiāia Transport Rate (Far North District) will be set as a fixed amount assessed on each separately used or inhabited part (SUIP) of a rating unit for properties near the Kaitiāia Bus route. These rating units are identified on the map below.

How much is the rate?

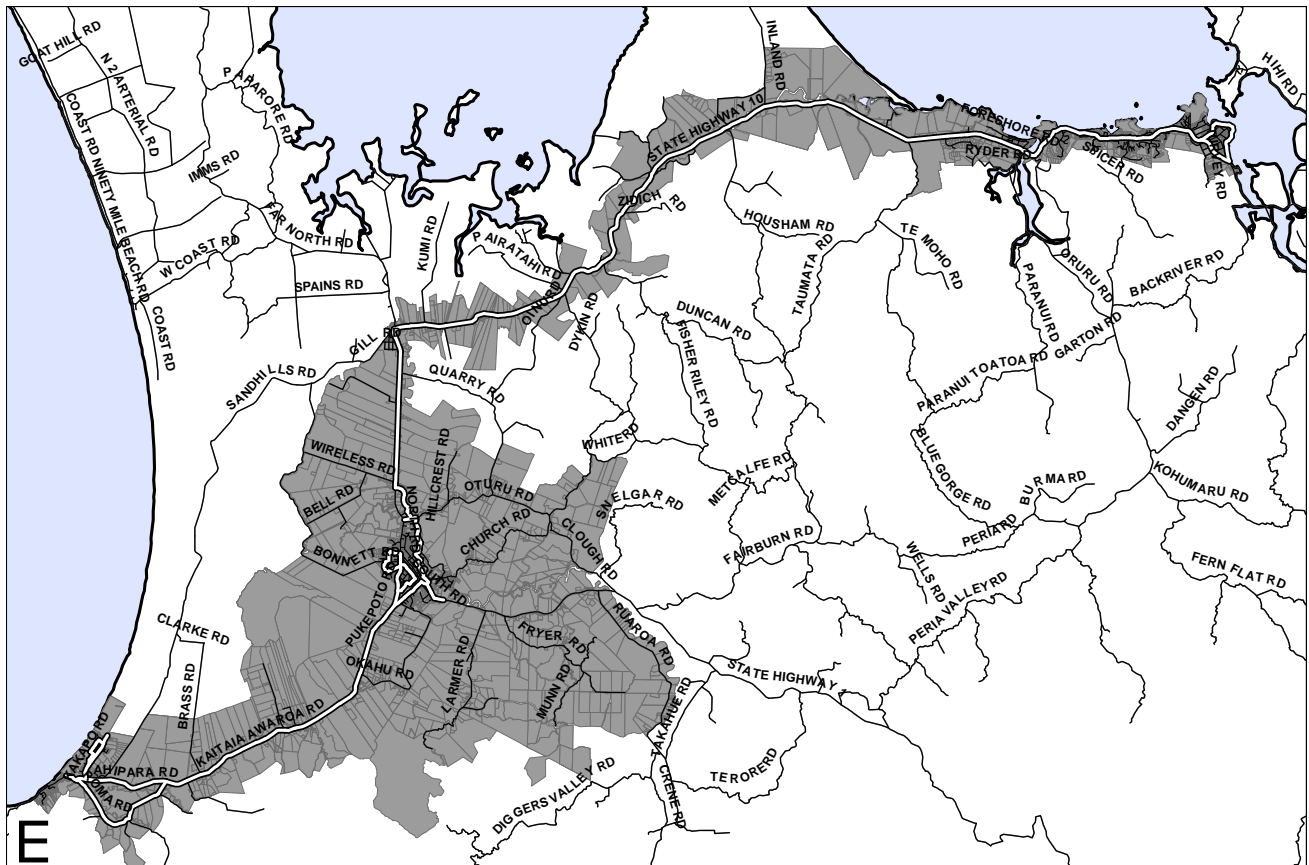
The estimated total Kaitiāia Transport Rate (Far North District) is \$102,140 (GST inclusive) for the 2013/14 financial year.

The fixed charge will be set at \$17.37 (GST inclusive) or \$15.10. (GST exclusive) for each separately used or inhabited part (SUIP) of a rating unit located near the Kaitiāia bus route, as illustrated in the map below.

How is the rate applied?

The Kaitiāia Transport Rate (Far North District) will be applied to the Transport Activity to subsidise bus passenger transport in the Kaitiāia/Mangōnui/Ahipara area.

Rating units for the Kaitiāia Transport Rate (Far North District)



Awanui River Management Rate

What it funds

To fund works on the Awanui River Flood Management Scheme.

How it is set

The Awanui River Management Rate is a targeted and differentiated rate based on indirect benefit, direct benefit and to the extent that land use increases the need for the scheme (for example, clearing land of forest), as set out in the management plan for the Awanui River Flood Management Scheme.

The rate is assessed and set differentially as follows:

		Excl. GST	Incl. GST
1.	Urban rate class UA (floodplain location) \$128.11 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit per separately used or inhabited part of a rating unit:	\$122.54	\$140.92
2.	Urban rate classes UF (higher ground) \$12.81 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit per separately used or inhabited part of a rating unit:	\$22.28	\$25.62
3.	Commercial differential factor:		3.0
4.	Rural rate differentiated by class, \$7.88 (including GST) 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 Awanui River Management Rate area:	\$6.85	\$7.88

Awanui River Management Rate: Description

The rating classifications and the rate charged are illustrated as follows:

Class	Description	Rate/Ha excl. GST	Rate/ha incl. GST
A1 / A2	Maximum benefit; peat basins, low-lying reclaimed tidal land; alluvial land at risk from frequent ponding and flooding.	\$14.13	\$16.24
B1 / B2	High benefit land subject to floodwater flows but not ponding as floods recede.	\$10.59	\$12.18
C	Moderate benefit; land floods less frequently and water clears quickly.	\$7.06	\$8.12
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	–	–
F	Contributes runoff waters, and increases the need for flood protection.	\$0.56	\$0.65

How much is the rate?

The estimated total Awanui River Management Rate is \$480,588 (including GST) for the 2013/14 financial year. The revenue sought from each category of rateable land will be as follows:

Class		Total revenue excl GST	Total revenue incl GST
Class A	Rural	\$41,799	\$48,069
Class B	Rural	\$32,946	\$37,888
Class C	Rural	\$11,414	\$13,126
Class F	Rural	\$11,324	\$13,023
Indirect benefit	Rural	\$11,788	\$13,556
Urban A		\$172,040	\$197,846
Urban F		\$14,482	\$16,654
Commercial differential	Majority urban	\$122,110	\$140,426
Total Rate		\$417,903	\$480,588

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**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 targeted and differentiated based on the level of benefit to land and rating units within the Kaihū River Flood Management Scheme area.

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; rate is applied per hectare of land.
- Catchment rate – balance of land within the Kaihū River rating area not falling within class A and class B; 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 illustrated as follows:

Kaihū River Management Rate: Description

Class	Description	Rate/Ha excl. GST	Rate/Ha incl. GST
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$22.28	\$25.62
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.14	\$12.81
Catchment rate	Balance of rateable land within the Kaihū River rating area.	\$1.67	\$1.92
Urban contribution	A contribution from Kaipara District Council instead of a separate rate per property.	\$4,951	\$5,694 per annum

How much is the rate?

The estimated total Kaihū River Management Rate is \$90,404 (including GST) in the 2012/2013 financial year. The revenue sought from each category of rateable land will be as follows:

	Total revenue excl. GST	Total revenue incl. GST
Class A	\$25,022	\$28,775
Class B	\$17,215	\$19,797
Catchment rate	\$31,424	\$36,138
Urban contribution	\$4,951	\$5,694
	\$78,612	\$90,404

How is the rate applied?

The rate is applied 100% to Kaihū River Management Scheme works which form part of the River Management Activity.

Kaeo–Whangaroa Rivers Management Rate**What it funds**

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

How it is set

The fixed Kaeo–Whangaroa Rivers Management Rate for the 2012/2013 year is set and assessed on a uniform basis across all rateable properties within the former Whangaroa Ward (falling between rating roles 100–199). The Kaeo–Whangaroa Rivers Management Rate applies to each separately used or inhabited part of a rating unit falling between rating roles 100–199.

How much is the rate?

The estimated total Kaeo–Whangaroa Rivers Management Rate is \$150,405 (including GST) in the 2013/14 financial year. The fixed levy of \$74.53 (including GST) or \$64.81 (excluding GST) will be applied to each separately used or inhabited part of a rating unit falling between rating roles 100–19.

How is the rate applied?

The rate is applied 100% to Whangaroa Rivers Management works which forms part of the River Management Activity.

Kerikeri–Waipapa Rivers Management Rate

What it funds

This rate funds operational river works and detailed investigations into flood scheme design options within the Kerikeri–Waipapa area.

How it is set

The Kerikeri–Waipapa Rivers Management Rate for the 2013/14 year is set on a uniform basis and assessed across all separately used or inhabited parts (SUIP) of a rating unit for properties in contributing catchments within the Kerikeri–Waipapa area as shown in the map below.

How much is the rate?

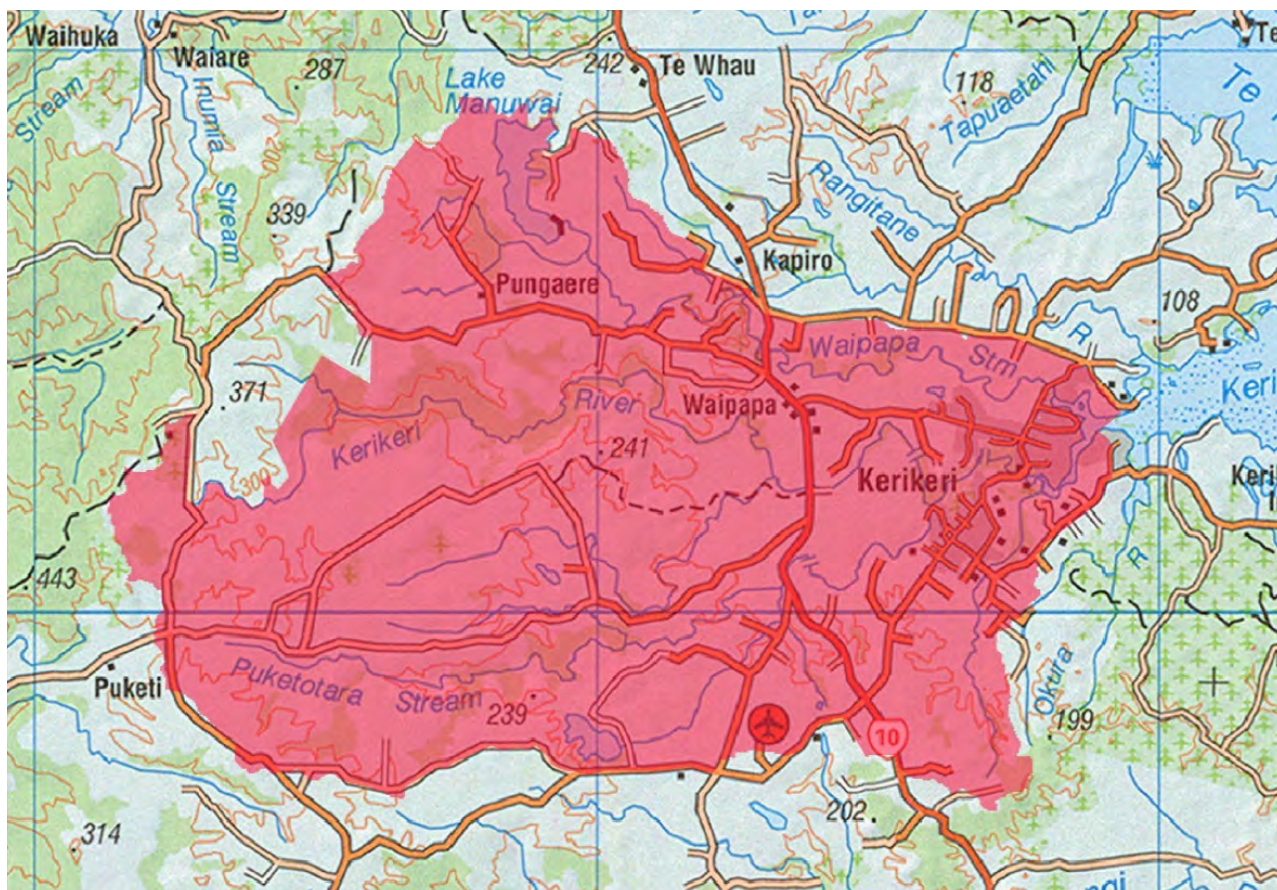
The total estimated Kerikeri–Waipapa Rivers Management Rate is \$210,213 (including GST) in the 2013/14 financial year.

The fixed levy of \$49.96 (including GST) or \$43.44 (excluding GST) will be assessed on each separately used or inhabited part of the identified rating units falling within the catchment area.

How is the rate applied?

The rate is applied 100% to Kerikeri–Waipapa Rivers Flood Management Scheme works which form part of the River Management Activity.

Kerikeri–Waipapa Rivers Management Rate area



Whāngārei Urban Rivers Management Rate

What it funds

This rate funds the operational costs and capital costs (detention dam 2013/14) of the flood risk reduction project for Whāngārei.

How it is set

The Whāngārei Urban Rivers Management Rate is set by a targeted rate differentiated by location (see maps below and on the following page) and category and set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit, as follows:

		Excl. GST	Incl. GST
1.	Commercial properties in the Whāngārei CBD flood area	\$238.58	\$274.37
2.	Residential properties in the Whāngārei CBD flood area	\$90.68	\$104.28
3.	Properties in the contributing water catchment area	\$31.97	\$36.77

How much is the rate?

The estimated total Whāngārei Urban Rivers Management Rate is \$818,348 (including GST) in the 2013/14 financial year. The revenue sought from each category is as follows:

		Excl. GST	Incl. GST
1.	Commercial properties in the Whāngārei CBD flood area	\$181,738	\$208,999
2.	Residential properties in the Whāngārei CBD flood area	\$11,916	\$13,703
3.	Properties in the contributing water catchment area	\$517,953	\$595,646
		\$711,607	\$818,348

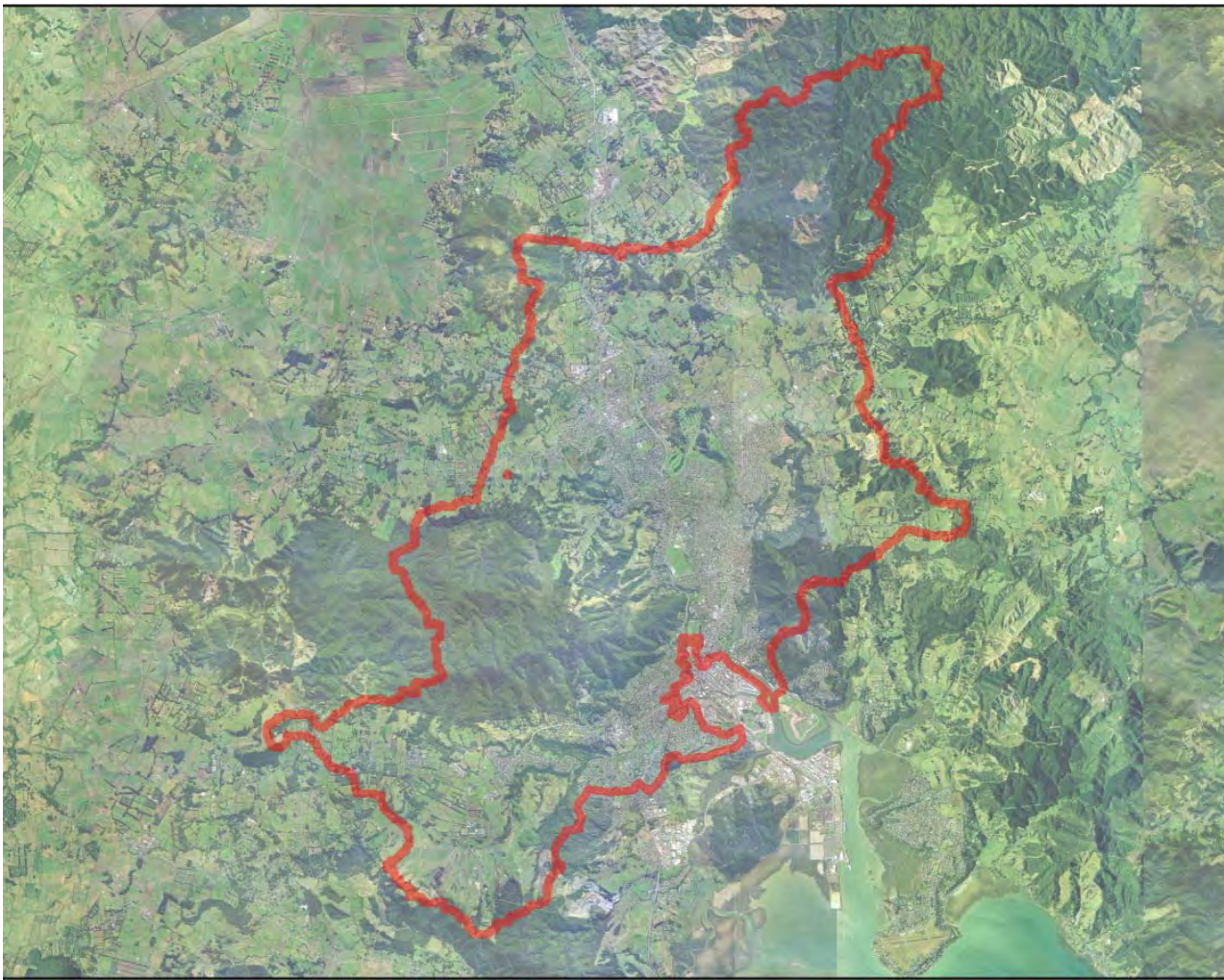
How is the rate applied?

The rate is applied 100% to Whāngārei Urban Rivers Management Scheme works which form part of the River Management Activity.

Whāngārei CBD flood area



Contributing water catchments in Whāngārei Urban Rivers Management Scheme



Further rating information

Northland's three district councils collect rates on behalf of the regional council and hold delegated powers to discount, remit, postpone or add penalties to the regional rate, as resolved by the Far North District, Kaipara District and Whāngārei District Councils.

Northland Regional Council will apply the definitions of the Far North, Kaipara and Whāngārei District Councils to determine a rating unit within each district. A rating unit or separately used or inhabited part of a rating unit is defined as follows.

Far North District Council rating unit definition

A separately used or inhabited part (SUIP) of a rating unit is defined as:

- 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; or
- Any part or parts of a rating unit used or occupied by the ratepayer for more than one single use.

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

- Individual flats or apartments
- Separately leased commercial areas which are leased on a unit basis (a unit basis means that the area is capable of separate and clear identification)
- Vacant rating units
- Single rating units which contain multiple uses such as a shop and dwelling on the same rating unit
- A residential building or part of a residential building that is used, or can be used as an independent residence is defined as having a separate entrance, cooking facilities, living facilities and toilet/bathroom facilities.

The following are not considered to be separately used parts of a rating unit:

- A residential sleep-out or granny flat that does not meet the definition of an independent residence
- A hotel room with or without kitchen facilities
- A motel room with or without kitchen facilities.
- Individual offices or premises of business partner.

Whangarei District Council rating unit definition

A separately used or inhabited part (SUIP) of a rating unit is defined as a clearly identified part of a property (rating unit) that is capable of separate use or being separately inhabited or occupied. For a commercial rating unit this means a building or part of a building that is, or is capable of being, separately tenanted, leased or sub-leased. For a residential dwelling rating unit, this includes a building or part of a building which is used, or is capable of being used, as an independent residence. An independent residence means a self-contained dwelling containing separate cooking and

living facilities; separate entrance; and separate toilet and bathroom facilities.

Examples include:

- Each separate shop or business activity on a rating unit is a separately used part.
- Each dwelling, flat, or additional rentable unit (attached or not attached) on a residential property which is let (or capable of being let) is a separately inhabitable part.
- Individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land are separately inhabited parts.
- Each block of land for which a separate title has been issued, even if that land is vacant.

Equalisation of rates

Each district in Northland is independently revaluated by Quotable Value over a three-yearly cycle (one district per year). To ensure that property valuations in the remaining two districts are current, a registered valuer also provides us 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 is set differentiated by the projected capital value of each district. The Land Management Rate and Regional Infrastructure Rate are set according to projected land values in each district – for these two 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 (RID) for each district is available at the relevant district council and on the district councils' websites. 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.

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 Draft Annual Plan.

Note that the rates detailed in this Draft 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 2013, so they may differ slightly.

Ratepayers in the Whāngārei District

Whāngārei District ratepayers will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June, with an additional charge of \$1.73 (including GST) to fund the maintenance of the Hātea Channel;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the land value of the property;
- (5) A targeted, fixed Transport Rate (Whāngārei District);
- (6) A targeted, fixed Rescue Helicopter Service Rate;
- (7) A targeted Whāngārei Urban Rivers Management Rate.

Whāngārei urban/rural/other Land Management Rate = LV rate in the \$ = 0.0003105 Infrastructure Rate = LV rate in the \$ = 0.0000356	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Residential property (non CBD)			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$120,000	\$37.26	\$33.90
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$4.27	\$3.76
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$199.06	\$189.98
Residential property (non CBD)			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$225,000	\$69.86	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$235.40	\$222.93
Residential property in CBD area			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$225,000	\$69.86	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Whāngārei Urban Rivers Management Rate		\$104.28	\$94.19
Total regional rates (including GST)		\$339.68	\$317.12
Residential property in Urban Rivers catchment area			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$225,000	\$69.86	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Whāngārei Urban Rivers Management Rate		\$36.77	\$33.21
Total regional rates (including GST)		\$272.17	\$256.14

Whāngārei urban/rural/other Land Management Rate = LV rate in the \$ = 0.0003105 Infrastructure Rate = LV rate in the \$ = 0.0000356	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Farm property			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$2,750,000	\$853.81	\$776.84
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$97.94	\$86.22
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$1,109.28	\$1,015.38
Commercial property (non CBD)			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$2,000,000	\$620.95	\$564.98
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$71.23	\$62.70
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$849.71	\$780.00
Commercial property in CBD area			
Council Services Rate		\$107.96	\$103.28
Land Management Rate	\$2,000,000	\$620.95	\$564.98
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$71.23	\$62.70
Transport Rate (Whāngārei District)		\$12.64	\$12.12
Rescue Helicopter Service Rate		\$8.18	\$8.17
Whāngārei Urban Rivers Management Rate		\$274.37	\$247.83
Total regional rates (including GST)		\$1,124.08	\$1,027.83

Ratepayers in the Kaipara District

Kaipara District ratepayers will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate per rating unit, and
- (6) A Kaihū River Management Rate, based on land area, and level of benefit to land and rating units.

Kaipara urban/rural Land Management Rate = LV rate in the \$ = 0.0002892 Infrastructure Rate = LV rate in the \$ = 0.00003318	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Residential property			
Council Services Rate		\$100.13	\$103.43
Land Management Rate	\$120,000	\$34.71	\$35.29
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.98	\$3.92
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$152.75	\$156.56
Residential property			
Council Services Rate		\$100.13	\$103.43
Land Management Rate	\$225,000	\$65.08	\$66.18
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$7.47	\$7.34
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$186.61	\$190.86
Farm property			
Council Services Rate		\$100.13	\$103.43
Land Management Rate	\$2,750,000	\$795.43	\$808.81
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$91.24	\$89.77
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$1,000.73	\$1,015.92
Commercial property			
Council Services Rate		\$100.13	\$103.43
Land Management Rate	\$900,000	\$260.32	\$264.70
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$29.86	\$29.38
Rescue Helicopter Service Rate		\$8.18	\$8.17
Total regional rates (including GST)		\$404.24	\$411.43

Additional for properties in the Kaihū River catchment	Land value	2012/2013 rates incl. GST	2012/2013 rates incl. GST
10 hectares	\$120,000		
	Class A	\$256.22	\$256.22
	Class B	\$128.10	\$128.10
	Class C	\$19.20	\$19.20
100 hectares	\$600,000		
	Class A	\$2,562.20	\$2,562.20
	Class B	\$1,281.00	\$1,281.00
	Class C	\$192.00	\$192.00

Ratepayers in the Far North District

Far North District ratepayers will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the equalised land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate.

Far North Land Management Rate = LV rate in the \$ = \$0.0002584 Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Residential/commercial/other			
Council Services Rate		\$84.39	\$83.52
Land Management Rate	\$120,000	\$32.21	\$27.48
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.57	\$3.58
Rescue Helicopter Service Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$134.09	\$128.55
Residential/commercial/other			
Council Services Rate		\$84.39	\$83.52
Land Management Rate	\$225,000	\$60.39	\$51.53
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.70	\$6.71
Rescue Helicopter Service Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$165.40	\$155.72
Residential/commercial/other			
Council Services Rate		\$84.39	\$83.52
Land Management Rate	\$2,750,000	\$738.12	\$629.75
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$81.92	\$81.95
Rescue Helicopter Service Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$918.34	\$809.19

Far North District ratepayers in the Awanui River Management Rate area will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the equalised land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate;
- (6) An Awanui River Management Rate, classes UA/UF and A to F.

Far North – Awanui catchment Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Residential & commercial urban area of 1 hectare or less			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.18	\$8.17
Plus Awanui River Management Rates applicable to:			
Urban UA low land \$		\$140.92	\$140.92
Urban UF hills \$		\$25.62	\$25.62
Commercial urban UA \$		¹ \$422.76	¹ \$422.76
Lifestyle – 10 hectares			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$450,000	\$122.08	\$120.78
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$13.86	\$13.40
Rescue Helicopter Service Rate		\$8.18	\$8.17
Plus Awanui River Management Rates applicable to:			
Rural commercial A		¹ \$495.08	¹ \$495.08
Rural commercial B		¹ \$373.28	¹ \$373.28
Rural Class A		\$170.28	\$170.28
Rural Class B		\$129.68	\$129.68
Rural Class C		\$89.08	\$89.08
Rural Class E		\$7.88	\$7.88
Rural Class F		\$14.38	\$14.38
Farm property – 100 hectares			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.18	\$8.17
Plus Awanui River Management Rates applicable to:			
Farm Class A		\$1,631.88	\$1,631.88
Farm Class B		\$1,225.88	\$1,225.88
Farm Class C		\$819.88	\$819.88
Farm Class E		\$7.88	\$7.88
Farm Class F		\$72.88	\$72.88

¹ Commercial properties for the Awanui River Management Rate are subject to the 3:1 commercial differential on class UA (\$140.92 including GST) for urban commercial; \$16.24 per ha for Rural Commercial A and \$12.18 per ha for Rural B. The rural commercial rate also includes a single rate of \$7.88 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). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

Far North District ratepayers in the Kaeo–Whangaroa Rivers Management Rate area will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the equalised land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate;
- (6) A targeted Kaeo–Whangaroa Rivers Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100–199).

Far North Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	Land value	2013/2014 Rates incl. GST	2012/2013 Rates incl. GST
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$218.46	\$208.62
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$250.18	\$239.93
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$1,012.95	\$992.87

Far North District ratepayers in the Kerikeri–Waipapa Rivers Management Rate area will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A targeted Regional Infrastructure Rate based on the equalised land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate;
- (6) A targeted Kerikeri–Waipapa Rivers Management Rate set on a uniform basis across all properties falling within the Kerikeri–Waipapa catchment area.

Far North Land Management Rate = LV rate in the \$ = \$0.0002584 Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land value	2013/2014 Rates incl. GST	2012/2013 Rates incl. GST
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
Total regional rates (including GST)		\$193.89	\$182.99
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
Total regional rates (including GST)		\$225.61	\$214.30
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
Total regional rates (including GST)		\$988.38	\$967.24

Far North District ratepayers in the Kaitiāia Transport Rate area will be levied:

- (1) A targeted Council Services Rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June;
- (2) A targeted Land Management Rate based on the equalised land value of the property;
- (3) A targeted, fixed Regional Recreational Facilities Rate, differentiated by location;
- (4) A Targeted Regional Infrastructure Rate based on the equalised land value of the property;
- (5) A targeted, fixed Rescue Helicopter Service Rate;
- (6) A targeted Kaitiāia Transport Rate set on a uniform basis across all properties falling within the targeted area. All rates include GST.

Far North Land Management Rate = LV rate in the \$ = \$0.0002584 Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land value	2013/2014 rates incl. GST	2012/2013 rates incl. GST
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaitiāia Transport Rate		\$17.37	\$15.27
Total regional rates (including GST)		\$161.30	\$149.36
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaitiāia Transport Rate		\$17.37	\$15.27
Total regional rates (including GST)		\$193.02	\$180.67
Residential/commercial/other			
Council Services Rate		\$93.75	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.18	\$8.17
Kaitiāia Transport Rate		\$17.37	\$15.27
Total regional rates (including GST)		\$955.79	\$933.61

Prospective Funding Impact Statement

The prospective Funding Impact Statement is stated excluding GST. The total estimated gross expenditure for the Northland Regional Council for 2013/14 is \$34,138,861. Total expenditure will be funded from the sources listed. These funding/financing sources are consistent with the Revenue and Financing Policy within the Long Term Plan 2012–2022.

Draft Prospective Funding Impact Statement for period ending 30 June 2014:	LTP forecast 2013/14 \$	Draft Annual Plan 2013/14 forecast \$	Variance
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	13,509,681	13,005,785	(503,896)
Targeted rates (other than a targeted water rates)	4,526,887	4,516,660	(10,227)
Subsidies and grants for operating purposes	1,343,573	984,027	(359,546)
Fees, charges and targeted rates for water supply	4,231,484	4,235,922	4,438
Interest and dividends from investments	3,580,619	4,021,197	440,578
Local authorities fuel tax, fines, infringement fees and other receipts	3,759,458	3,819,454	59,996
Total operating funding (see next page for breakdown)	30,951,702	30,583,045	(368,657)
Applications of operating funding			
Payments to staff and suppliers	26,777,520	26,306,381	474,212
Finance costs	1,000	94,273	(93,273)
Other operating funding applications	–	–	–
Total applications of operating funding (see next page for breakdown)	26,778,520	26,400,654	377,866
Surplus/(deficit) of operating funding	4,173,182	4,182,391	9,209
Sources of capital funding			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase/(decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
Applications of capital funding			
Capital expenditure			
To meet additional demand	–	–	–
To improve levels of service	6,835,253	6,833,704	1,549
To replace existing assets	882,711	904,503	(21,793)
Increase/(decrease) in reserves	(3,584,616)	(3,642,179)	57,563
Increase/(decrease) of investments	39,834	86,363	(46,529)
Total applications of capital funding	4,173,182	4,182,391	(9,209)
Surplus/(deficit) of capital funding	(4,173,182)	(4,182,391)	(9,209)
Funding balance	–	–	–

Reconciliation to the Prospective Statement of Comprehensive Income	LTP forecast 2013/14 \$	Draft Annual Plan 2013/14 forecast \$	Variance
Capital expenditure – included above, not in Comprehensive Income.	7,717,964	7,738,207	20,244
Investment movements – included above, not in Comprehensive Income.	39,834	86,363	46,529
Forestry Asset Revaluation – included in Comprehensive Income, not above.	91,421	147,447	56,026
Emission Trading Scheme income– included in Comprehensive Income, not above.	75,369	30,686	(44,683)
Infrastructural Asset Revaluation – included in Comprehensive Income, not above.	742,795	742,795	–
Transfers from/ (to) special reserves – included above, not in Comprehensive Income.	(3,584,616)	(3,642,179)	(57,563)
Depreciation expense – included in Comprehensive Income, not above.	(1,127,392)	(1,130,125)	(2,733)
Total Comprehensive Income for the Years per the Statement of Comprehensive Income	3,955,375	3,973,196	17,821

Breakdown of operating funding sources	LTP forecast 2013/14 \$	Draft Annual Plan 2013/14 forecast \$	Variance
Council Service Rate	7,855,008	7,691,524	(163,484)
Land Management Rate	5,654,673	5,314,261	(340,412)
Regional Infrastructure Rate	593,602	611,350	17,749
Regional Recreational Facilities Rate	1,233,300	1,235,035	1,735
Targeted Rates	2,699,985	2,670,275	(29,710)
Grants and subsidies	1,343,573	984,027	(359,546)
User charges	4,231,484	4,235,922	4,438
Rental income	3,633,523	3,648,608	15,085
Interest income	2,141,330	1,917,620	(223,710)
Dividend income	1,439,289	2,103,577	664,288
Forestry income	–	–	–
Sundry income	125,935	170,846	44,911
Total operating funding	30,951,702	30,583,045	(368,657)

Breakdown of applications of operating funding sources	LTP forecast 2013/14 \$	Draft Annual Plan 2013/14 forecast \$	Variance
Resource management	13,954,417	13,398,446	555,971
Economic development	3,134,945	2,837,945	297,000
Transport	4,599,094	4,365,761	233,332
Hazard management	1,671,570	1,603,425	68,146
River management	1,763,314	2,664,456	(901,141)
Community representation and engagement	2,581,882	2,313,706	268,176
Support services	5,602,370	5,747,000	(144,631)
Less internal charges recovered	(6,529,071)	(6,530,084)	1,014
Total applications of operating funding	26,778,520	26,400,654	377,866

All the funding impact statements within this plan are presented for compliance with Local Government (Financial Reporting) Regulations 2011. It is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011.

Summary table of rates

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2013/14. The actual and projected apportionment of rates between Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate – 30 June 2013

	Gross no. rating units (Kaipara) or SUIP (others)	Net no. rating units (Kaipara) or SUIP (others)	Capital value \$000s	Land value \$000s	Equalised capital value \$000s	Equalised land value \$000s	Equalised capital value%	Equalised land value%
Far North District	35,214	33,623	14,640,452	8,659,386	12,918,296	7,490,109	35.91	37.94
Kaipara District	13,911	13,824	5,943,072	3,559,985	5,672,781	3,316,518	15.77%	16.80%
Whāngārei District	41,457	39,912	17,379,844	8,935,205	17,379,844	8,934,205	48.32%	45.26
Total valuation – Northland	90,582	87,359	37,963,369	21,153,576	35,970,921	19,740,832	100.00%	100.00%

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
Council Services Rate (calculated on CV)									
Rate per SUIP	\$93.75			3,301,313	3,152,156	\$84.39			2,975,637
Rate per RU		\$100.13		1,392,908	1,384,197		\$103.43		1,319,762
Rate per SUIP			\$107.96	4,475,698	4,308,900			\$103.28	4,076,240
				9,169,919	8,845,253				8,371,639
Land Management Rate (calculated on LV)									
Rate per \$ of Actual LV	0.0002713			2,349,161	2,318,817	0.0002684			2,315,339
Rate per \$ of Actual LV		0.0002892		1,029,719	1,026,718		0.0002941		1,041,458
Rate per \$ of Actual LV			0.0003105	2,773,865	2,765,865			0.0002825	2,793,419
				6,152,745	6,111,401				6,150,216
Regional Recreation Facilities (fixed)									
Rate per SUIP	\$5.75			202,481	193,332	\$5.75			202,745
Rate per RU		\$5.75		79,988	79,488		\$5.75		73,370
Rate per SUIP			\$28.75	1,191,889	1,147,470			\$28.75	1,134,676
				1,474,358	1,420,290				1,410,791
Regional Infrastructure Rate (calculated on LV)									
Rate per \$ of Actual LV	0.0000308			266,753	266,753	0.0000298			256,966
Rate per \$ of Actual LV		0.0000332		118,115	118,115		0.0000326		115,585
Rate per \$ of Actual LV			0.0000356	318,186	318,186			0.0000314	310,025

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
				703,054	703,054				682,576
Rescue Helicopter Service Rate (fixed)									
Rate per SUIP	\$8.18			287,927	274,918	\$8.17			287,898
Rate per RU		\$8.18		113,743	113,032		\$8.17		104,185
Rate per SUIP			\$8.18	338,973	326,340			\$8.17	322,248
				740,644	714,291				714,331
Whāngārei Transport Rate (fixed)									
Rate per SUIP									
Rate per RU									
Rate per SUIP			\$12.64	523,954	504,428			\$12.12	478,380
				523,954	504,428				478,380
Kaitiāia Transport Rate									
Rate per SUIP	\$17.37			103,877	102,140	\$15.27			91,849
Rate per RU									
Rate per SUIP									
				103,877	102,140				91,849
Whāngārei Urban Rivers Management Rate									
Rate per SUIP									
Rate per RU									
Rate per SUIP				818,348	818,348				739,231
				818,348	818,348				739,231
<i>See page 25 for further details on the Whāngārei Urban Rivers Management Rate</i>									
Awanui River Management Rate (on area)									
Far North District – Rural				128,199	126,999				128,199
Far North District Urban				358,089	353,589				358,089
				486,288	480,588				486,288
<i>See pages 22 for further details on the Awanui River Management Rate</i>									
Kaihū River Management Rate									
Kaipara				90,404	90,404				90,404
<i>See page 23 for further details on the Kaihū River Management Rate</i>									
Kaeo–Whangaroa Rivers Management Rate									
Far North (Kaeo only)				150,405	150,405				150,405
<i>See page 23 for further details on the Kaeo–Whangaroa Rivers Management Rate</i>									
Kerikeri–Waipapa Rivers Management Rate									
Far North (Kerikeri–Waipapa only)				214,709	210,213				210,189

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
See page 24 for further details on the Kerikeri–Waipapa Rivers Management Rate									
Total rates (including GST)									
Far North District				7,362,913	7,149,322				\$6,977,315
Kaipara District				2,824,878	2,811,955				\$2,744,765
Whāngārei District				10,440,913	10,189,537				\$9,854,218
TOTAL				20,628,704	20,150,814				\$19,576,298

Our activities

This section includes a full description of the council's activities, services and budgets for the 2013/14 year. It includes performance measures and targets, contribution to council objectives, asset information (where relevant) and comparative data from the previous year. It also has information about the council's council-controlled organisations and its subsidiary, Northland Port Corporation.

For the purpose of this plan the council has arranged its business into six groups of activities:

- Resource management
- River management
- Economic development
- Hazard management
- Transport
- Community representation and engagement.

This section summarises the key projects for each of the council's groups of activities for the coming financial year with the estimated levels of expenditure and how that expenditure is to be funded.

Performance measures and targets (that is, how we deliver on our intended levels of service) are included for each group of activities. These essentially outline the key outcomes – for example, standards of environmental quality – which the council expects to achieve from each of its groups of activities.

The measures and targets are not totally comprehensive, but those presented have been selected as key indicators to meaningfully assess our performance.

Resource Management

This group of activities includes:

Resource management planning – developing and reviewing regional plans, policies and strategies that support efficient and effective management of Northland's natural and physical resources.

Consents – providing consents advice and processing resource consents.

Monitoring – monitoring and enforcing resource consent conditions, responding to complaints about alleged breaches of the Resource Management Act, and collecting data to assess the state of the environment and monitor effectiveness of plans.

Biosecurity – managing plant pests, animal pests and marine pests (including control and/or eradication) to minimise their adverse effects on the region's biodiversity, primary production, economy and environment.

Land and biodiversity – promoting sustainable land management practices and maintaining the variety of Northland's indigenous life forms.

Update on key projects

Waioira Northland Water

The Northland Regional Council has a broad programme – Waioira Northland Water – for improving freshwater quality, quantity and management in the region. Through Waioira Northland Water, we will protect and maintain freshwater quality in Northland to suit a range of needs and values, and implement the National Policy Statement for Freshwater Management in Northland.

Waioira Northland Water involves collaboratively working with communities in partnership with stakeholders, iwi and hapū to address freshwater quality issues and to eliminate over-allocation of surface and groundwater where it has occurred.

Council will facilitate the setting of community objectives for freshwater water management that will help us tailor our efforts, identify appropriate water standards, and monitor our progress towards completing our goals. In addition, we know freshwater quality has a major influence on our coastal environment, so we are taking an integrated approach. Our efforts to deliver Waioira Northland Water will therefore link to our work in the harbours, estuaries and coast of Northland.

Waioira Northland Water is a significant programme of work and a council priority. The council's Environmental Management Committee will provide governance

oversight for the programme. Council will continue to develop good practice management and promote it, for example, through our existing Environment Fund and our new Regional Policy Statement for Northland (below). Where necessary, we will introduce regional plan changes and enforce the rules to ensure freshwater objectives are achieved.

Some key initiatives within Waioira Northland Water are as follows.

Farm Water Quality Improvement Plans

The Farm Water Quality Improvement Plans initiative started in 2012/13. We are working with pastoral farmers and key stakeholders to develop individualised farm plans that identify and prioritise actions to maintain or improve water quality and enhance profitability as part of individual farm operations.

Work continues to focus on Waioira Northland Water "priority one" catchments during 2013/14, and will be extended to other catchments in coming years. Council will actively seek other partners to work with to ensure our reach is effective and outcomes are achieved.

Soil conservation and sediment–erosion control

Preparation work for the establishment of a willow and poplar nursery at Flyger Road, Ruakaka is complete. Initial planting of nursery stock is scheduled for late 2013, which will provide a local source of soil conservation plants for use by land owners in conjunction with council's soil conservation and sediment–erosion control programmes.

During 2013/14 council will continue its support and promote soil conservation and sediment–erosion control initiatives in collaboration with landowners and industry. We propose to prioritise and target clusters of erosion–prone land within catchments and work with land owners in these clusters to implement soil conservation measures. Our goals are to increase the amount of erosion control work completed in the priority areas, reduce sedimentation, maintain productivity and contribute to improved water quality.

Wetlands

In 2012/13 the Top Wetlands project:

- Identified Northlands best wetlands;
- Prioritised and ranked those into Northland's top 150 wetlands;
- Provided site-specific information to the landowners these wetlands (and the overall intentions of the project); and
- Developed wetland minimum care standards.

During 2013/14 the council intends to work with wetland owners – by offering advice, encouragement and funding support for works – to protect or enhance their wetland. We will develop tools such as guidelines (for staff, consultants and landowners on how to identify a wetland, how to manage it, and what, if any, rules apply).

Lakes Strategy

An evaluation of Northland's lakes by NIWA was completed in June 2012, with 76 lakes classified and evaluated. The lakes' were assessed against a range of ecological criteria such as habitat size, water quality and the presence of plants and animals. The lakes were then ranked from outstanding through to low. Pressures and threats to the lakes were identified, current monitoring programmes were reviewed, and a draft strategy was proposed. In 2012/13 council started working through how the NIWA evaluation and recommendations can be integrated with the outstanding water bodies and priority catchments in Waioira Northland Water.

During 2013/14 we will continue to prioritise these lakes so individual lake management plans can be developed and implemented, in line with the draft lakes strategy. These plans will link to Northland's Regional Pest Management Strategy and its associated implementation plans, as well as the good practices for land and freshwater management that develop in the wider Waioira Northland Water programme.

New Regional Policy Statement

We are developing a new Regional Policy Statement for Northland, which sets out how our region's natural and physical resources will be managed. This is important for everyone because:

- It will guide regional and district plans which contain the rules around how people, businesses and industry use, develop and protect Northland's resources.
- It will ensure we have common objectives and consistent policies for managing Northland's resources and that they are managed in an integrated way.
- Resource consent decisions across Northland must have regard to the Regional Policy Statement, so it could directly affect what you want to do or protect in the future in Northland.

The council is currently completing its formal consultation on its new Regional Policy Statement. The first phase of submissions closed on 3 December 2012, with the second phase (cross submissions) timed for February 2013. Hearings, using independent commissioners, will follow the submission period before decisions are made by council.

Once council has made its decisions on the new Regional Policy Statement, a standard 20-day appeal period occurs. Areas of it which aren't appealed during that period become 'operative', or take effect legally.

During 2013/14, given the scale and scope of the Proposed Regional Policy Statement, council's decisions are likely to be appealed. The ability to challenge the merits of the decisions forms a valuable part of the resource management process and is currently required by the law. It will affect the timing of when the whole Regional Policy Statement will have legal force.

Other projects

Council continues to explore the potential for a marine protected area for Northland's east coast. During 2013/14 we anticipate that the business case for the east coast proposal will be assessed by our council-controlled organisation, Northland Inc.

Future plan changes to the Regional Water and Soil Plan and the Regional Coastal Plan will be required to implement good management practice and achieve the objectives of Waioira Northland Water, the Regional Policy Statement and to implement the National Policy Statement for Freshwater Management. Staff will be working on these and the ten year reviews to the regional plans during 2013/14.

In addition to our own internal business improvement efforts, there are a number of government initiatives, reviews and reforms that council anticipates will need to be factored into our resource management thinking and practice during 2013/14. These range from potential changes to sections 6 and 7 of the RMA, through to infrastructure services and the government's reaction to the Expert Advisory Group on the efficiency of local government infrastructure provision and the recommendations of the Productivity Commission's inquiry into local government regulatory performance. (All of these reviews are due to report during the latter half of 2012/13.)

How we measure our performance

Level of service	Why it is important	Performance measure	Performance target	Baseline
Promote Māori participation in resource management and decision-making.	Strong, effective and inclusive engagement and decision making that reflects kaitiakitanga responsibilities is likely to achieve better resource management outcomes that meet community aspirations and values.	Management and governance arrangements for resource management include Māori.	Maintain or increase the number of contracts, joint management agreements, joint decision making and planning arrangements, monitoring programmes, between council and iwi/hapū.	2010/2011 Contracts – 2 Joint management agreements – 0 Joint decision making and planning arrangements – 0 Monitoring programmes – 2 (Biosecurity (CPCA) and Monitoring (Aurere Estuary)).
Reduce the impact of introduced pests on environmental, economic and social values.	Reducing pests will contribute positively to the region's economy, environment and culture.	The number of community pest control areas (CPCAs) achieving their targets for pest reduction.	90%	New measure
Promote community involvement in pest management.	Expanding the resources involved beyond council and government funds is necessary for successful pest management in Northland.	The number of active community pest control areas (CPCAs).	Increases by five annually.	2010/2011 – 36
Maintain and enhance water quality for swimming and shellfish collection.	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	<p>The water in our priority harbours, rivers and at the coast is suitable for swimming except for 2–5 days after rain.</p> <p>Shellfish collection is safe in open coastal areas.</p>	<p>The compliance rates for meeting the Suitability for Recreation Grade (SFRG) is maintained or improved based on the 20 core bathing sites monitored for trends.</p> <p>Levels of indicator bacteria in open coastal waters at 15 popular shell fish collections sites is maintained or improved.</p>	<p>Refer below for the 20 core bathing sites results.</p> <p>New measure – the 2012/13 measurements will act as the baseline for future reporting.</p>
Protect the life-supporting capacity of water, in-stream uses and values.	Having healthy rivers support our region's biodiversity and is a community expectation.	The water in our streams supports a healthy habitat for flora and fauna.	The macroinvertebrate community index (MCI) at 10 regionally representative sites show improving or maintained trends.	Refer below for the 10 representative river network sites with their associated median macroinvertebrate community index scores.
Maintaining and enhancing water quality in our rivers and coastal waters.	Consented activities should operate within their consents and not lower downstream water quality to ensure the integrity of the regional plans and overall environment.	The number of annual significant non-compliance events resulting in a reduction in water quality of receiving waters.	<p>2013 Less than 100</p> <p>2014 Less than 80</p> <p>2015–22 Less than 60</p>	2010/11 – 111

Level of service	Why it is important	Performance measure	Performance target	Baseline
Efficient and effective compliance monitoring of resource consents.	Non-consented farms should comply with the permitted activity criteria which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	The number of annual significant non-compliance events resulting in any unauthorised/prohibited discharge to water.	2013 Less than 40 2014 Less than 30 2015–22 Less than 20	2010/11 year – 60 2011/12 year – 45 Inspections for the 2011/12 year have already been completed.
Maintaining a high standard of ambient air quality.	The community expect that air quality will be maintained to acceptable levels.	Air sheds meet the national environmental standards.	100%	2010/11 year – 100%
Efficient and effective compliance monitoring of resource consents.	To ensure compliance with conditions which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	Those consents requiring monitoring are monitored as per the council's monitoring programme.	100%	2010/11 year – 90%
Efficient and effective compliance monitoring of resource consents.	The community expect that consent conditions will be met so that the environment is protected.	The appropriate action is taken to rectify significant non-compliances.	100%	2010/11 year – 75%
Efficient and effective response and resolution of reported environmental incidents.	To ensure timely and appropriate response to environmental incidents that has the potential to result in significant environmental effects.	Incidents reported to the Environmental Hotline, where more than minor environmental effects have been confirmed, are resolved within 30 working days.	70%	New measure. Baseline to be determined in the 2012/13 year.
Efficient and effective processing and administering of resource consents.	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	At least 98% of all applications are processed within the statutory timeframes with bore permits processed within 5 working days (shorter than statutory timeframe).	2010/11 – 99.5% 2009/10 – 98.8% 2008/09 – 98.6% 2007/08 – 98.1% 2006/07 – 98.3% 2005/06 – 98.4%

Funding Impact Statement for Resource Management

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	8,391,688	7,785,514	(606,174)
Targeted rates (other than a targeted water rates)	–	–	–
Subsidies and grants for operating purposes	85,000	–	(85,000)
Fees, charges and targeted rates for water supply	2,619,389	2,618,222	(1,167)
Internal charges and overheads recovered	135,015	–	(135,015)
Local authority fuel tax, fines, infringement fees and other receipts	2,064	2,000	(64)
Total operating funding	11,233,156	10,405,737	(827,420)
	–	–	–
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	10,240,563	9,715,401	525,162
Finance costs	–	–	–
Internal charges and overheads applied	3,713,854	3,683,045	30,809
Other operating funding applications	–	–	–
Total applications of operating funding	13,954,417	13,398,446	555,971
Surplus / (deficit) of operating funding	(2,721,260)	(2,992,709)	(271,449)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	14,861	24,448	(9,587)
to replace existing assets	74,221	74,221	–
Increase / (decrease) in reserves	–	–	–
Increase / (decrease) of investments	(2,810,343)	(3,091,379)	281,036
Total applications of capital funding	(2,721,260)	(2,992,709)	271,449
Surplus / (deficit) of capital funding	2,721,260	2,992,709	271,449
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

General rating revenue is less than the amount forecasted in the Long Term Plan 2012–2022 due to the general rate funding provision for the Hydrology department being transferred (with the associated costs) to the River Management activity. In addition, the proposal to reduce the general rate annual increase from 6.45% (as prescribed in the Long Term Plan) to 3% and the introduction of a provision to recognise rating remissions has reduced the overall amount of general rates needed for councils activities.

Subsidies and grants for operating purposes are less than the amount forecasted in the Long Term Plan due to the Bio–Condition funding received from the Department of Conservation being removed as council’s priorities have changed and the fencing of bush blocks is now limited to soil conservation works.

Internal charges and overheads recovered are less than the amount forecasted in the Long Term Plan due to the elimination of an internal transfer for a cross–departmental service performed by the hydrology department. The hydrology department was originally

forecast as part of the Resource Management activity; however, due to the transfer of this department to the River Management activity there is now no requirement for the cross–department transfer.

Applications of operating funding

Payments to staff and suppliers are less than the amount forecasted in the Long Term Plan, mainly due to the costs associated with the Hydrology department being transferred from the Resource Management activity to the River Management activity, and the removal of the costs associated with the Bio–Condition projects. These reductions are partially offset by the return of a staff member who has previously been seconded into the Economic Development activity.

Internal charges and overhead recoveries are less than the amount forecasted in the Long Term Plan due to reduced organisational support costs as Hydrology staff (the main driver of the support cost allocation) are transferred to the River Management Activity. Partially off–setting this staff reduction (and support cost reduction) in this activity was the transfer of consultancy budget to personnel to recruit staff in the Land and Biodiversity department.

River Management

River Management is the mandatory activity of “flood protection and control works” required under the Local Government Act 2002.

Update on key projects

Whāngārei detention dam

The proposed Raumanga flood detention dam progressed during 2012/13, with preliminary design completed, consent applications lodged and land use negotiations and acquisition well advanced.

Timing for the dam’s construction depends on several factors (obtaining resource and building consents, designation, and land negotiations and acquisition) but it is currently proposed that the works will be undertaken during the summer of 2013/14.

Replacement of the Rust Avenue bridge has been secured through a NZTA funding subsidy and a contribution from the Whāngārei District Council and Whāngārei Urban Rivers Management Rate. This will create additional capacity to the bridge so floodwaters can flow more safely downstream of the CBD.

Maintenance works on the rivers are ongoing, with works focusing on removal of accumulated sediment from key pinch points in the lower river systems to help reduce flood risk. These works will continue in 2013/14.

Kaihū River Flood Management Scheme

Maintenance of the Kaihū river channel is ongoing and the current targeted rate has continued.

Kerikeri–Waipapa Rivers Flood Management Scheme

A new uniform targeted rate was established for properties within the Kerikeri, Waipapa and Wairoa River catchments to fund river maintenance and detailed design for river scheme options to reduce flood risk.

The maintenance work has focused on the river channels where removing debris or other flow restrictions will help to reduce flood risk.

The proposed flood scheme works are scheduled for 2014/15, pending confirmation of feasibility, design, resource consents and land use negotiations. There will be further consultation during the Draft Annual Plan 2014/15 process.

Council intends to reassess the uniform rate once more work on cost and benefit of options has been completed, and there will be further consultation on alternative rating options prior to any changes.

Differentiated rates based on the level of benefit or contribution to the flooding may be a possible option.

Kaeo–Whangaroa Rivers Flood Management Scheme

Preparation for the construction of Stage 1 of the proposed Kaeo flood scheme has been progressed, with design completed, resource consents obtained and land use negotiations finalised. Construction of Stage 1 is scheduled for summer 2012/13.

Construction of Stage 2 of the Kaeo flood scheme, which also includes improvements to Waikara Creek, is scheduled for 2015/16. The existing targeted rate will be used to repay the internal loan for the Stage 2 works over seven years. The rate is projected to increase from \$74.53 to \$108.12 in 2015/16.

River maintenance works have continued, on a reduced scale, on the Kaeo–Whangaroa Rivers. The reduced scale of works reflects the progress made in recent years to river systems and also a redirection of funding from operational to capital works.

Awanui River Flood Management Scheme

Extensive maintenance works were undertaken during 2012/13, including removal of accumulated sediment, floodgate maintenance, stopbank maintenance and slip repair at critical locations.

Further flood protection improvements roughly estimated at \$3.9 million are projected to be constructed in 2014/15.

Prior to these flood protection works being undertaken, there will be a further annual plan consultation on the available options and a rating review of the Awanui River Flood Management Scheme to change or confirm the current rating groups to reflect the benefits received from the flood scheme.

Minor river works

Minor river works were progressed throughout Northland in 2012/13. Additional minor river works are

proposed for 2013/14, which will in general involve the following work:

- Waima resource consents for alluvial fan bunded floodway and maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Ngunguru gravel management.
- Contribution towards Kawakawa township stopbank construction.
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Otaika lower river willow removal and lower floodplain overflow channel including resource consent.
- Helena Bay debris/gravel removal.
- Waimamaku maintenance assistance.

How we measure our performance

Level of service	Why it is important	Performance measure	Performance target	Baseline performance
Building flood protection schemes to protect life and property.	Well-designed flood protection systems protect human life and damage to property and infrastructure.	Number of failures of flood protection system for the Awanui, Whāngārei, and Kaeo, schemes below specified design levels.	Zero failures.	New measure
Maintaining flood protection schemes to protect life and property.	Implementing the minor works programme ensures the river systems work to their best ability.	Implement the programmed minor flood control works for other rivers in accordance with the approved annual budgets.	100% of programmed minor works completed.	New measure

Funding Impact Statement for River Management

Draft Prospective Funding Impact Statement For period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	607,556	1,162,783	555,227
Targeted rates (other than a targeted water rates)	1,529,220	1,521,703	(7,517)
Subsidies and grants for operating purposes	–	–	–
Fees, charges and targeted rates for water supply	–	–	–
Internal charges and overheads recovered	–	–	–
Local authority fuel tax, fines, infringement fees and other receipts	–	–	–
Total operating funding	2,136,776	2,684,486	547,710
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,304,984	1,952,219	(647,235)
Finance costs	218,461	218,472	(11)
Internal charges and overheads applied	239,870	493,764	(253,895)
Other operating funding applications	–	–	–
Total applications of operating funding	1,763,314	2,664,456	(901,141)
Surplus / (deficit) of operating funding	373,462	20,031	(353,431)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	6,407,163	6,407,576	(413)
to replace existing assets	52,805	52,805	–
Increase / (decrease) in reserves	(6,001,102)	(6,003,357)	2,255
Increase / (decrease) of investments	(85,404)	(436,993)	351,589
Total applications of capital funding	373,462	20,031	353,431
Surplus / (deficit) of capital funding	(373,462)	(20,031)	353,431
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

General Rating revenue is greater than the forecasted amount in the Long Term Plan, mainly due to the general rate funding provision for the Hydrology department being transferred (with the associated costs) from the Resource Management activity to the River Management activity.

Applications of operating funding

Payments to staff and suppliers are greater than the forecasted amount in the Long Term Plan. This is

mainly due to the costs associated with the Hydrology department being transferred from the Resource Management activity to the River Management activity.

Internal charges and overhead recoveries are greater than the forecasted amount due to the organisational support costs allocated to this activity increasing as a result of additional Hydrology staff (main driver of the support cost allocation) being transferred from the Resource Management Activity.

Economic Development

The Economic Development group of activities includes economic development and the rating for the rescue helicopter, the Northland Events Centre and the Marsden Point Rail Link Joint Venture.

Update on key projects

The council will continue to directly support economic development by:

- Embedding economic well-being into the key planning documents of the council.
- Implementing internal improvement processes to build a business friendly environment that encourages business and employment opportunities.
- Collating and producing a quarterly "State of the Economy" report tracking regional economic performance and trends.
- Investing in economic development projects that are eligible for funding from the Investment and Growth Reserve.

During 2012/13 council and Northland Inc completed the transitional arrangements required by the decision to change our council-controlled organisation structure. This included winding up the Northland Regional Council Community Trust; transferring activities and staff from Enterprise Northland Trust to Northland Inc; bringing the Community Investment Fund in-house; and developing Northland Inc into the region's economic development and tourism organisation.

The economic development activities to be delivered from council's new council-controlled organisation, Northland Inc, include:

- Finding economic development projects for the council (and others) to invest in (initially using the Investment and Growth Reserve).
- Helping put together business cases for economic development projects.
- Assessing economic development projects (and their business cases) for the council (and others) to invest in.
- Managing projects on behalf of the council.
- Directly assisting projects through business incubation, removing (some) risk (e.g. by getting resource consents, securing land, securing partners).
- Advising council on opportunities and barriers to economic development in Northland.
- Delivering the business growth and skills development service provision, funded by central government.
- Collaborating with industry sector groups, Māori development groups and supporting regional forums e.g. Northland Energy Forum, Digital Forum, rail project, oyster shell project.
- Regional promotion including tourism promotion and destination marketing.
- Promoting Northland as a place to live, work, invest and visit.

The objectives of the council's Investment and Growth Reserve are:

To invest in economic projects/ventures within Northland to increase:

- Jobs in Northland;
- Average weekly household income of Northlanders;
- GDP of Northland.

How we measure our performance

Key aspect of activity	Why it is important	Performance measure	Performance target	Baseline
Investing in economic projects and ventures within Northland to increase Northland's economic performance.	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Employment rate – the proportion of the labour force that is in paid employment.	Increases annually.	Year ended June 2011 – 91.5% Year ended June 2010 – 90.38%
		Business growth – the ratio of business start-ups to business closures. See note below.	Increases annually.	Year ended June 2011 – 0.67 Year ended June 2010 – 0.74
		Economic growth – real GDP per usual resident population.	Increases annually.	Year ended June 2011 – \$21,244 Year ended June 2010 – \$21,112

Funding Impact Statement for Economic Development

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	697,574	457,725	(239,848)
Targeted rates (other than a targeted water rates)	2,449,253	2,467,507	18,254
Subsidies and grants for operating purposes	–	–	–
Fees, charges and targeted rates for water supply	–	–	–
Internal charges and overheads recovered	–	–	–
Local authority fuel tax, fines, infringement fees and other receipts	1,127,701	990,619	(137,082)
Total operating funding	4,274,528	3,915,851	(358,677)
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,371,635	2,073,427	298,208
Finance costs	643,706	716,606	(72,900)
Internal charges and overheads applied	119,604	47,912	71,692
Other operating funding applications	–	–	–
Total applications of operating funding	3,134,945	2,837,945	297,000
Surplus / (deficit) of operating funding	1,139,583	1,077,906	(61,677)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	–	–	–
to replace existing assets	–	–	–
Increase / (decrease) in reserves	675,924	495,844	180,080
Increase / (decrease) of investments	463,659	582,062	(118,403)
Total applications of capital funding	1,139,583	1,077,906	61,677
Surplus / (deficit) of capital funding	(1,139,583)	(1,077,906)	61,677
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

General rating revenue is less than the forecasted amount in the Long Term Plan. This is due to the proposal to reduce the general rate annual increase from 6.45% (as forecast in the Long Term Plan) to 3%, which has reduced the overall amount of general rates available to fund council activities.

Local authorities' fuel tax, fines, infringement fees and other receipts are less than the forecasted amount in the Long Term Plan due to the returns generated from the Community Investment Fund being reviewed and revised.

Applications of operating funding

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan predominantly due to staffing level changes in the

council's Economic Development activity and the transfer of the interest expense relating to the Marsden Point Rail Link joint venture being transferred out of the payments to staff and suppliers to the Finance costs line.

Finance costs are greater than the forecasted amount in the Long Term Plan due to the transfer of the interest expense relating to the Marsden Point Rail Link joint venture being transferred out of the payments to staff and suppliers to the Finance costs line.

Internal charges and overheads applied are less than the forecasted amount in the Long Term Plan due to a reduction in the number of staff (main driver for support cost allocation) residing in the Economic Development Activity.

Hazard Management

This group of activities includes:

- Civil defence emergency management
- Natural hazard management
- Oil pollution response.

Hazard management is a core function of regional councils – that is, minimising the effects of these hazards on life, property and the quality of the environment.

Update on key projects

Our key focusses for the coming year will be to:

- Implement, monitor and report on the Civil Defence Emergency Management Group Plan for Northland.

- Review the Civil Defence Emergency Management Group Plan for Northland in preparation for the next plan.
- Prepare and adopt a new plan in 2014, in accordance with the Civil Defence Emergency Management Act.

During 2012/13 natural hazard maps were produced and uploaded to the council's website. This coincided with the public notification of the Proposed Regional Policy Statement, which contained policies relevant to natural hazard management. We will continue to roll out these maps during 2013/14 as they are completed.

How we measure performance

Levels of service	Why it is important	Performance measure	Performance target	Baseline (with recent trends if available)
Maintaining a responsive and efficient civil defence emergency management system.	Providing timely information and warnings helps protect the public and property.	Nationally issued warnings are acknowledged within 30 minutes.	100% of the time.	New measure.
Maintaining an effective civil defence emergency management system.	Maintaining effective plans and response procedures is an important way to reduce the impact of any emergency situation.	Emergencies are debriefed within one month and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100% of the time	2010/11 – 100%
Providing accurate and timely flood warnings.	Timely warnings are important to enable communities to take precautionary measures and safeguard property and livestock.	Accurate and timely flood warnings issued.	100% of the time	New measure
Maintaining an efficient and responsive and efficient oil pollution response.	There is a high public expectation that our response will be effective and efficient.	Evaluate and respond to a report of an oil spill within one hour of the report being received.	100% of the time.	100% for the past 3 years.
Maintaining natural hazard information and assessments to protect life and property.	Identification of natural hazards and risk reduction options helps people make informed decisions about risks. Information also helps policy and land use planning which help to reduce risk where risk is deemed unacceptable.	Maintain hazard information for river flooding and beach profiles.	Priority beach profile sites updated biennially. Flood level monitoring at priority rivers updated within 1 month following every large flood event.	New measure New measure

Funding Impact Statement for Hazard Management

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,288,587	981,979	(306,602)
Targeted rates (other than a targeted water rates)	–	–	–
Subsidies and grants for operating purposes	73,408	73,408	(0)
Fees, charges and targeted rates for water supply	1,032	1,032	–
Internal charges and overheads recovered	–	–	–
Local authority fuel tax, fines, infringement fees and other receipts	125,757	170,732	44,975
Total operating funding	1,488,784	1,227,157	(261,628)
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,198,638	1,228,054	(29,416)
Finance costs	6,924	6,924	–
Internal charges and overheads applied	466,008	368,446	97,562
Other operating funding applications	–	–	–
Total applications of operating funding	1,671,570	1,603,425	68,146
Surplus / (deficit) of operating funding	(182,786)	(376,268)	(193,482)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	2,064	–	2,064
to replace existing assets	–	1,250	(1,250)
Increase / (decrease) in reserves	138,470	20,553	117,917
Increase / (decrease) of investments	(323,320)	(398,071)	74,751
Total applications of capital funding	(182,786)	(376,268)	193,482
Surplus / (deficit) of capital funding	182,786	376,268	193,482
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

General rating revenue is less than the forecasted amount in the Long Term Plan. This is due to the proposal to reduce the general rate annual increase from 6.45% (as forecast in the Long Term Plan) to 3%, which has reduced the overall amount of general rates available to fund council activities; and the introduction of a provision to recognise rating remissions has

reduced the overall amount of general rates to be allocated across council's activities.

Applications of operating funding

Internal charges and overheads applied are less than the forecasted amount in the Long Term Plan predominantly due to the costs associated with a cross-departmental service performed by the Hydrology department not falling within the Hazard Management activity as originally forecast. These costs now are provided for in the River Management activity.

Transport

This group of activities includes:

- Regional transport management
- Passenger transport administration
- Harbour safety and navigation.

How we measure performance

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Embed safety in the thinking of all Northland road users.	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of fatal and serious injury motor vehicle crashes in Northland.	Crashes involving fatalities: 2012 <20 2013 <18 2014 <17 2015–21 <17 Crashes involving serious injuries 2012 <30 2013 <22 2014 <20 2015–21 <18	The number of crashes for both categories for the past five years is below this table. Crashes involving fatalities – average for last 5 years = 24.4. Crashes involving serious injuries – average for last 5 years = 40.4.
Providing an efficient and effective public bus service.	A reliable and effective bus service will have an increasing number of patrons.	Number of passengers for the Whāngārei urban bus service.	Increases annually.	2008/09 269,556 (+17%) 2009/10 289,485 (+7%) 2010/11 287,006 (–1%)
Maintaining navigation aids for safe navigation.	Safety of harbour and coastal waters. Also mitigates environmental problems of oil spills from wrecks.	Failures to navigation aids are repaired within five working days of reporting.	100% of the time.	New measure.
Providing safe pilotage services for vessels entering the Bay of Islands.	Pilotage provides additional safety. Large ships carry large amounts of oil.	Number of incidents from providing pilotage services within BOI harbours.	Zero incidents related to pilotage.	2009/10 – 0 2010/11 – 0

Funding Impact Statement for Transport

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	978,299	1,093,730	115,432
Targeted rates (other than a targeted water rates)	548,413	527,450	(20,963)
Subsidies and grants for operating purposes	1,123,245	910,619	(212,626)
Fees, charges and targeted rates for water supply	1,572,878	1,564,451	(8,427)
Internal charges and overheads recovered	0	–	(0)
Local authority fuel tax, fines, infringement fees and other receipts	10,114	10,114	0
Total operating funding	4,232,949	4,106,364	(126,584)
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,954,855	3,715,559	239,296
Finance costs	–	–	–
Internal charges and overheads applied	644,239	650,202	(5,964)
Other operating funding applications	–	–	–
Total applications of operating funding	4,599,094	4,365,761	233,332
Surplus / (deficit) of operating funding	(366,145)	(259,397)	106,748
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	34,485	25,000	9,485
to replace existing assets	252,068	222,451	29,617
Increase / (decrease) in reserves	17,128	48,539	(31,411)
Increase / (decrease) of investments	(669,826)	(555,387)	(114,439)
Total applications of capital funding	(366,145)	(259,397)	(106,748)
Surplus / (deficit) of capital funding	366,145	259,397	(106,748)
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

Subsidies and grants for operating purposes are less than the forecasted amount in the Long Term Plan due to a reduction in the level of funding received from the New Zealand Transport Agency.

Applications of operating funding

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan predominantly due to the costs associated with a number of work programs being reviewed and revised to align with the reduced New Zealand Transport Agency subsidy funding.

Community Representation and Engagement

This group of activities only includes the Community Representation and Engagement activity.

Update on key projects

During 2013/14 there is potential for local government reorganisation in Northland.

We think this change should be community driven, and we have not therefore proposed or injected a preferred solution into the debate as we go out to consult on this Draft Annual Plan. During 2013 we will start talking with individuals and communities of interest within the region and hearing their views on local government reorganisation before we engage with the Local Government Commission, Ministers, and others on reform.

We will engage people in Northland in a conversation about the principles of governance, which local governance arrangements they think will work best for Northland, and how the regional council should respond to any proposals to reform local government in Northland.

We will therefore be able to advocate on behalf of the regional community or respond to the reorganisation proposals others may put forward.

In December 2012, as the Local Government Act Amendment Bill became law, the purpose of local government changed. While we still exist to enable democratic local decision-making and action by (and on behalf of) our regional communities, the requirement to promote the 'four well-beings' has been removed.

This Draft Annual Plan, the feedback we receive on it and the actions we take as a result will be in keeping with our role of enabling democratic local decision-making and action. In the coming months we may receive guidance from Government about how we should interpret the new requirements (for cost-effective, good-quality local infrastructure, local public services and regulatory functions) and how we should reconcile this with what our community wants. We will need to adapt to anything we receive as we go and we look forward to hearing the views of Northland communities as we consult on this Draft Annual Plan.

How we measure performance

Levels of service	Why it is important	Performance measure	Performance target	Baseline
Maintaining effective, open and transparent democratic processes.	This is council in action – facilitating community participation in decision making.	Submissions received on council's Long Term Plan and Annual Plan.	Increasing number of submissions for Annual Plan and Long Term Plan.	220 submissions – Annual Plan 2011/2012. 500 submissions – Annual Plan 2010/2011. 612 submissions – Long Term Plan 2009–2019.
Maintain effective, open and transparent democratic processes.	Providing responses to submitter feedback enhances the experience of submitters and encourages their ongoing participation in local government decision making processes.	Time to respond to submitters post adoption of Annual plan and Long Term Plan.	Within one month of adoption.	Annual Plan 2011/2012 – one month.
Providing effective advocacy on behalf of Northlanders on matters of regional significance.	This is council in action – advocating for Northlanders on issues of importance to them.	Level of advocacy undertaken on issues of importance to Northland over and above government submission processes.	10 submissions made annually.	New measure

Funding Impact Statement for Community Representation and Engagement

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	1,545,979	1,524,047	(21,931)
Targeted rates (other than a targeted water rates)	–	–	–
Subsidies and grants for operating purposes	61,920	–	(61,920)
Fees, charges and targeted rates for water supply	–	–	–
Internal charges and overheads recovered	–	–	–
Local authority fuel tax, fines, infringement fees and other receipts	–	–	–
Total operating funding	1,607,899	1,524,047	(83,851)
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,121,976	1,892,350	229,626
Finance Costs	–	–	–
Internal charges and overheads applied	459,906	421,356	38,550
Other operating funding applications	–	–	–
Total applications of operating funding	2,581,882	2,313,706	268,176
Surplus / (deficit) of operating funding	(973,983)	(789,659)	184,324
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	–	–	–
to replace existing assets	–	–	–
Increase / (decrease) in reserves	(144,480)	(165,000)	20,520
Increase / (decrease) of investments	(829,503)	(624,659)	(204,844)
Total applications of capital funding	(973,983)	(789,659)	(184,324)
Surplus / (deficit) of capital funding	973,983	789,659	(184,324)
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

The Treaty Settlement process for Te Hiku iwi has not progressed as quickly as anticipated when the Long Term Plan 2012–2022 was adopted. The constitution of the Beach Management Board for Te Oneroa–a-Tōhe and the Crown subsidy \$60,000 to administer it may not occur during the 2013/14 financial year, and is therefore not shown in the revenue associated with this activity.

If the legislation implementing the settlements progresses quickly during 2013/14, the anticipated subsidy should be available at the same time that expenditure on the Beach Management Board administration occurs and therefore this will have nil effect on the costs of administration associated with the Board.

Applications of operating funding

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan predominantly due to the review and reorganisation of staff within this activity.

Internal charges and overhead recoveries are less than the forecasted amount due to the reduction in staffing numbers (which is the main driver for support costs allocation).

Support Services

The funding impact statement below is for council's support services – the organisation's corporate and support functions. It includes expenditure and funding sources for commercial activities (interest, dividends and rental income) finance operations, records administration, human resources, communications, information technology and other administration.

Draft Prospective Funding Impact Statement for period ending 30 June 2014	LTP forecast 2013/14 \$	Annual Plan forecast 2013/14 \$	Variance \$
SOURCES OF OPERATING FUNDING			
General rates, uniform annual general charges, rates penalties	–	–	–
Targeted rates (other than a targeted water rates)	–	–	–
Subsidies and grants for operating purposes	–	–	–
Fees, charges and targeted rates for water supply	38,184	52,217	14,033
Internal charges and overheads recovered	6,394,056	6,530,084	136,029
Local authority fuel tax, fines, infringement fees and other receipts	6,074,441	6,667,186	592,745
Total operating funding	12,506,681	13,249,487	742,807
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	5,584,870	5,729,371	(144,501)
Finance Costs	1,000	1,000	–
Internal charges and overheads applied	16,500	16,629	(129)
Other operating funding applications	–	–	–
Total applications of operating funding	5,602,370	5,747,000	(144,631)
Surplus / (deficit) of operating funding	6,904,311	7,502,487	598,176
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital purposes	–	–	–
Development and financial contributions	–	–	–
Increase / (decrease) in debt	–	–	–
Gross proceeds from sale of assets	–	–	–
Lump sum contributions	–	–	–
Total sources of capital funding	–	–	–
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
to meet additional demand	–	–	–
to improve levels of service	376,680	376,680	–
to replace existing assets	503,616	553,776	(50,160)
Increase / (decrease) in reserves	1,729,888	1,961,242	(231,354)
Increase / (decrease) of investments	4,294,127	4,610,789	(316,662)
Total applications of capital funding	6,904,311	7,502,487	(598,176)
Surplus / (deficit) of capital funding	(6,904,311)	(7,502,487)	(598,176)
Funding balance	–	–	–

Variations from Long Term Plan

Sources of operating funding

The increase in internal charges and overheads recovered above those forecast in the Long Term Plan forecast represents the additional amount of organisation support costs that are allocated out to the each activity.

Local authorities' fuel tax, fines, infringement fees and other receipts are greater than the Long Term Plan forecast predominantly due to the Northland Port Corporation dividend being greater than originally forecast. Originally a \$0.065 per share dividend was

incorporated into the Long Term Plan; however, the dividend was revised in this Draft Annual Plan to \$0.095 per share. The additional dividend equates to \$664,000 and is slightly offset by lower than originally forecast interest rates prevailing in the current market.

Applications of operating funding

Payments to staff and suppliers are greater than forecast in the Long Term Plan, mainly due to an increase of \$250,000 in the Doubtful Debt provision partially offset by a number of operational savings made in the Information Technology, Communications and Human Resources Departments.

Significant financial forecasting assumptions

The financial forecasts within this Draft Annual Plan are based on a range of assumptions about our future situation – in particular, assumptions that impact on our revenue and expenditure levels. The forecasting assumptions listed in this plan reflect the assumptions within the Long Term Plan 2012–2022 applying to 2013/14; and have been updated where appropriate. For a complete list of the long-term forecasting assumptions, refer to the Long Term Plan 2012–2022 which is available on our website: www.nrc.govt.nz/ltp

Schedule 10 of the Local Government Act 2002 requires the council to 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 must state the reason for that level of uncertainty and provide an estimate of its potential effects on the financial estimates provided. The level of uncertainty is determined by reference to both the likelihood of the occurrence and the financial materiality.

Each year council reviews its position from the intentions signalled in the Long Term Plan 2012–2022. Where revised prospective financial statements have been issued, we have provided an explanation of the changes.

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 which 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 plan.

The council has assumed that the actual results for the 2012/2013 financial year are largely in accordance with the Annual Plan 2012/2013 (first year of the Long Term Plan 2012–2022).

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 were authorised for issue on 18 December 2012 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.

General assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
The Northland economy will take longer to recover than in other parts of New Zealand, in terms of employment and the real estate market. Over the ten year period from June 2012 to June 2022, we are assuming a slower gross domestic product (GDP) growth rate of 1.5%.	The current recovery stalls, is slower than expected or significantly deepens.	Low to medium	A 1 % reduction in general rating revenue in year 1 is \$130,058 equivalent to 0.4% of our total operating budget.	A slow economy has the effect of perpetuating affordability issues and potentially resulting in increased rating arrears.
Population growth will be slow (0.5% average increase annually in the number of separately used and inhabited parts and rating units (SUIP's/RU's). Impact: No additional expenditure has been provided in this plan for addressing issues related to population growth.	Population growth will be significantly different from projected.	Low	Low This equates to an increase of 437 SUIP's/RU's in 2013/14. The average general rate per SUIP/RU is \$170.11. If the projected 0.5% increase in SUIP/RU did not eventuate the average general rate would be \$170.96 (this is less than \$1 impact per SUIP/RU).	Short term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments. A greater demand for public transport services may result in the urban areas, particularly Whāngārei, as it is likely to expand at a greater rate than other areas within the region.
Resource consents 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. Council is unable to renew existing resource consents upon expiry.	Low	Low	The final 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 over 2013/14.
Changes to council's business There will be no significant change to council business dictated by as yet unknown/unconfirmed legislation or central government policy change.	Changes to council business significantly alter operations and activities carried out by council.	Medium	Low	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.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>Any indirect impacts of the Emissions Trading Scheme through price increases being passed on to council are assumed to be covered by council's inflation assumptions.</p> <p>The direct impact of the Emission Trading Scheme is that council will be required to replant its forestry holdings after any harvest. The council's forestry management plan prescribes this approach. Council has received Emission Trading Scheme credits to financially compensate for this requirement.</p>	Changes in government legislation result in charges greater than the budgeted expenditure.	Low	Low	It is considered that any annual changes to the Emission Trading Scheme will not have any material effect on the overall financial forecasts in this plan.
<p>Climate change impacts</p> <p>Climate change will match the Ministry for Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC).</p>	Changes in government legislation result in charges and revenue significantly different from estimated impacts of the Emissions Trading Scheme.	Medium	Low	Variations to long term budget forecasts and levels of service will be required and will be addressed by subsequent long term plans.
<p>Budget provision will be adequate to address costs arising from natural disasters.</p> <p>Council holds insurance for its assets, including the Awanui River Flood Management Scheme. In addition council holds a reserve titled the Land Management Reserve that is intended to have a long term balance of \$1.5 million, which if required, may be utilised to fund emergency works.</p>	Natural or other hazard emergencies require work that cannot be funded out of normal budgetary provisions.	Low	Medium	The council's financial position is strong enough to fully replace all infrastructure assets in the case of an event causing total destruction.

Financial assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>Inflation</p> <p>Council has adjusted base financial projections to reflect the estimated impact of inflation.</p>	The actual rate of inflation varies from the assumed rate of inflation.	Low to medium	<p>Low to medium 1% increase in inflation over and above the BERL rates will increase council's total operating expenditure by \$275,307</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 all of council's funding sources in the following year.</p>	<p>Inflation is affected by external factors, most of which are outside of council's control and influence.</p> <p>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% to 3% range.</p>

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk						
Forecast return on council investments <div><div>Cash investments</div>Interest income derived from cash deposits is calculated upon an assumption 2.75% per annum for current/call accounts and 4%–4.2% for term deposits.</div> <div><div>Stocks and bonds (fixed) investments</div>Interest income derived from fixed Investments is calculated at the relevant coupon rate until maturity of such investment.</div> <div>Reinvestment into Fixed Investments has had interest calculated at 4%–4.6% per annum throughout the life of the plan.</div>	Actual interest rates vary from those projected.	Low to medium	Low to medium An increase or decrease of 1% above or below forecast returns on cash deposits will result in a variance in interest income of \$152,478.	If actual interest rates are lower than the forecast rates, then the Growth and Investment Reserve will receive reduced allocations. Rating levels will not be affected.						
Forestry Investment Revenue Forestry revenue is projected in line with the forestry management plan. 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 impact on funding or expenditure requirements.	Projected forestry returns differ significantly from those estimated.	Low to medium	Low	If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.						
Forecast return on investments made from the Investment and Growth Reserve It is assumed funding set aside in the Investment and Growth Reserve will earn a return of 5% per annum. Investment and Growth Reserve funds will be invested in accordance with council’s Treasury Management Policy criteria until such time as they are invested in accordance with the Investment and Growth Reserve Criteria. Actual return on investments could vary significantly. Council recognises higher risk investments, may result in potential higher returns, but there is also a risk of the project not delivering the expected return. It is also possible that council will accept a lower return on projects that contribute positively to social and cultural well–beings.	Actual returns vary from those projected.	Medium	Low to medium An increase or decrease of 1% above or below forecast year 1 returns on funding set aside in the Investment and Growth Reserve will result in a variance in investment revenue of \$36,858.	If actual investment returns are lower than forecasted rates there will be less funding available to invest in further projects. This may have an impact on council’s ability to make a positive contribution towards promoting economic development in Northland. Rating levels will not be affected.						
Borrowing costs (external and internal) The borrowing costs for qualifying assets are calculated assuming the following average interest rates. <table><tr><td></td><td>New borrowing</td><td>Existing Borrowing</td></tr><tr><td>2013/14</td><td>5%</td><td>7%</td></tr></table>		New borrowing	Existing Borrowing	2013/14	5%	7%	The prevailing interest rate varies from those assumed.	Medium	Low	Council is not forecasting any external borrowing in 2013/14. If any actual borrowing should eventuate, an unbudgeted interest expense will also eventuate and this may affect the level of rating income increase required to fund such expenditure. Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.
	New borrowing	Existing Borrowing								
2013/14	5%	7%								

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk						
Dividends It is assumed that council will maintain its shareholding in Northland Port Corporation (NZ) Limited. It is assumed that the dividend received from this shareholding will be 9.5 cents per share.	Council chooses not to maintain its shareholding. The actual dividend per share will vary from the assumed amount.	Low Low	Low An alternative investment would be sought with an annual return. Low A one cent per share movement in the declared dividend will have an impact on council's dividend income by \$221,429.	If actual dividend income is lower than the forecast other funding sources or savings will be considered to offset the difference. Investment revenue, including dividends are to be transitioned to the Investment and Growth Reserve over a ten year period. If in any one year, the actual investment revenue is less than \$6.7M, council will calculate the amount to be transferred to the Investment and Growth Reserve based on the actual revenue and the stage of phasing.						
Investment property rental income It is assumed the council's investment property portfolio will be tenanted throughout the plan at the current occupancy rates and that rents will be increased at review date as per the table below: <table><tr><td>Leases currently in arbitration with a valuation</td><td>85% of arbitration estimated lease amount</td></tr><tr><td>Leases currently in arbitration without a valuation</td><td>+32% of current estimated lease amount</td></tr><tr><td>Lease review falling in 2013–14</td><td>+32% current estimated lease amount</td></tr></table> It is further assumed the disposition of any investment property will have no financial impact as the proceeds will be reinvested in an investment that provides a similar revenue stream.	Leases currently in arbitration with a valuation	85% of arbitration estimated lease amount	Leases currently in arbitration without a valuation	+32% of current estimated lease amount	Lease review falling in 2013–14	+32% current estimated lease amount	Occupancy rates decline and /or rent reviews are less than forecast – resulting in less than forecast rental income.	Low	Low A 1% reduction in council's investment property rental income equates to \$34,145.	All rentals are subject to contractual obligations which have varying renewal and review periods. The large majority of 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.
Leases currently in arbitration with a valuation	85% of arbitration estimated lease amount									
Leases currently in arbitration without a valuation	+32% of current estimated lease amount									
Lease review falling in 2013–14	+32% current estimated lease amount									

Financial statements

Prospective Statement of Comprehensive Income

Draft Prospective Statement of Comprehensive Income for the year ending 30 June 2014	Long Term Plan Yr2 2013/14 \$	Draft Annual Plan 2013/14 \$	Variance to LTP (\$ UNFAV)
REVENUE			
Grants and Subsidies	1,343,573	984,027	(359,546)
User charges	4,231,484	4,235,922	4,438
Revenue from activities	5,575,057	5,219,949	(355,108)
			–
Council Service Rate	7,855,008	7,691,524	(163,484)
Land Management Rates	5,654,673	5,314,261	(340,412)
Targeted Regional Infrastructure Rate	593,602	611,350	17,749
Targeted Regional Recreational Facilities Rate	1,233,300	1,235,035	1,735
Other Targeted Rates	2,699,985	2,670,275	(29,710)
Total Rating revenue	18,036,568	17,522,445	(514,123)
			–
Rental Income	3,633,523	3,648,608	15,085
Interest Income	2,141,330	1,917,620	(223,710)
Dividend Income	1,439,289	2,103,577	664,288
Sundry Income	125,935	170,846	44,911
Other Revenue	7,340,077	7,840,651	500,574
Other gains/(losses)	166,790	178,133	11,343
TOTAL REVENUE	31,118,492	30,761,178	(357,314)
EXPENDITURE			
Personnel Costs	10,759,347	10,930,498	(171,151)
Depreciation	1,127,392	1,130,125	(2,733)
Finance Costs	1,000	94,272	(93,272)
Other expenditure on activities	16,018,173	15,375,883	642,290
Total Operating Expenditure	27,905,912	27,530,777	375,135
NET SURPLUS / (DEFICIT) FROM OPERATIONS	3,212,580	3,230,401	17,821
OTHER COMPREHENSIVE INCOME			
Gain/(Loss) on Infrastructure Asset Revaluation	742,795	742,795	–
TOTAL OTHER COMPREHENSIVE INCOME	742,795	742,795	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,955,375	3,973,196	17,821
Total Comprehensive Income attributable to:			
Northland Regional Council	3,955,375	3,973,196	17,821
Non–Controlling interest in Surplus/(Deficit) of Northland Port Corporation (NZ) Limited	–		
	3,955,375	3,973,196	17,821

Prospective Statement of Financial Position

Long Term Plan Yr 2 2013/14 \$	Draft Prospective Statement of Financial Position as at 30 June	Annual Report 2011–2012 \$	Forecast Movements 2012–2013 \$	Forecast 2012/13 \$	Draft Annual Plan 2013/14 \$
	EQUITY				
109,564,558	Accumulated funds	110,828,307	–7,539,509	103,288,798	110,161,377
15,885,255	Other Reserves	8,556,204	9,384,835	17,941,039	15,041,655
125,449,813	TOTAL EQUITY	119,384,511	1,845,326	121,229,837	125,203,032
	CURRENT ASSETS				
1,520,444	Cash and cash equivalents	10,249,654	–1,681,277	8,568,377	4,986,584
5,475,668	Trade and other receivables	4,805,052	0	4,805,052	4,893,100
1,577,145	Inventories	3,108,539	0	3,108,539	3,165,500
2,000,000	Other investments (current portion)	11,190,362	0	11,190,362	11,190,362
0	Tax Refundable	33,000	–33,000	0	0
10,573,257	TOTAL CURRENT ASSETS	29,386,607	–1,714,277	27,672,330	24,235,545
	NON CURRENT ASSETS				
5,201,500	Other receivables	5,256,299	0	5,256,299	5,256,299
48,320,999	Investment property	47,674,256	0	47,674,256	47,674,256
8,940,541	Investments in subsidiaries and associates	7,840,467	0	7,840,467	7,840,467
26,928,403	Other investments	13,971,405	0	13,971,405	14,098,651
28,898,315	Property, plant and equipment	18,640,990	3,108,804	21,749,794	29,178,763
1,341,073	Intangible assets	460,689	1,061,249	1,521,938	1,443,846
1,718,684	Biological assets	1,578,975	71,727	1,650,702	1,798,149
0	Capital projects in progress	682,177	–682,177	0	0
121,349,515	TOTAL NON CURRENT ASSETS	96,105,258	3,559,603	99,664,861	107,290,432
131,922,772	TOTAL ASSETS	125,491,865	1,845,326	127,337,191	131,525,977
	CURRENT LIABILITIES				
4,826,997	Trade and other payables	4,442,670	0	4,442,670	4,617,350
1,593,348	Employee benefit liabilities current	1,616,401	0	1,616,401	1,656,126
6,420,345	TOTAL CURRENT LIABILITIES	6,059,071	0	6,059,071	6,273,475
	NON CURRENT LIABILITIES				
52,615	Employee benefit liabilities term	48,283	0	48,283	49,470
52,615	TOTAL NON CURRENT LIABILITIES	48,283	0	48,283	49,470
6,472,960	TOTAL LIABILITIES	6,107,354	0	6,107,354	6,322,945
125,449,812	TOTAL NET ASSETS	119,384,511	1,845,326	121,229,837	125,203,032

Prospective Statement of Changes in Equity

Draft Prospective Statement of Changes in Equity for the year ending 30 June 2014	Long Term Plan YR2 2013/14 \$	Draft Annual Plan 2013/14 \$
Balance at 1 July 2013	121,494,438	121,229,837
Total Comprehensive Income for the year	3,955,375	3,973,196
Balance at 30 June 2014	125,449,813	125,203,032
Total Balance at 30 June attributable to		
Northland Regional Council	125,449,813	125,203,032
Non-controlling Interest	–	–
Balance at 30 June 2014	125,449,813	125,203,032

Prospective Statement of Cash Flows

Draft Prospective Statement of Cash Flows for the year ending 30 June 2014	Long Term Plan YR2 2013/14 \$	Draft Annual Plan 2013/14 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	7,814,363	7,967,328
Receipts from subsidies and grants	1,343,573	984,027
Receipts from dividends	1,439,289	2,103,577
Receipts from interest	1,805,333	1,821,060
Receipts from rates	18,036,568	17,522,445
Payments to suppliers and staff	(26,638,172)	(26,241,023)
Interest payments	(1,000)	(1,000)
NET CASH FLOWS FROM OPERATING ACTIVITIES	3,799,954	4,156,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt from sale of stocks & bonds	3,091,339	–
Purchase of stocks & bonds	(2,000,000)	–
Purchase of fixed assets	(7,717,964)	(7,738,207)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(6,626,625)	(7,738,207)
NET INCREASE/(DECREASE) IN CASH HELD	(2,826,671)	(3,581,793)
CASH HELD AT BEGINNING OF YEAR	4,347,115	8,568,377
CASH HELD AT END OF YEAR	1,520,444	4,986,584

Schedule of Reserves

Draft Schedule of Reserves as at 30 June 2012	Long Term Plan Yr2 2013/14 \$	Draft Annual Plan 2013/14 \$
Asset Revaluation Reserve		
Opening Balance	2,025,201	2,000,201
Transfers to reserve	742,795	742,795
Transfers from reserve	0	0
Closing Balance	2,767,996	2,742,996
Financial assets at Fair Value		
Opening Balance	419,212	238,079
Transfers to reserve	0	0
Transfers from reserve	0	0
Closing Balance	419,212	238,079
Land Management Reserve		
Opening Balance	1,773,039	1,316,847
Transfers to reserve	0	0
Transfers from reserve	0	0
Closing Balance	1,773,039	1,316,847
Awanui River Scheme Reserve		
Opening Balance	-211,583	-212,158
Transfers to reserve	0	0
Transfers from reserve	-101,411	-101,549
Closing Balance	-312,994	-313,707
Kaihū Urban River Scheme Reserve		
Opening Balance	-3,788	10,995
Transfers to reserve	0	0
Transfers from reserve	-149	-2,294
Closing Balance	-3,937	8,701
Kaeo-Whangaroa Rivers Scheme Reserve		
Opening Balance	-170,846	-490,654
Transfers to reserve	60,146	60,158
Transfers from reserve	0	0
Closing Balance	-110,700	-430,496
Whāngārei Urban Rivers Scheme Reserve		
Opening Balance	-775,476	-393,585
Transfers to reserve	422,391	422,407
Transfers from reserve	-6,407,163	-6,407,163
Closing Balance	-6,760,248	-6,378,341
Kerikeri-Waipapa River Scheme Reserve		

Draft Schedule of Reserves as at 30 June 2012		Long Term Plan Yr2 2013/14 \$	Draft Annual Plan 2013/14 \$
Opening Balance		-25,084	-25,084
Transfers to reserve		25,084	25,084
Transfers from reserve		0	0
Closing Balance		0	0
Priority Rivers Reserve			
Opening Balance		-138,470	-20,553
Transfers to reserve		138,470	20,553
Transfers from reserve		0	0
Closing Balance		0	0
Infrastructure Facilities Reserve			
Opening Balance		-1,212,487	-1,102,931
Transfers to reserve		166,575	132,892
Transfers from reserve		0	0
Closing Balance		-1,045,912	-970,039
Recreation Facilities Reserve			
Opening Balance		-5,976,364	-6,048,462
Transfers to reserve		785,843	849,924
Transfers from reserve		0	0
Closing Balance		-5,190,521	-5,198,538
Investment Fund Reserve			
Opening Balance		8,335,297	8,335,297
Transfers to reserve		0	0
Transfers from reserve		0	0
Closing Balance		8,335,297	8,335,297
Forest Income Equalisation Fund			
Opening Balance		1,992,197	1,992,197
Transfers to reserve		0	0
Transfers from reserve		-586,878	-596,848
Closing Balance		1,405,319	1,395,349
Hātea River Reserve			
Opening Balance		143,314	43,969
Transfers to reserve		17,128	48,539
Transfers from reserve		0	0

Draft Schedule of Reserves as at 30 June 2012		Long Term Plan Yr2 2013/14 \$	Draft Annual Plan 2013/14 \$
Closing Balance		160,442	92,508
Investment and Growth Reserve			
Opening Balance		2,246,190	2,414,754
Transfers to reserve		2,171,842	2,393,090
Transfers from reserve		-612,491	-583,532
Closing Balance		3,805,541	4,224,312
Community Investment Fund Reserve			
Opening Balance		10,306,723	9,882,127
Transfers to reserve		335,997	96,560
Transfers from reserve		0	0
Closing Balance		10,642,720	9,978,687
TOTAL RESERVES		15,885,255	15,041,655

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 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 these work programmes in a reserve ensures council is accountable and transparent.

Where reserves carry a deficit balance, they are deemed to have undertaken internal borrowing from council's consolidated funds. Conversely, where the reserves carry a surplus, they are deemed to have loaned money to council's consolidated funds. A reserve to account for revenue and expenditure collected or incurred in relation to specific work programmes may be established at any time. Reserve borrowing must be approved by a resolution of council.

The following table provides details on the purpose of the council created reserves:

Reserve name	Purpose	Activities that may be funded from reserve
Land Management Reserve	<p>This reserve was created to set aside Land Management Rates collected but not fully used in any given year. The reserve is to be maintained at a targeted fund of \$1.5 million.</p> <p>\$280,192 was borrowed from this reserve to purchase the Raumanga valley property for the Whāngārei detention dam. This will be transferred to the Whāngārei Urban Rivers reserve and repaid from the Whāngārei Urban Rivers Management Rate.</p> <p>The reserve reduces the need for borrowing in the event of an emergency and may also be used for internally loaning/borrowing for advancing operating and capital activities for which the Land Management Rate is collected and targeted River Management Schemes.</p> <p>The Land Management Reserve can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis. The Chief Executive Officer has delegation to incur expenditure of up to \$500,000 to enable the council to fund agreed expenditure from this reserve. The criteria for acceptable expenditure are as follows:</p> <ol style="list-style-type: none"> 1. Matching of government and district contributions to provide financial assistance for repair work for significant events; 2. Restoration work affecting one or more rivers, following a major flooding event; 3. Urgent work to reduce the immediate flood risk; 4. Storm damage repairs within a special rating area under the relevant Flood Management Plans. 	Civil Defence and Emergency Management Natural Hazard Management River Management Land and Biodiversity Biosecurity.
Priority Rivers Reserve	This reserve was created to account for an accelerated or advance spending on the Priority Rivers Project.	Natural Hazard Management
Awanui River Scheme Reserve	This reserve was created to hold any Awanui River Management Rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Awanui River Flood Management Scheme.	River Management
Kaeo–Whangaroa River Scheme Reserve	This reserve was created to hold any Kaeo–Whangaroa River Management Rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kaeo–Whangaroa River Flood Management Scheme.	River Management
Kaihū River Scheme Reserve	This reserve was created to hold any Kaihū River Management Rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kaihū River Flood Management Scheme.	River Management
Kerikeri–Waipapa River Scheme Reserve	This reserve was created to hold any Kerikeri–Waipapa Rivers Management Rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Kerikeri–Waipapa Rivers Flood Management Scheme.	River Management
Whāngārei Urban Rivers Scheme Reserve	<p>This reserve is to be created to hold any Whāngārei Urban Rivers Management Rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of the Whāngārei Urban Rivers Flood Management Scheme.</p> <p>\$280,192 was borrowed from the Land Management Reserve to purchase the Raumanga valley property for the Whāngārei detention dam will be transferred to this reserve and be repaid from the Whāngārei Urban Rivers Management Rate.</p>	River Management
Hātea River Maintenance	<p>This reserve was created to set aside a component of the Council Services Rate specifically levied across the Whāngārei district to ensure funding is immediately available in the event dredging of the Hātea river is required. The funds may be applied to the following:</p> <ul style="list-style-type: none"> • Ongoing maintenance and dredging; • Disposal of dredged spoil material; • The provision of an annual hydrographic survey of the river. <p>The reserve is to be maintained at a targeted fund of \$200,000.</p>	Harbour Safety and Navigation

Reserve name	Purpose	Activities that may be funded from reserve
Recreational Facilities Reserve	This reserve was established to set aside any Regional Recreational Facilities Rates collected and not fully used in any given year for the purpose of funding the Events Centre. This reserve represents the internal borrowing associated with \$13 million contribution made by council towards the establishment of the Northland Events Centre. The rate was levied from 1 July 2006 and it is expected to continue from approximately 15 years.	Economic Development
Investment and Growth Reserve	The reserve was created to set aside the investment income redirected to be made available for activities and projects that contribute towards economic well-being. Council will allocate monies from the reserve to projects in accordance with set criteria.	Economic Development
Infrastructure Facilities Reserve	This reserve was created to set aside any Targeted Infrastructure Rates collected and not fully used in any given year for the purpose of funding future infrastructure projects.	Economic Development
Forest Income Equalisation Reserve	<p>This reserve was created to set aside 50% of council's forestry net income arising in any harvesting year. This reserve is intended to provide future funding of council's general operating activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this fund be used to fund the cost of forestry operations in non-harvesting years.</p> <p>Where a high degree of uncertainty exists around activity expenditure requirements, council has agreed to budget conservatively on the basis that if a budget overrun eventuates, these overruns can be funded from the Forest Equalisation Reserve.</p> <p>Council considers that funding contingent expenditure and one-off spikes in expenditure from this reserve to be fairer on ratepayers as it can be used to reduce the effects of rates increases that are not required to be sustained. During the Long Term Plan 2012–2022, council proposes to fund the following expenditure from this reserve:</p> <ul style="list-style-type: none"> • Triennial election costs of approximately \$140,000 per election; • The further call from Riskpool of \$44,000 expected in the 2013/14 financial year; • Provision for doubtful debts (rates) of \$250,000 for years 1 to 5 of the plan; • Software maintenance for IRIS of \$72,240 in year 2. 	All
Environment Fund Reserve	This reserve was created to set aside any rates revenue collected specifically for the Environment Fund that is not incurred in any single financial year. This fund allows council to make available any unspent funds in subsequent financial years.	Land and Biodiversity
Asset Revaluation Reserves	Asset revaluation reserves represent the unrealised gains in the value of assets owned by Northland Regional Council.	N/A
Community Investment Fund Reserve	This reserve was created for the establishment of the Community Investment Fund from its transfer from NRCCT and for the transfers of the inflation adjustment for the capital sum of the Fund.	Economic Development

Capital expenditure

The intended capital expenditure for 2013/14 Annual Plan is:

Draft proposed schedule of capital expenditure for the year ending 30 June 2014	Long Term Plan Yr 2 2013/14 \$	Draft Annual Plan 2013/14 \$
Resource Management		
Plant and Equipment	89,082	99,082
Transport		
Plant and Equipment	286,553	242,451
Hazard Management		
Plant and Equipment	2,064	6,250
River Management		
Infrastructural Assets	6,459,968	6,459,968
Support services		
Information systems	415,896	415,896
Plant and Equipment	154,800	204,960
Vehicles	309,600	309,600
TOTAL CAPITAL EXPENDITURE	7,717,964	7,738,207

Statement of Accounting Policies

For the year ended 30 June 2014.

Statement of compliance

These financial statements have been prepared in accordance with NZ GAAP (with the exception of the funding impact statements). They comply with NZ FRS-42 and any other applicable Financial Reporting Standards, as appropriate for public benefit entities (PBE's).

Reporting period

The prospective financial statements are prepared for the period 1 July 2013 to 30 June 2014.

Judgements and estimates

The preparation of prospective financial statements in conformity with NZ IFRS and NZ IAS requires judgements, estimates and assumptions concerning the future that affect the application of policies and reporting amounts of assets and liabilities and income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Where material, information on the major assumptions is provided in the significant forecasting assumptions section of the Annual Plan or will be provided in the relevant notes to the prospective financial statements.

Reporting entity

Northland Regional Council is a local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The council's group comprises the council and its subsidiary entities, namely:

- Northland Port Corporation (NZ) Ltd (53.61% owned) and its subsidiaries.
- Northland Inc (100% owned)
- Regional Software Holdings Limited.

All Northland Regional Council subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services for the community or social benefit, rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements are for the year ended 30 June 2012. The financial statements were authorised for issue by council on 16 October 2012.

Northland Port Corporation (NZ) Limited

The Northland Regional Council owns 22,142,907 25c shares, being 53.61% of the issued capital of the Northland Port Corporation (NZ) Limited. The shares are recorded at \$7,827,563, being the deemed cost of 21.7 million shares of \$5,436,650.25 under the Northland Harbour Board Port Plan 1988, plus the cost of a parcel of shares acquired in May 2005, less the 652,294 shares sold in February 2009 as part of the share buy-back process. The company has several subsidiaries, associate companies and joint venture interests which are detailed in the Notes to the Accounts in the council's Annual Report.

Basis of preparation

The financial statements of Northland Regional Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 and Part 1 of Schedule 10, which include the requirement to comply with New Zealand's generally accepted accounting practice (NZ GAAP).

In the interests of transparency we provide two sets of financial information:

1. The usual Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive income and the like; and
2. A Funding Impact Statement (FIS).

Key differences between these two sets of information are that the GAAP regulated financial statements – as the name suggests – must adhere to GAAP requirements.

The FIS is intended to make the sources and applications of council funds more transparent to its stakeholders than might be the case if only the usual GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting) Regulations 2011 and is required by the Local Government Act 2002. In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for Public Benefit Entity (PBE). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which

the forecast information for 2013/14 financial year are based on the current New Zealand equivalents to International Financial Reporting Standards.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain property plant and equipment, investment property, forestry assets and available for sale financial assets and financial instruments (including derivative instruments).

Functional and presentation currency

The financial statements are presented in New Zealand. The functional currency of Northland Regional Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in equity as qualifying cash flow hedges. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance sheet date.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The council and group have adopted the following revisions to accounting standards during the financial year, which had only a presentational or disclosure effect:

- Amendments to **NZ IAS 1** Presentation of Financial Statements. The amendments introduce a requirement to present, either in the statement of changes in equity or the notes, for each component of equity, an analysis of other comprehensive income by item. The council has decided to present this analysis in note 8.
- **FRS-44** New Zealand Additional Disclosures and Amendments to NZ IFRS to harmonise with IFRS and Australian Accounting Standards (Harmonisation Amendments). The purpose of the new standard and amendments is to harmonise Australian and New Zealand accounting standards with source IFRS and to eliminate many of the differences between the accounting standards in each jurisdiction. The main effect of the amendments on the council and group is that certain information about property valuations is no longer required to be disclosed. Note 18 has been updated for these changes.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the council and group, are:

- **NZ IFRS 7** *Financial Instruments*: Disclosures – the amendment reduces the disclosure requirements relating to credit risk. Note 10 has been updated for the amendments.
- **NZ IFRS 9** *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus or deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS).

‘These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the council expects to transition to the new standards in preparing its 30 June 2015 financial statements. As the standards are still under development, the council is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ

IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant accounting policies

Subsidiaries

Northland Regional Council consolidates as subsidiaries in the group financial statements all entities over which the council may direct the governance policies so as to obtain benefits from the activities of the entity. This power generally exists where Northland Regional Council has an interest of 50 per cent or more of council-controlled organisations or more than one-half of the voting rights on the governing body or where such policies have been irreversibly predetermined by council or where the determination of such policies is unable to materially impact on the level of potential ownership benefits that arise from the activities of the subsidiary. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consideration transferred in an acquisition of a subsidiary reflects the fair value of the assets transferred by the acquirer and liabilities incurred by the acquirer to the former owner. The council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets and liabilities assumed. This difference reflects the goodwill to be recognised by the council. If the consideration transferred is lower than the net fair value of the council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

Associates

The council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which the council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment. If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after

its share of the surpluses equals the share of deficits not recognised.

When the group transacts with associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit. The investment in the associate is carried at cost in the council's parent entity financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Northland Port Corporation is party to several joint venture arrangements. For these and council's jointly controlled operations, council recognises in its financial statements the group's share of the assets, liabilities, revenues and expenses using the proportional consolidation method.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Rates revenue

Rates are set annually by a resolution from council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable.

Other revenue

User fees and charges are recognised and brought to account when invoices are issued for services provided and contracts completed. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided.

Government grants and subsidies are recognised as revenue when the primary conditions of entitlement have been met.

Sale of goods is recognised when a product is sold to a customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

Rental income from investment property is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives are recognised as part of the total rental income.

Funds are collected for other organisations, including central government. Any funds held at balance date are included in current liabilities. Amounts collected on behalf of third parties are not recognised as revenue, except for the commissions or fees earned.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the council are recognised as revenue when control over the asset is obtained.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses, respectively, by reference to the stage of completion of the contract as balance date. The stage of completion is measured by reference to the contract costs incurred, up to the balance date, as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general. An expected loss on construction contracts is recognised immediately as an expense in the statement of financial performance. Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress stated at the aggregate of contract costs incurred, to date, plus recognised profits less recognised losses and progress billings. If there are contracts in which progress billings exceed the aggregate costs incurred, plus profits less losses, the net amounts are presented under other liabilities.

Expenditure

Expenditure is recognised when goods and services have been received.

Borrowing costs

The council and group have elected to defer the adoption of NZ IAS 23 borrowing costs (revised 2007) in accordance

with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Nondiscretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the council's decision.

Income tax

The income tax expense charged to the consolidated Statement of Comprehensive Income includes both current and deferred tax and is calculated after allowing for non-assessable income and non-deductible expenses.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be used.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

There are two entities within the group that are exempt from income tax, being Destination Northland Limited and Enterprises Northland Trust. These entities both form part of the Northland Regional Council Community Trust group.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities on the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Debtors and other receivables

Short term debtors and other receivables are recorded at their face value, less any provision for impairment. Impairment of a receivable is established when there is objective evidence that the council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy,

receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance for receivables. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due).

Derivative financial instruments and hedging accounting

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from financing activities. In accordance with its treasury policy, the council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The council and group designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- Hedges of highly probably forecast transactions (cash flow hedge).

The council and group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The council and group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedge accounted derivative is classified as a noncurrent asset if the remaining maturity of the hedged item is more than 12 months and as a current asset if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the

contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non-current.

- **Fair value hedge**

The gain or loss from re-measuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the surplus or deficit. Fair value hedge accounting is only applied for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

- **Cash flow hedge**

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus or deficit as part of finance costs.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly other comprehensive income are reclassified into the surplus or deficit in the same period or periods during which the asset acquired, or liability assumed, affects the surplus or deficit. However, if the council or the group, expects that all, or a portion of a loss, recognised in other comprehensive income will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified in the surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised in other comprehensive income will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument has been recognised in other comprehensive income from the period when the hedge was effective will remain separately recognised in other comprehensive income until the forecast

transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised in other comprehensive income from the period when the hedge was effective will be from other comprehensive income to the surplus or deficit.

The council's subsidiary, Northland Port Corporation (NZ) Limited, uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The accounting policies detailed above are applied.

Financial assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the council has transferred substantially all the risks and rewards of ownership.

Northland Regional Council classifies its financial assets into the following four categories:

- Financial assets at fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Financial at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were/was acquired.

- **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or is part of a portfolio of identified financial instruments that are managed together

and for which there is evidence of short term profit taking.

Derivatives are also categorised as held for trading unless they are designated as hedge accounting relationship for which hedge accounting is applied. Financial assets acquired principally for the purpose of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values. Gains or losses on re-measurement are recognised the surplus or deficit.

Financial assets in this category include investment in quoted shares and interest rate swaps not qualifying as hedges by Northland Port Corporation (NZ) Limited, and investment in quoted shares by way of a managed fund which was designated at fair value through profit or loss at inception. This Community Investment Fund (CIF) investments fall within this category.

- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in noncurrent assets.

Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, and term depositions. After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Loans and receivables issued with duration of less than 12 months are recognised at their nominal value. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Prepayments comprise significant items of expenditure having a benefit to more than one accounting period and are written off over the period to which they relate.

- **Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in noncurrent assets.

Council does not hold any held-to-maturity investments.

After initial recognition they are measured at amortised cost using the effective interest method, less impairment. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

- **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category includes:

- Investments in quoted shares that have been designated in Treasury Management policy as being available for sale;
- Investments that are intended to be held long term but which may be realised before maturity; and
- Shareholdings that are held for strategic purposes.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in equity is recognised other comprehensive income is reclassified from equity to the surplus or deficit.

Included in the financial assets at fair value through other comprehensive income category are the council's investments in Local Authority stocks. Fair value for these investments is provided by ETOS and is determined by reference to published price quotations in an active market.

Impairment of financial assets

At each balance date the council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

- **Loans and other receivables, and held-to-maturity investments**

Impairment of a loan or a receivable is established when there is objective evidence that council will not be able to collect amounts due according to the original terms. Significant financial difficulties

of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rates. For debtors and other receivables, the carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount.

- **Financial assets at fair value through other comprehensive income**

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

In a subsequent period the fair value of the debt instrument increases and the increase can be objective related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

Inventories

Inventories (such as stores and materials) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower cost, adjusted when applicable, for any loss of service potential. Where inventories are acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventories held for use in the production of goods and services on a commercial basis are valued at the lower of cost at net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property/property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributed to the development land are to be capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant, and equipment.

Marsden to Oakleigh rail corridor designation is made up of the costs directly attributable to securing the rail corridor designation. This inventory asset is held for distribution. The future economic benefit or service potential of this asset is not directly related to council's ability to generate future cash inflows. The value of this inventory is at cost and when applicable, will be adjusted for any loss of service potential.

Council will transfer the rail corridor to KiwiRail once KiwiRail has entered into an unconditional contract for the construction of the entire Marsden Point Rail Link.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

- **Operational assets** – these include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.
- **Infrastructure assets** – infrastructure assets are the assets that comprise the Awanui River flood

management system, including stop-banks and floodgates.

- **Restricted assets** –there are no restrictions on the assets of the Northland Regional Council. There are no restrictions on the assets of the Northland Port Corporation (NZ) Ltd.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

All assets are initially valued at cost. Those asset classes that are re-valued are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. Except for Land and buildings, and Infrastructure assets all other asset classes are carried at depreciated historical costs.

Land and buildings

The Northland Regional Council re-values the land and buildings' asset class annually.

Infrastructure assets

The Northland Regional Council re-values infrastructure assets class (River Management Schemes) every three years. Infrastructure assets are valued at replacement cost.

Infrastructure assets components include gates, pipes, outlets and stop banks. Depreciation is not provided for on stop-bank components of the infrastructure assets. An asset management plan has been prepared for this scheme and, in the absence of significant flood events, the stop-banks are not considered to deteriorate. The Awanui River flood management scheme assets are tested annually for impairment.

Northland Port Corporation (NZ) Limited re-values certain classes of asset. Revaluations of property, plant and equipment are accounted for on a class of asset basis. Those asset classes that are re-valued are valued annually, on the basis described below. All other asset classes are carried at depreciated historical cost.

The results of revaluing are credited or debited to Other Comprehensive Income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in Other Comprehensive Income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for nominal cost, it is recognised at fair value as at the date of acquisition.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported in the surplus or deficit. When re-valued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, owner-occupied buildings and infrastructure assets (except for stop-banks as described under the revaluation section), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Owner occupied buildings are re-valued annually and no depreciation is charged on these assets.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	5–100 years	1–20%
Amenities	5–100 years	1–20%
Forest	10 years	10%
Plant and Equipment	2–20 years	5–50%
Navigational Aids	10 years	10%
Vehicles	4–5 years	20–25%
Vessels and Dredging Equipment	10–25 years	4–10%
Infrastructure assets	50–80 years	1.25–2%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Operational land and buildings

The freehold port land (excluding land held for resale) owned by Northland Port Corporation (NZ) Limited is re-valued annually at fair value, as determined by market-based evidence, by an independent valuer.

Computer software	4–5 years	20–25%
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Amenities owned by Northland Port Corporation (NZ) Limited are not re-valued but recorded at a cost which, in the opinion of the directors, approximates fair value. Land and buildings held by the Northland Regional Council are re-valued annually at fair value, as determined by market-based evidence, by an independent valuer.

Capital projects in progress

Capital expenditure projects not completed by balance date are recorded at cost.

Intangible assets

Goodwill

Goodwill on acquisition of businesses and subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in “investments in associates” and is tested for impairment as part of the overall investment balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by council are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense, when incurred.

Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Impairment of property, plant and equipment and intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested, annually, for impairment. Assets not yet available for use are recorded at cost in the capital projects in progress account. Assets that have a finite life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash-generating uses is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the surplus or deficit. For assets not carried at a re-valued amount (other than goodwill), the reversal of an impairment loss is recognised in the surplus or deficit.

Easements

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life.

Biological assets

Forestry assets are independently re-valued, annually, by Chandler Fraser Keating Ltd at fair value less estimated point-of-sale costs. Fair value is the amount for which the forest asset would be expected to exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties have each acted knowledgeably and without compulsion.

Fair value is derived using a combination of the expectation value (or income) approach and the cost-based approach. Under the expectation value approach, the net present value is calculated by discounting to the present day the projected net cash flow of the forest in perpetuity. The calculated net present value is then linked to sales evidence through the application of a discount rate derived from the analysis of actual transactions. The cost-based approach is also employed in the valuation because the tree crop is a young, second rotation forest (80% by value are less than 10 years of age) and this approach better reflects how the market would likely view the tree crop value.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs, and from a change in fair value less estimated point-of-sale costs, are recognised in the surplus or deficit.

The costs to maintain the biological assets are included as an expense in surplus or deficit.

New Zealand Units (Forestry) – Emissions Trading scheme

The council has 291 hectares of pre-1990 forest land. This land is subject to the provisions of the New Zealand emissions trading scheme ("ETS"). The implication of this for the financial statements is two-fold:

- Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise; and
- As a result of the deforestation restriction, compensation units are being provided by the Government.

Compensation is to be provided to forestry owners, via the allocation of compensation units, known as New Zealand Units (NZUs) in two tranches. Council received the first

tranche of 6,693 units in December 2010. Subject to there being no change in legislation, council expects to receive a further 10,767 NZU's in the second tranche allocation of units in 2013.

Compensation units are recognised at deemed cost based on the fair value at the date of receipt (that is, historic value). The credits are recognised when they have been received and are recognised as income in the Statement of Comprehensive Income. Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the NZU. Gains and losses on disposals are reported in the surplus or deficit.

If at the end of any financial year there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. Council's Forest Management Plan prescribes replanting will always take place subsequent to any harvest.

After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, council measures all investment property at fair value, as determined annually by Telfer Young (Northland) Ltd who are independent valuers, and who have recent experience in the location and category of the investment property being valued and hold a recognised and relevant professional qualification. Fair value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The fair value of investment property reflects, among other things, rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions.

Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Creditors and other payables

Creditors and other payables are recorded at their face value.

Employee entitlements

Short term employee entitlements

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that council anticipates it will be used by staff to cover those future absences.

Council recognises that a liability and an expense are recognised for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation.

Long term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retirement leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- The present value of the estimated future cash flows.

These estimated amounts are discounted to their present value using the 10 year Government bond rate.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Superannuation schemes

Obligations for contributions to Kiwi Saver are accounted for as defined contribution superannuation schemes are recognised as an expense in the surplus or deficit when incurred.

Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligations. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Equity

Equity is the community's interest in the Northland Regional Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Accumulated funds;
- Special reserves;
- Restricted reserves;
- Asset revaluation reserves; and
- Fair value through other comprehensive income reserve.

Special reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

Restricted reserves include the Land Management Reserve, Priority Rivers Reserve, Hātea River Reserve, Recreational Facilities Reserve, Awanui River Management Reserve, Kaihū River Management Reserve, Whāngārei Urban Rivers Reserve, Kaeo River Management Reserve, Infrastructure Facilities Reserve and Environment Fund Reserve. These reserves are restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected. Other reserves are established by the council and may be altered at the discretion of the council.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and creditors and other payables, which are stated on a GST inclusive basis. GST not recoverable as input tax is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.
Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by the council in its 2011–2012 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the council for the preparation of the financial statements.

Cost allocation

Northland Regional Council has derived the cost of service for each significant activity of the council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Inter-departmental direct costs are charged to the applicable department at the time the cost is incurred. Indirect costs are charged to significant operating activities using appropriate cost drivers such as actual usage and staff numbers.

Financial risk management objectives and policies

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Liability Management and Investment policies. These policies are council approved and were included in the Long Term Plan. These policies do not allow any transactions that are speculative in nature to be entered into.

The group's principal financial instruments comprise the investment portfolio, finance leases and cash and short term deposits. The group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The main risk arising from the group's financial instruments are cashflow interest rate risk, liquidity risk, foreign currency risk and credit risk.

Details of the significant accounting policies and methods adopted include the criteria for recognition, the basis of

measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset. Financial liabilities are disclosed in the notes to the financial statements.

Financial instrument risk

The Northland Regional Council has policies to manage the risk associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established borrowing and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as financial assets held at fair value through other comprehensive income. For council this only includes the former Northland Regional Council Community Trust fund investments. This price risk arises due to market movements in listed shares. Equity securities price risk is not managed.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Northland Regional Council's exposure to fair value interest rate risk is limited to interest-bearing investments within the portfolio.

Northland Port Corporation (NZ) Ltd has risk from its long term debt obligations with a floating interest rate. To mitigate this risk, derivative interest rate swap contracts are periodically entered into under which the company is obligated to receive interest at floating rates and to pay interest at fixed rates.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments at variable interest rates expose the Northland Regional Council and group to cash flow interest rate risk. The policies of the Northland Regional Council require a spread of investment maturity dates to limit exposure to short term interest rate movements.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Northland Port Corporation (NZ) Ltd

foreign exchange risk is considered minimal, therefore, a sensitivity analysis has not been performed.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the council and group, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, local authority stock, and government bonds which give rise to credit risk.

Northland Regional Council investments are invested in accordance with the Treasury Management Policy which has a low risk profile. Investments are made with creditworthy institutions as determined by their Standard and Poors credit rating. Investment of surplus cash is limited to Local Authority and Government Stock and approved corporate bonds and deposits with New Zealand registered banks.

On 1 July 2012, council took responsibility for the investment of the former Northland Regional Council Community Trust Fund – now referred to as the Community Investment Fund. A Statement of Investment Policies and Objectives was approved by council in October 2012. The SIPO ensures the risk is managed within to acceptable levels.

Northland Port Corporation (NZ) Ltd manages its credit exposure by only trading with recognised, credit worthy parties and by limiting the amount of funds placed with any one financial institute at any one time. Accordingly, the group has no significant concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that the Northland Regional Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The vast majority of the investment portfolio is very liquid and able to be sold on the same day.

Northland Port Corporate (NZ) Limited manages its exposure to liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of bank loans, overdrafts and committed available credit lines.

Capital management

The council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed

as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of using the council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the council has in place asset management plans for major classes of assets, detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in its Long Term Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities.

The sources and levels of funding are set out under Funding and Financial Policies in the Council's Long Term Plan.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Self-insurance reserves are built up annually from general or sometimes targeted rates and are made available for specific unforeseen events. The release of these funds is approved by council.

Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) Disclosures

The council has complied with FRS 42 in the preparation of these prospective financial statements.

The council publishes both parent entity and group financial statements for historical reporting purposes but does not publish group prospective financial statements. In accordance with FRS 42 the council is required to disclose the reasons for not presenting group prospective financial statements. The council has not prepared group financial statements because:

- The primary focus of the Annual Plan is on the activities of the council (Parent) and the consequent impact on rates.

The financial impact of transactions with group entities is reflected with the Annual Plan for funding purposes

Proposed amendments to the Navigation, Water Transport and Maritime Safety bylaw charges 2012

Introduction

A Statement of Proposal and the special consultative procedure is required pursuant to sections 83, 86 and 156 of the Local Government Act 2002 in order that any clauses of the Navigation, Water Transport and Maritime Safety Bylaw Charges 2012, adopted in June 2012, may be amended and the Bylaw Charges re-adopted.

Section 156 of the Act requires that a bylaw or an amendment to an existing bylaw be made pursuant to the special consultative procedure set out in section 83. That section requires both a Statement of Proposal, and a summary of the information to be prepared, with the summary to be circulated widely and publicly notified. The full Statement of Proposal must be available for public inspection at all offices of the Council during the submission period.

Section 86 requires that a draft of the full bylaw to be amended be included in the Statement of Proposal, setting out the reasons for the proposal and whether a bylaw is an appropriate mechanism pursuant to section 155.

Reasons for the proposal

- **Section 3(b) (1–13)** – a 1.8% increase in Navigation Safety Bylaw Fees, to reflect inflation-related cost increases.
- **Sections 4 and 5** – a 1.8% increase in fees for Hot Work Permits and Safe Operating Licenses, to reflect inflation-related cost increases.

- **Section 7(a) and 7(b)** – for ships with gross tonnage (GT) greater than 18,000 tonnes, a 1.8% increase in pilotage and shipping fees, to reflect inflation-related cost increases. For vessels under 18,000 GT, the fees have been assessed as correct and no increase is proposed.
- **Section 7(c)** – a new Navigation and Safety Services Fee of \$1.00/GT for ships over 45 metres that enter the Poor Knights Area To Be Avoided (with an exemption from Marine Protection Rule 190.3). Maritime New Zealand is now approving exemptions to the rule to allow certain vessels to visit this area, so the proposed fee would contribute towards safety services that the council provides (for example, buoys, beacons, approval of passage plans and harbour safety advice).
- **Section 9** – a 1.8% increase in fees for the Application For Reserved Area For special Event (clause 3.13 of the Navigation Safety Bylaw 2012), to reflect inflationary cost increases.

There are no other proposed changes to the bylaw.

This bylaw amendment is made pursuant to the bylaw provisions of the Local Government Act for setting fees and charges as mandated by section 684B(h)(i)–(iii) of the Local Government Act 1974 (Part 39A Navigation), saved in Schedule 18 of the Local Government Act 2002. It is the most cost effective way of recovering the costs arising from the regulation of recreational maritime activities and commercial shipping as appropriate.

Draft amendments

Navigation, Water Transport and Maritime Safety Bylaw Charges 2013

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2013:

1. These bylaws shall apply throughout the region of the council.

2. In these bylaws, unless the context otherwise requires:

“Maritime facility” means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of the Northland.

“Mooring” means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of the Northland.

“Owner” includes:

- (a) in relation to a vessel, the agent of the owner and also a charterer; or
- (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

3. Navigation Safety Bylaw Fees

For the period specified hereunder and for each year thereafter until amended or superseded by a subsequent bylaw charge, the owner of every maritime facility or mooring in the region shall pay to the council an annual navigation fee fixed herein.

- (a) The navigation safety bylaw fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The council's Harbourmaster shall determine the number of berths available at any maritime facility.

GST Exclusive

- | | |
|---|----------|
| (b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp up to 15 m x 4.5 m, minor structure, and any group of piles with 74 berths or less owned by one organisation. | \$60.00 |
| (2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea river, per berth. | \$60.00 |
| (3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth. | \$50.00 |
| (b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth. | \$56.00 |
| (4) Boatsheds, per additional berth. | \$60.00 |
| (5) Community and boating club structures, jetties and private accommodation in the coastal marine area. | \$60.00 |
| (6) Marine farms. | \$60.00 |
| (7) Boat ramps/slipways over 15 metres and grids. | \$120.00 |
| (8) High use structures and jetties, marine-related, not more than 300 m ² in plan area within the coastal marine area. | \$335.00 |
| (9) High use commercial slipways with a maximum capacity of less than 50 tonnes. | \$335.00 |

GST Exclusive

- | | |
|---|------------|
| (10) High use structures and jetties, marine-related and more than 300 m2 but less than 1,000 m2 in plan area within the coastal marine area. | \$1,455.00 |
| (11) High use structures and jetties, marine-related and more than 1,000 m2 in plan area within the coastal marine area. | \$2,575.00 |
| (12) High use commercial slipways with a maximum capacity of more than 50 tonnes. | \$2,575.00 |
| (13) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the council has the right to sell the mooring and/or vessel to recover the debt. | |

4. Hot Work Permits

For vessels alongside wharves or at anchor, per permit.	\$72.00
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5. Safe Operating Licences

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of procedures and safety equipment, up to one hour.	\$72.00
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Where inspection time exceeds one hour, the charge shall be at the rate of \$70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

6. Jet Ski Registration Fees

As resolved and prescribed by the Auckland Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

GST Exclusive**7. (a) Pilotage¹**

- | | |
|---|------------|
| (i) Inwards/outwards to wharf, Ōpua – per visit | |
| Where GT is greater than 500 but less than 3000 | \$1,500.00 |
| Where GT is greater than 3000 but less than 18,000 | \$2,900.00 |
| (ii) Ships to anchor in Bay of Islands – per visit | |
| Where GT is greater than 500 but less than 3000 | \$1,500.00 |
| Where GT is greater than 3000 but less than 18,000 | \$2,900.00 |
| Where GT is greater than 18,000 but less than 40,000 | \$3,461.00 |
| Where GT is greater than 40,000 but less than 100,000 | \$3,869.00 |
| Where GT is greater than 100,000 | \$4,276.00 |

GST Exclusive**(b) Shipping – Navigation and Safety Services Fee Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel**

Where GT is less than 3000	\$1.00/GT
Where GT is greater than 3000 but less than 18,000	\$2,900.00
Where GT is greater than 18,000 but less than 40,000	\$3,258.00
Where GT is greater than 40,000 but less than 100,000	\$3,563.00
Where GT is greater than 100,000	\$4,072.00

¹ Charges for Bay of Islands apply for vessels entering inside the pilotage limits as marked on chart NZ 5125.

GST Exclusive

- (c) **Shipping**
- (i) **Navigation and Safety Services Fee Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage**
Up to 3000 GT \$1.00/GT
- (ii) **Per ship visiting the Bay of Islands when the vessel's GT is more than 100 and less than 500**
From 100 to 500 GT \$1.00/GT
- (iii) **Navigation and Safety Services Fee Per ship visiting the Poor Knights Area To Be Avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.**
Over 45 metres length overall \$1.00/GT
- (d) **Shipping**
Navigation and Safety Services Fee Per ship visiting Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage \$1,000.00
8. **Harbourmaster's Navigation Safety Services Fee**
- (a) North Port Ltd \$110,000.00
- (b) For water transport operators not serviced by a port company, at actual time and cost.
- (c) Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.
9. **Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)**
Special Event Processing Fee \$145.00
The council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.
10. All navigation and other fees specified herein are exclusive of Goods and Services Tax.

These bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed when the Annual Plan is adopted (date to be determined). Following confirmation, the bylaws will come into force on 1 July 2013.

Draft charging policy 2013/14

The Charging Policy is reviewed on an annual basis. Fees and Charges that require formal adopting under Section 150 of the Local Government Act 2002 may be set during either a Long Term Plan or Annual Plan process. The proposed fee amendments are set out in the policy included in the plan and will come into effect on 1 July 2013 and will continue until superseded.

Following approval and adoption of the Draft Annual Plan, the new edition of the Charging Policy will be published on the council's website as an update to the Charging Policy included in the Long Term Plan.

Proposed amended fees and charges

The review of the 2012–2013 Charging Policy has resulted in proposed changes to the following areas:

All Sections: Increase in hourly staff charges and all fees and charges by approximately 1.8% due to inflationary increases, except for pilotage and Harbourmaster's Navigation Safety services fees. The pilotage fees will be reviewed next year.

Section 11: Navigation, Water Transport and Maritime Safety Bylaw Charges includes the following proposed amendments:

- **Section 3(b) (1–13)** – a 1.8% increase in Navigation Safety Bylaw Fees, to reflect inflation-related cost increases.
- **Sections 4 and 5** – a 1.8% increase in fees for Hot Work Permits and Safe Operating Licenses, to reflect inflation-related cost increases.
- **Section 7(a) and 7(b)** – for ships with gross tonnage (GT) greater than 18,000 tonnes, a 1.8% increase in pilotage and shipping fees, to reflect inflation-related cost increases. For vessels under 18,000 GT, the fees have been assessed as correct and no increase is proposed.
- **Section 7(c)** – a new Navigation and Safety Services Fee of \$1.00/GT for ships over 45 metres that enter the Poor Knights Area To Be Avoided (with an exemption from Marine Protection Rule 190.3). Maritime New Zealand is now approving exemptions to the rule to allow certain vessels to visit this area, so the proposed fee would contribute towards safety services that the council provides (for example, buoys, beacons, approval of passage plans and harbour safety advice).
- **Section 9** – a 1.8% increase in fees for the Application For Reserved Area For special Event (clause 3.13 of the Navigation Safety Bylaw 2012), to reflect inflationary cost increases.

The proposed charging policy 2013–2014 is as follows:

Resource and user fees

Pursuant to:

- The Biosecurity Act 1993;
- The Building Act 2004;
- The Local Government Act 2002;
- The Local Government Official Information and Meetings Act 1987;
- The Resource Management Act 1991; and
- The Aquaculture Reform (Repeals and Transitional Provisions) Act 2004

1. Introduction

The Resource Management Act 1991 and the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 authorise the Northland Regional Council to fix resource consent charges relating to the council's functions and responsibilities under the Act charges may be set as specific amounts, as a scale of charges or as formulae. The council has chosen to use a combination of these approaches. Section 36(1)(c) of the Resource Management Act, provides for the charging of fees to recover costs associated with:

- the **administration** of resource consents;
- the **supervision** of resource consents; and
- **monitoring** – the gathering of information necessary to effectively monitor both the state of the environment and the resource consents that have effect in the region.

Additionally, costs are recoverable under the Building Act 2004 under its building consents, enforcement and safety provisions in regard to dams, the bylaw charging provisions of the Local Government Act 2002, and the

council's Navigation Safety Bylaws. Costs may also be recovered under the authority of the Biosecurity Act 1993, the Local Government Act 2002, and under the Local Government Official Information and Meetings Act 1987.

The council's Charging Policy defines fees and charges for the following classes:

- (i) The Building Act 2004.
- (ii) The Biosecurity Act 1993:
 - Cost recovery schedule for Northland Regional Pest Management Strategy for Nassella Tussock.
- (iii) The Local Government Act 2002:
 - Inspections, investigations and/or environmental incidents.
 - Management charges for laboratory and miscellaneous services.
 - Navigation and safety activities.
 - Inspections of dairy farms operating under the permitted activity rules for discharges to land.
- (iv) The Local Government Official Information and Meetings Act 1987:
 - Information charges.
- (v) The Property Law Act 2007
 - Navigation Water Transport and Maritime Safety Bylaw Charges.
- (vii) The Resource Management Act 1991:
 - Application fees for resource consents and certificates of compliance.
 - Application fees for preparing or changing a policy statement or plan.
 - Resource consent annual administration and monitoring charges.
 - Additional supervision charges for investigation of potential non-compliances and non-compliance with consent conditions.
 - Charges set by regional rules.
 - Applications for offsite farms and reviews of deemed coastal permits for marine farms pursuant to the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

The council reviews its schedule of charges each year to provide for the recovery of the costs associated with the inspection and mitigation of adverse environmental impacts arising from the agricultural and industrial sectors.

The council's Revenue and Financing Policy sets out the funding and recovery targets for each council activity. The funding targets and criteria set out in the Revenue and Financing Policy have been considered by council in setting fees and charges as set out in the Charging Policy. The Northland Regional Pest Management Strategies provide a schedule of cost recovery for certain works.

The Resource Management Act consent classes include permits to take water, permits to discharge contaminants to air, land or water; land use consents, coastal permits, and building consents in the coastal marine area. The major types of consent classes and criteria for charging purposes are as follows:

Discharges to Water (including):

- major industries
- major effluent discharges
- refuse landfills
- timber treatment plants

Other Water Permits

Discharges to Air

Coastal (including):

- moorings, jetties and structures
- marinas
- slipways and maintenance facilities
- major coastal activities

Land Use Consents

Environmental Incidents

Management charges for labour, laboratory services, supply of information and the council plant and equipment are detailed in Appendix 16².

2. General policies and principles

2.1 General principles

The principles which apply to the charges set out in the Charging Policy document are based on the requirements of Section 36 of the Resource Management Act 1991; Section 77 of the Biosecurity Act 1993, Sections 53 and 243 of the Building Act 2004, Section 13 of the Local Government Official Information and Meetings Act 1987, Section 227(2) of the Property Law Act 2007 and the Local Government Act 2002 – as set out below:

- **Democratic process**

The council's role as a local authority is recognised. Thus, the costs associated with the political process are not charged directly to resource consent users.

- **Cost recovery**

The scale of annual charges is in some cases based on the full costs of the council's supervision role plus a share of the costs of its state of the environment monitoring role.

Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly occasions costs to the council. A contribution from the general rate meets a share of the cost where the community benefits from environmental monitoring.

- **Consistency**

Charges will not vary greatly within classes and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.

- **Equity**

Costs will be recovered on an equitable basis, with charging criteria applied consistently across the region. Classes of users will share the costs attributable to that class.

- **Simplicity**

The system of establishing charges will be kept as simple and as economically efficient as possible.

- **Resource use**

The charges will reflect preferred resource use practices which as a consequence will require less work to be undertaken by the council.

2.2 Time period

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the Annual Plan special consultative procedure as prescribed by the Local Government Act 2002.

2.3 Performance

With regard to all application fees and amounts specified in this document, the council need not perform the action to which the charge relates until the charge has been paid in full [Resource Management Act, Section 36(7)].

2.4 Remission of charges

The Council may remit any charge referred to in this document, in part or full, on a case-by-case basis, and at its absolute discretion. [Resource Management Act, Section 36(5).]

2.5 Goods and Services Tax

The charges and formulae outlined in this document are exclusive of GST, except where noted otherwise.

2.6 Debtors

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered. Account offset will be considered on merit in situations where the Council is indebted to the same person.

2.7 Regulations

The council will apply Crown charges, which may be set from time to time by Order in the Council (Regulations). [Resource Management Act, Section 36(1)(g).]

² As provided for by 150(6) of the Local Government Act 2002.

2.8 General Policies for charges

The general policies for charges are set out in the Annual Plan, which is adopted following the Special Consultative Procedure prescribed in the Local Government Act 2002. In the case of fees for annual charges and consents applications, the policies are as follows:

- (i) The annual charges shall apply from 1 July to the following 30 June each year, or until amended by the council.
- (ii) Account offset will be considered on merit in situations where the council is indebted to the same person.
- (iii) Where compliance monitoring charges are expected to equal or exceed \$1,000 (GST exclusive), the consent holder will generally be invoiced the actual costs of monitoring during the progress of the work, once costs have exceeded a prescribed sum (refer Section 4.2.5).
- (iv) Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the applicant subject to Clause (vi). Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.
- (v) A minimum fee of \$80.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.
- (vi) In any case where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual costs of monitoring activities to the date of expiry or surrender, subject to Clause (v) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.
- (vii) Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.
- (viii) Where non-compliance with resource consent conditions is encountered, or unprogrammed additional monitoring is necessary, the costs will be recovered in addition to the set annual fee.
- (ix) Bonafide community organisations that own community structures in the coastal marine area, which are available for unimpeded public use free of charge; or consent holders undertaking activities for the principal purposes of enhancing the natural environment, may apply to the council to waive the annual charges, and the council may remit all or part of the user fees, pursuant to Section 36 of the Resource Management Act.
- (x) Upon application and the approval of the Chief Executive Officer, all or part of the council's user charges for structures in the coastal marine area or activities undertaken for the purposes of protecting or enhancing the natural environment, may be remitted where cases of genuine hardship are proved.

3. Application fees

3.1 Introduction

This part of the policy deals with application charges in respect of two areas:

- applications for the preparation or change of a policy statement or plan;
- applications for resource consents, for the review of resource consent conditions, building consents and project information memoranda.

The Resource Management Act allows the council to fix charges for the carrying out of its functions in respect of applications.

The fixed initial deposits listed in Appendix One: Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates, are minimum charges for resource consent applications and are charges 'fixed' under section 36(1) of the Resource Management Act (they are therefore not subject to objection rights). All consent processing costs which exceed the fixed initial deposit are considered to be additional charges pursuant to section 36(3) of the Resource Management Act and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process.

3.2 Prepare or change a policy statement or plan

Any person may apply to the council for the preparation of or change to a regional plan. Any Minister of the Crown, or any territorial authority of the region may request a change to a policy statement.

When considering whether costs should be borne by the applicant, shared with the council, or borne fully by the council, the following will be taken into account:

- the underlying reason for the change; and

- the extent to which the applicant will benefit; and
- the extent to which the general community will benefit.

For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

- (i) All applicants will be required to pay a deposit of \$6,000.00 plus GST based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification.

Actual and reasonable costs based on an hourly rate, mileage and disbursements will be included in the deposit.

Any additional costs incurred in processing the application will be invoiced to the applicant.

- (ii) For any action required to implement a decision to proceed with the preparation or change to a policy statement or plan, a deposit of \$3,000.00 plus GST shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs should fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

Labour (standard charge rates includes mileage)

**Excluding GST
cost per hour**

- | | |
|----------------------------|----------|
| • Policy Analyst | \$78.00 |
| • Policy Specialist | \$89.00 |
| • Senior Programme Manager | \$115.00 |
| • Manager | \$150.00 |

3.3 Resource consents and Building Act applications

Applicants will be charged for the actual and reasonable costs, including disbursements, of receiving and processing applications for resource consents, building consents and project information memoranda.

These costs will include:

- (i) **Staff Costs** – Officers' actual recorded time, charged at the relevant hourly rate in the table of Consents Staff Hourly Processing Rates in Appendix 1. These rates are derived from actual employment costs plus a factor to cover administration and general operating costs.
- (ii) **Discounts** – The council will provide a discount, if applicable, on the administrative charges imposed under section 36 of the Resource Management Act 1991 in accordance with the Resource Management Discount Regulations for all applications lodged on or after 31 July 2010.
- (iii) **Hearings** – The costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and Committee Members' fees or the actual costs of independent commissioners at formal hearings will be charged.
- (iv) Charges relating to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
- (v) Where a hearings panel has directed that expert evidence is pre-circulated then all persons who are adducing such evidence shall be responsible for providing the prescribed number of copies of such evidence to the council. In the event that the council needs to prepare copies of such evidence the person adducing the evidence will be charged for the copying.
- (vi) **External costs** disbursements will also be charged; for example advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.
- (vii) All applicants for a resource consent will be required to pay a fixed initial deposit on application as set out in Appendix One Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates. Prior to consideration of the application, the Chief Executive Officer is authorised to require an additional deposit of up to \$20,000 for complex applications.
- (viii) The costs of processing applications to change, cancel or review consent conditions under Sections 127 and 128 of the Resource Management Act 1991 and Sections 10, 20, 21 and 53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.
- (ix) All applications for a project information memorandum and a building consent, as well as the issuing of notices to rectify, will be subject to a minimum estimated charge as set out in Appendix 2 Standard Charges Under the Building Act 2004.

- (x) Charges for Building Act functions other than the issuing of project information memoranda and building consents, will be charged a set fee per individual element, or on the basis of actual and reasonable cost, as set out in Appendix 2. These functions include the issue of compliance schedules, requests for information on building consent applications, extension of valid term, actions re dangerous buildings, inspections and technical processing.
- (xi) Withdrawn applications are subject to the minimum fees set out in Section 2.8(vi), Appendix 1 or Appendix 2 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).
- (xii) All processing costs which exceed the application deposit may be progressively charged on a monthly basis. [Note: Section 36(7) of the Resource Management Act 1991 and 243 of the Building Act 2004.]
- (xiii) Applications for consents may incur any additional Crown charges or levies as prescribed in relevant legislation or Regulations fixed from time to time.

Appendix 1 lists the minimum fixed initial deposit charge for resource consent applications and Consents Staff Hourly Processing Rates.

Appendix 2 lists the standard charges under the Building Act 2004.

4. Resource consent holder and other resource user charges

4.1 Introduction

Under Section 36(1)(c) of the Resource Management Act, the council may charge for costs associated with the:

- (a) administration, supervision and monitoring of resource consents; and
- (b) for carrying out its resource management functions under Section 35 of the Act.

Administration covers how the council records and manages the information it has on the resource consents it grants. The council is obliged to keep "records of each resource consent granted by it" under Section 35(5)(g) of the Act, which must be "reasonably available [to the public] at its principal office" [Section 35(3)] of the Act. The council keeps this information on hard copy files and electronic databases. The costs of operating and maintaining these systems are substantial.

The minimum fee recovers some of the costs of the administration of resource consents.

Supervision covers functions that the council may need to carry out in relation to the ongoing management of resource consents. This can include the granting of approvals to plans and other documentation, review and assessment of self monitoring results provided by the consent holder, provision of monitoring information and reports to consent holders, meetings with consent holders relating to consent compliance and monitoring, and participation in liaison and/or peer review groups established under consent conditions or to address issues relating to the exercise of resource consents.

Monitoring is the gathering of information to check consent compliance and to ascertain the environmental effects that arise from the exercise of the resource consents. The council is obliged to monitor "the exercise of the resource consents that have effect in its region" under Section 35(2)(d) of the Act.

In determining charges under Section 36 of the Resource Management Act, the council has given consideration to the purpose of the charges and the council's functions under the Act. It is considered that consent holders have both the privilege of using resources and responsibilities for any related effects on the environment. It is the council's role to ensure that the level of effects is managed, monitored and is acceptable, in terms of sustainable management and the community's values. The annual charges for the administration, monitoring and supervision of resource consents are based on the assumption that those consents will be complied with and exercised in a responsible manner.

Annual resource consent management charges will be based on a set minimum fee plus, charges for consent supervision and/or monitoring undertaken by council staff, and where appropriate a portion of costs associated with state of The environment (SOE) monitoring of resources used by consent holders, e.g. the costs of running council's hydrological sites, water quality monitoring networks and associated surveys such as macro invertebrate and fish monitoring. This particularly applies to water take consents both surface and groundwater and marine farms.

4.2 Annual charges

4.2.1 Basis of charges

The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the council. In setting these charges, the council has duly considered that their purpose is to recover the reasonable costs in relation to the council's administration, supervision and monitoring of resource consents and for undertaking its functions

under Section 35 of the Resource Management Act. The estimated full costs of the council's supervision role and planned monitoring of consents will be recovered.

In respect of the council's administration role a standard minimum annual charge will apply to cover some of the costs of operating and maintaining its consents-related information systems.

Where appropriate, a proportion of the costs of monitoring the state of the environment (Section 35(2)(a)) is incorporated in the charge to the consent holder. In such cases, the council has had particular regard to Section 36(4)(b)(iii), i.e., the extent that the monitoring relates to the likely effects of consent holder's activities or the extent that the likely benefit to consent holders exceeds the likely benefit of the monitoring to the community. The costs to the council associated with this activity may be shared between consent holders and the community. This recognises that there is value and benefit to the community of work the council undertakes with respect to monitoring the state of the environment. In the council's judgement this is a fair and equitable division.

In relation to swing/pile moorings within the Marine 4 Management Areas which meet the permitted activity criteria, the costs of providing council services will be recovered through the Navigation and Safety Bylaw Charges outlined in Section 10.

In relation to swing/pile moorings outside the Marine 4 Management Areas without consent (non-consented), costs will be recovered through the Navigation and Safety Bylaw until consent is gained. Application for consent must be in accordance with council's programme for applications. Under Section 36(1), these charges "shall be either specific amounts or determined by reference to scales of charges or other formulae fixed by the (council)". The council has fixed charges by all these methods in the past.

Specific amount fees are not often charged for larger activities the preferred method is to apply the formulae specified in Section 4.2.3 to determine the expected costs of both scale fees and the expected costs of monitoring larger consents as outlined in the appendices.

4.2.2 Resource user charges

Many water resources in Northland are highly allocated and are under increasing pressure. It is difficult to assess the natural flows/levels of water bodies as there is limited data available on water use and flows/levels in some high allocation areas.

In order to address these issue, and central governments Sustainable Water Programme for Action initiatives. A Sustainable Water Allocation Plan is being prepared which requires further resourcing by council to give effect to. Such work provides benefit to both the community and water users together. Much of the information provided by council's current hydrometric network will provide an initial basis for this work as such a part of the cost of running this network shall be recovered from water users through a resource user charge.

The detail of this charge are outlined in Appendices 3 and 15.

The "resource user charge" for hydro electric companies will be considered on a case by case basis due to the size and complex nature of their takes.

4.2.3 Scale charges

Scaled charges are attributed to consents for minor to moderate activities and the charge reflects the costs of administering and monitoring that class of consent and/or the actual and/or potential effects of the activity. The latter will reflect the resource affected by the consented activity. Scale charges relate to the following "classes" of consents:

- Water takes fee scale (Appendix 3)
- Minor to moderate discharges to air and water and small to moderate scale discharges to land, and land use activities including quarries (Appendix 4)
- Farm dairy effluent discharges (Appendix 5)
- Coastal structures (post construction or installation) (Appendix 6)
- Coastal structures (construction or installation phase) (Appendix 7)
- Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction) (Appendix 8)

4.2.4 Large scale activities

Consents that do not fall into the classes listed in Section 4.2.3 will be for larger scale activities or activities with high potential adverse effects (estimated compliance monitoring costs of \$1,000 and over per year inclusive of GST). In most cases these consents will generally be subject to comprehensive monitoring programmes, regular inspections and involve routine sampling and testing or audit monitoring functions or contribute towards the costs of the council's State of the Environment Monitoring as is the case for many of the larger water take consents. Large scale activities may require more monitoring inspections. As the sampling and testing

requirements for these consents will vary, so too will the costs incurred by the council to carry out those monitoring programmes.

Annual charging for the monitoring of these consents is calculated using the following formulae and/or the actual and reasonable historical costs:

Labour (staff time) + sampling and testing Costs + monitoring equipment costs + administration fee + SOE monitoring charge/resource user charge = annual charge

Labour (standard charge rates includes mileage)

**Excluding GST
per hour**

• Monitoring Technician/Administrator	\$67.00
• Monitoring Officer Scale 1	\$78.00
• Monitoring Officer Scale 2	\$89.00
• Monitoring Officer Scale 3	\$99.00
• Senior Monitoring Officer Scale 1	\$105.00
• Senior Monitoring Officer Scale 2	\$115.00
• Manager	\$150.00

Where there is a need for two or more officers to attend, the costs of all officers will be recovered.

Sampling and testing costs

- Internal costs per Clause 2.1–2.7
- External costs at cost

Monitoring equipment costs

Generally applied to consents where special equipment has been installed to monitor those consents. For example, hydrometric stations on rivers from which water is taken for irrigation purposes, water quality monitoring sounds and/or automatic sampling equipment.

**Excluding GST
per hour**

Administration Fee

Per consent or consent "package" \$81.00

State of the environment (SOE) costs

Where appropriate the addition of a specified amount contributing towards the recovery of costs incurred by council as part of its state of the environment monitoring and/or the hydrometric network.

The estimated monitoring costs are then rounded to an appropriate sum which becomes the expected annual charge. These formulae and the historical cost data of monitoring like consents provides a reasonable estimate of the actual costs of monitoring consents each year and will be used to provide the expected costs of monitoring in the forthcoming years. These expected costs of monitoring are itemised in the fee schedules included in appendices outlined below:

- Major industries (Appendix 9)
- Timber treatment plants (Appendix 10)
- Major effluent discharges (Appendix 11)
- Refuse landfills (Appendix 12)
- Large scale discharges to air (Appendix 13)
- Major coastal activities (Appendix 14)
- Water takes with high potential effects (Appendix 15)

4.2.5 Additional supervision charges

Introduction

The annual consent charges outlined in Section 4 above are based on the assumption that the consents they relate to will be complied with and exercised in a responsible manner, and recover the cost of work undertaken each year by the council in the administration, monitoring and supervision of those consents.

The purpose of additional supervision charges is to recover costs of additional supervisory work that is required to be undertaken by council when people, including consent holders, do not act in accordance with consents or council's rules relating to resource use.

Additional supervision charges relate to those situations where:

- consent conditions are not being met or adverse effects are resulting from the exercise of a consent; or
- unauthorised activities are being carried out.

Procedure

When consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to infringement notices, enforcement orders or prosecutions.

Calculation

Charges for additional supervision will be calculated on an actual and reasonable basis.

The costs that make up the charge will include:

- labour costs; officers' actual recorded time spent, including travel time, in following up the non-compliance matter or unauthorised activity (charged at the appropriate hourly rate listed in Section 4.2.3); plus
- any sampling and testing costs incurred; plus any equipment costs (excluding vehicle running costs) associated with the monitoring of the non-compliance; plus
- any external costs incurred (e.g. external consultants, hire of clean-up equipment).

For consent holders only, no additional supervision charge will be applied where the annual charges for their consents are sufficient to cover the costs incurred in following up their consent non-compliance.

In the case of water takes annual charges are estimated on the basis of normal summer flows and consequently during drier than normal years further monitoring may be required in the form of flow, water level and/or water abstraction measurements. The costs of this further work will be charged to the consent holder in the form of additionally supervision charges as outlined above.

4.2.6 Invoicing – non-scale fees

The majority of large – scale activities or activities with high potential adverse effects (where annual monitoring costs exceed \$1,000, GST inclusive) and certain small scale activities such as short term earthworks/construction type consents, will be monitored, the results recorded/reported and subsequently invoiced to the consent holder on a cost recoverable basis.

Invoices will be generated once the costs of any work have exceeded a prescribed sum. This will be determined by the scale of the activity. Costs will be invoiced in a timely manner during the progress of the work to ensure that large amounts of costs do not accrue.

In the case of significant water takes charges will generally be invoiced annually in line with Appendix 15 and any further supervision charges will be invoiced on a regular basis as costs are incurred by council.

4.3 Change in resource consent status

Where any resource consent is approved during the year, and will be liable for annual charges, the actual costs of monitoring activities will be charged to the applicant. The annual minimum fee will continue to apply per the council's general policy 2.8(vi).

For large scale activities where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not on-going, then the associated annual charge will be based on actual and reasonable costs incurred to the date of expiry or surrender, including costs incurred as a result of monitoring and administration activities associated with the expiry or surrender of the consent. The annual minimum fee will continue to apply.

Where a resource consent expires during the course of the year but the activity or use continues and is subject to a replacement process, then the annual charges will continue to apply.

4.4 Timing

Invoicing of consent annual charges will be in the quarter following the adoption of the Long Term Plan or Annual Plan by the council or after monitoring of the consent has been undertaken (post billing).

In some cases, invoicing of charges may be deferred until after the council has completed all, or a significant portion of its planned monitoring of a consent.

4.5 Permitted activity dairy shed effluent systems – fees

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the council adequately carries out its functions and responsibilities pursuant to Sections 30(1)(f), 35(2)(a) and 36 of the Resource Management Act. The fees are set according to Section 150 of the Local Government Act.

The charges are as follows:

Excluding GST

- | | |
|--|------------------|
| (i) Inspection and monitoring fee: | |
| Grades 1P, 2P, 3P (fixed fee) | \$167 00 |
| Grades 4P, 5X, C (fixed fee) | \$250.00 |
| (ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4P, 5X and C) | \$81.00 per hour |

Where there is a need for two officers to attend, the costs of both officers will be recovered.

Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required (see Appendix 16).

Note: For charges for consented farm dairy effluent discharge consents, refer to Appendix 5.

4.6 Permitted activity monitoring/inspections – fees

These charges are made to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the Regional Plans. The inspections are conducted in order that the adequately carries out its functions and responsibilities pursuant to Sections 30, 35 and 36 of the Resource Management Act. The fees are charged pursuant to Section 150(1) of the Local Government Act on a cost recoverable basis (officer time, sampling and equipment costs).

The charges are as follows:

**Excluding GST
per hour**

- | | |
|---------------------------------------|----------|
| • Monitoring Technician/Administrator | \$67.00 |
| • Monitoring Officer Scale 1 | \$78.00 |
| • Monitoring Officer Scale 2 | \$89.00 |
| • Monitoring Officer Scale 3 | \$99.00 |
| • Senior Monitoring Officer Scale 1 | \$105.00 |
| • Senior Monitoring Officer Scale 2 | \$115.00 |
| • Manager | \$150.00 |

plus the actual and reasonable cost of any specific water quality testing and equipment required (see Appendix 16).

4.7 Fees for emergency works and environmental incidents

Under Section 331 of the Resource Management Act, the council may charge for the costs associated with any emergency works required for the:

- (a) Prevention or mitigation of adverse environmental effects;
- (b) Remediation of adverse effects on the environment; or
- (c) Prevention of loss of life, injury, or serious damage to property.

The costs charged will be the actual and reasonable costs incurred by council to do the works.

4.8 Fees for the investigation of land for the purposes of identifying and monitoring contaminated land

Under Section 30 of the Resource Management Act council is responsible for identifying and monitoring contaminated land. Council will recover the costs of inspections plus the actual and reasonable cost of any specific testing of samples taken. The fees are charged pursuant to Section 150(1) of the Local Government Act on a cost recoverable basis (officer time, sampling and equipment costs).

The charges are as follows:

**Excluding GST
per hour**

- | | |
|---------------------------------------|----------|
| • Monitoring Technician/Administrator | \$67.00 |
| • Monitoring Officer Scale 1 | \$78.00 |
| • Monitoring Officer Scale 2 | \$89.00 |
| • Monitoring Officer Scale 3 | \$99.00 |
| • Senior Monitoring Officer Scale 1 | \$105.00 |
| • Senior Monitoring Officer Scale 2 | \$115.00 |
| • Manager | \$150.00 |

5. Biosecurity Act 1993

5.1 Northland Regional Pest Management Strategies Cost Recovery Policy

Section 135 of the Biosecurity Act provides regional councils with options to recover the costs of administering the Act and performing the functions, powers and duties under a pest management strategy. The mechanisms include user charges and cost recovery in the event of non-compliance with a legal direction.

5.1.1 Request for work

An authorised person may request any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the Northland Regional Pest Management Strategies.

5.1.2 Legal directions

An authorised person may issue a legal direction to any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with a Northland Regional Pest Management Strategies. The legal direction shall be issued under Section 122(a) of the Biosecurity Act and specify the following matters:

- The land in respect of which works or measures are required to be undertaken;
- The pest for which the works or measures are required;
- Works or measures to be undertaken to meet the occupier's obligations;
- The time within which the works or measures are to be undertaken;
- Action that may be undertaken by the management agency (generally, the council) if the occupier or occupiers fail to comply with any part of the direction;
- The name, address, telephone number and fax number of the management agency and the name of the authorised person issuing the legal direction.

5.1.3 Failure to comply with a legal direction

Where a legal direction has been given to an occupier under Section 6.5.1 of the Northland Regional Pest Management Strategies and the occupier has not complied with the requirements of the legal direction within the time specified, then the management agency may enter onto the land specified in the legal direction and carry out, or cause to be carried out, the works or measures specified in the legal direction, or such other works or measures as are reasonably necessary or appropriate for the purpose of giving effect to the requirements of the legal direction.

5.1.4 Recovery of Costs Incurred by Management Agency

Where a management agency undertakes works or measures for the purposes of giving effect to the requirements of a request for work or a legal direction it shall recover the costs incurred from the occupier pursuant to Sections 128 and 129 of the Biosecurity Act and may register the debt as a charge against the land.

5.2 Regional Pest Management Strategy (RPMS) for Nassella Tussock

This strategy adopted by the council on 19 September 2001, pursuant to Section 77(7) of the Biosecurity Act 1993 supersedes the former Operative Northland Regional Pest Management Strategy for nassella tussock adopted in April 1998. The strategy continues the funding policy of the former Operative Strategy, which identifies the regional benefits of eradicating nassella tussock but also recognises benefits to the occupiers of infested properties. It now includes rules for the recovery of costs incurred by the council.

To recognise the regional benefit of eradicating nassella tussock, the council recovers only part of the costs of ranging and grubbing infested land from the owner/occupier of the land. The proportion of the cost recovered is categorised as follows:

- **Category I** – Surveillance sites, that is sites found free of nassella for the preceding three or more years. No cost recovery.
- **Category II** – Sites where nassella is still being found but which have been permanently retired from grazing and on which there is a full canopy cover of indigenous scrub or forest, or such a cover is being actively encouraged. No cost recovery.
- **Category III** – Sites where nassella is still being found but which are being managed to encourage a dense, well grazed pasture with easy access and no obstructions which prevent plants being seen. Twenty percent cost recovery.
- **Category IV** – Active sites with major obstructions to access and visibility. Typically non or lightly grazed pasture with less than 10% scrub or scrubby weeds. Forty percent cost recovery.

- **Category V** – Active sites with major access problems and obstructions to visibility. Typically reverted pasture with greater than 10% cover of gorse or scrub, unpruned pine forest and long grass or scrub under storey or pine forest with heavy pruning and/or thinning slash. Sixty percent cost recovery.

NB: Under the Biosecurity Act 1993, any unpaid charges due to the council can be registered as a debt against the certificate of title for the land on which the eradication works were carried out.

The charges levied are as follows:

	Excluding GST per hour
• Biosecurity Technician/Administrator	\$67.00
• Biosecurity Officer Scale 1	\$78.00
• Biosecurity Officer Scale 2	\$89.00
• Biosecurity Officer Scale 3	\$99.00
• Senior Biosecurity Officer Scale 1	\$105.00
• Senior Biosecurity Officer Scale 2	\$115.00
• Manager	\$150.00

6. Local Government Act charges

6.1 Fees for Maritime Related Incidents

These charges are made to recover the costs incurred by the council as a result of staff responding to any incident that causes or may have the potential to cause, adverse environmental effects or effects on navigation and safety. The response action taken by council staff may include, but will not be limited to, the monitoring, inspection, investigation, clean-up, removal, mitigation and remediation works. Actual costs for consumables, plant and equipment used/hired during a response will also be charged in addition to staff hours as appropriate.

The charges are as follows:

	Excluding GST per hour
• Technician/Administrator	\$67.00
• Officer Scale 1	\$78.00
• Officer Scale 2	\$89.00
• Officer Scale 3	\$99.00
• Senior Officer Scale 1	\$105.00
• Senior Officer Scale 2	\$115.00
• Manager	\$150.00

For incidents occurring outside normal business hours, a minimum call out fee of two hours at the above rates shall apply.

7. Charges set by regional rules

When developing a regional plan, the council may create regional rules to prohibit, regulate or allow activities. These rules may specify permitted activities, controlled activities, discretionary activities, non-complying activities, prohibited activities and restricted coastal activities.

Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in Section 108 of the Resource Management Act. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

The council therefore reserves the right to set other charges pursuant to regional rules in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; matters pertaining actions required under the Maritime Transport Act 1994 or Biosecurity Act and any other regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

7.1 Actual and Reasonable costs for charges arising from regional rules

Actual and reasonable costs will be charged for fees set by regional rules. These costs will include:

- Staff costs – Officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs.

- Hearings – The costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and Committee Members' fees or the actual costs of independent commissioners at formal hearings will be charged.
- For applications relating to restricted coastal activities, the applicant will also be charged the council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
- External costs, disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

8. Provision of information and technical advice

A. Information provided under the RMA – consents, hearings etc

The council recognises that it has a significant advisory and information role. The council has the right, under legislation, to recover the costs of providing certain information.

Pursuant to the Local Government Act, and sections 36(e) and (f) of the Resource Management Act, the council may charge for the provision of information as follows:

- Actual and reasonable charges will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:
 - staff costs related to making the information available – i.e., officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs;
 - any additional costs incurred, for example, photocopying, printing binding; and computer processing costs – refer Appendix 16 (item 6).
- Where an inquiry requires less than 30 minutes of staff time, no staff costs will be charged. Additional costs of less than \$10.00 will not be charged.
- Photocopying (per page)

	Excluding GST Colour		Excluding GST Black	
	A4	A3	A4	A3
Consents, hearing agendas				
Cost to applicants	\$0.31	\$0.44	\$0.09	\$0.18
Other parties	\$0.44	\$0.88	\$0.18	\$0.26

Note: A double-sided page is equivalent to two pages.

B. Guidelines for staff – charging for advice/information and technical data

Charging for the cost of time and disbursements incurred when providing information to prospective applicants for resource consents, or third parties, shall be charged in accordance with Section 8A and 8C herein. This guideline is provided so that all officers are conversant with the principles of cost recovery, and how to distinguish chargeable technical information from freely available educational material.

(i) Consistency, distance, location

All time after the first half hour³ and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost at the rates set out in Section 8A. This policy is consistent with that applied in Local Government, except when information is requested under the Official Information Act (refer to Section 8C).

There is no concession for time or distance travelled by the council's officers to provide technical information. No such concession is provided by other technical consultants.

Information given **by telephone** is to be treated exactly the same as information provided at an interview. Technical data provided by hydrology, the laboratory etc, for the purposes of assessing the criteria for a consent application is commercial data with an economic value (i.e., private benefit).

(ii) Advise the cost in advance

Officers must **warn the person seeking information in advance**, that a cost will be incurred after the first half hour, and the estimated cost per hour to be charged. This process allows the applicant to weigh the

³ in relation to a specific matter (or related matters) regardless of whether a single staff member or multiple staff members are approached or deal with it.

value of his requirements, and will effectively control the level of information sought and deflect frivolous requests.

The provision of information should be **charged separately** from the cost of processing any future resource application.

(iii) Community and environmental groups

Where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available should be **extended to one hour**, and be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer section 8C) unless a Regulation or Plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to a Senior Programme Manager for a decision on charging.

(iv) Educational information and materials, and consent holders

It is important to distinguish environmental "incidents" that relate to the 24/7 Environmental Hotline, as these are generally within the educational activity/monitoring roles of the council. It is unlikely that information will be sought in this area.

When the council's officers are involved in Resource Management Act workshops or public promotions aimed at increasing the public's awareness of the Resource Management Act consent procedures, the council's environmental role, liaison on planning issues, etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the council and is not charged for.

Consent Holders: All consent holders are entitled to information arising from the monitoring of their consents, including district councils and other corporate bodies.

Other information sought by district councils is to be assessed on individual merit, and referred to the Department Manager for a decision, to ensure political appropriateness.

C. Information provided under the Local Government and Official Information and Meetings Act

The purposes of the Local Government and Official Information and Meetings Act (LGOIMA) are set out in section 4 of that Act. In summary they enable the public to have access to any official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy.

Reasons for withholding information requested under LGOIMA

The following paraphrases some of the reasons from sections 6, 7, and 17 for withholding or refusing information requested under LGOIMA. For example to:

- Avoid prejudicing the maintenance of the law ... and the right to a fair trial;
- Protect the privacy of natural persons, including that of deceased natural persons;
- Protect information where making it available, would disclose a trade secret, or would prejudice the commercial position of the person who supplied/is the subject of the information;
- In certain circumstances detailed in the Act, avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu;
- Maintain the effective conduct of public affairs...;
- Protect information which is subject to an obligation of confidence...etc;
- Maintain legal professional privilege;
- To enable a local authority to carry out, without disadvantage, commercial activities;
- Prevent the disclosure or use of official information for improper gain or advantage;
- The document alleged to contain the information does not exist or cannot be found;
- The information requested cannot be made available without substantial collation or research;
- The request is frivolous or vexatious, or that the information requested is trivial.

Only the Chief Executive Officer (or other officer or employee specifically authorised by the council) may refuse an official information request.

Section 13 provides for the recovery of the cost of making information available under LGOIMA.

Black and white photocopying or printing on standard A4 or foolscap paper where the total number of pages is in excess of 20 pages will be charged out at 20c for each page after the first 20 pages. All other photocopying and printing charges will recover the actual and reasonable costs involved.

For staff time:

First Hour:	No charge.
Additional Hours:	Ministry of Justice, Charging Guidelines

Excluding GST

First half hour (after the initial free hour)	\$33.04
Per hour	\$66.08

Note: Under Section 13(1) of LGOIMA the council has 20 days to make a decision (and communicate it to the requestor) on whether we are granting or withholding the information, including how the information will be provided and for what cost. We will also tell the requester that they have the right to seek a review by an Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. We may request a deposit be paid under the 2002 Charging Guidelines issued by Secretary for Justice. We will recover actual costs involved in producing and supplying information of commercial value. In stating our fee schedule we reserve discretion to waive a fee if the circumstances of the request suggest this is appropriate for example in the public interest or in cases of hardship.

9. Fee to consent lessee to transfer a lease and fee to consent lessee to enter into a sublease

Pursuant to the general provisions in section 12 of the Local Government Act and section 227 (2) of the Property Law Act 2007, council can require a charge to cover reasonable legal or other expense of the lesser in giving consent.

Excluding GST

The charges are as follows:

(a) transfer or assign the lease	\$150.00
(b) enter into a sublease	\$150.00

10. Standard charges under the Building Act 2004

The Building Act 2004 allows the council to impose fees and charges for and recover costs of exercising or performing any of its functions, powers, or duties under the Act or under the regulations.

Section 243 of the Act specifically allows for the council to impose a fee or charges for:

- Issuing a project information memorandum.
- The performance of any other function or service under this Act.
- Recover its costs from the owner if it carries out building work under Section 156 of this Act.
- Where a fee or charge is payable for the performance of a function or service, then the Council may decline to perform the function or service, unless the fee or charge is paid.

The minimum estimated charges and set fees are the standard charges and are exclusive of GST. Costs incurred beyond the minimum estimated charges are to be recovered on the basis of actual and reasonable costs incurred by the council.

The minimum fees for the different consent activities are set out in Appendix 2.

11. Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2013

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2013:

1. These bylaws shall apply throughout the region of the council.
2. In these bylaws, unless the context otherwise requires:

"Maritime facility" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or, whether private, commercial or a recreational public facility, that is located within the coastal marine area of the Northland.

"Mooring" means any swing or pile mooring whether private, commercial or recreational mooring that is located within the coastal marine area of the Northland.

"Owner" includes:

- (a) in relation to a vessel, the agent of the owner and also a charterer; or
- (b) in relation to any dock, wharf, quay, slipway or other maritime facility,
means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

3. Navigation Safety Bylaw Fees

For the period specified hereunder and for each year thereafter until amended or superseded by a subsequent bylaw charge, the owner of every maritime facility or mooring in the region shall pay to the council an annual navigation fee fixed herein.

- (a) The navigation safety bylaw fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The council's Harbourmaster shall determine the number of berths available at any maritime facility.
- | | Excluding GST |
|---|----------------------|
| (b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp up to 15 m x 4.5 m, minor structure, and any group of piles with 74 berths or less owned by one organisation. | \$60.00 |
| (2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea river, per berth. | \$60.00 |
| (3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth. | \$50.00 |
| (b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth. | \$56.00 |
| (4) Boatsheds, per additional berth. | \$60.00 |
| (5) Community and boating club structures, jetties and private accommodation in the coastal marine area. | \$60.00 |
| (6) Marine farms | \$60.00 |
| (7) Boat ramps/slipways over 15 metres and grids | \$120.00 |
| (8) High use structures and jetties, marine-related, not more than 300 m ² in plan area within the coastal marine area | \$335.00 |
| (9) High use commercial slipways with a maximum capacity of less than 50 tonnes. | \$335.00 |
| (10) High use structures and jetties, marine-related and more than 300 m ² but less than 1,000 m ² in plan area within the coastal marine area | \$1,455.00 |
| (11) High use structures and jetties, marine-related and more than 1,000 m ² in plan area within the coastal marine area. | \$2,575.00 |
| (12) High use commercial slipways with a maximum capacity of more than 50 tonnes. | \$2,575.00 |
| (13) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the Council has the right to sell the mooring and/or vessel to recover the debt. | |

4. Hot Work Permits

For vessels alongside wharves or at anchor, per permit \$72.00

5. Safe Operating Licences

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of procedures and safety equipment, up to one hour.

Where inspection time exceeds one hour, the charge shall be at the rate of \$70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

\$72.00

6. Jet Ski Registration Fees

As resolved and prescribed by the Auckland Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

7. (a) Pilotage⁴

(i)	Inwards/outwards to wharf, Opua – per visit	
	Where GT is greater than 500 but less than 3000	\$1,500.00
	Where GT is greater than 3000 but less than 18,000	\$2,900.00
(ii)	Ships to anchor in Bay of Islands – per visit	
	Where GT is greater than 500 but less than 3000	\$1,500.00
	Where GT is greater than 3000 but less than 18,000	\$2,900.00
	Where GT is greater than 18,000 but less than 40,000	\$3,461.00
	Where GT is greater than 40,000 but less than 100,000	\$3,869.00
	Where GT is greater than 100,000	\$4,276.00

(b) Shipping

Navigation and Safety Services Fee Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel

Where GT is less than 3000	\$1.00/GT
Where GT is greater than 3000 but less than 18,000	\$2,900.00
Where GT is greater than 18,000 but less than 40,000	\$3,258.00
Where GT is greater than 40,000 but less than 100,000	\$3,563.00
Where GT is greater than 100,000	\$4,072.00

Excluding GST

(c) Shipping

(i)	Navigation and Safety Services Fee Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage	
	Up to 3000 GT	\$1.00/GT
(ii)	Per ship visiting the Bay of Islands when the vessel's GT is more than 100 and less than 500	
	From 100 to 500 GT	\$1.00/GT
(c)	Navigation and Safety Services Fee Per ship visiting the Poor Knights Area To Be Avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.	
	Over 45 metres length overall	\$1.00/GT

(d) Shipping

Navigation and Safety Services Fee Per ship visiting Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage	\$1,000.00
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8. Harbourmaster's Navigation Safety Services Fee

(a)	North Port Ltd	\$110,000.00
(b)	For water transport operators not serviced by a port company, at actual time and cost.	
(c)	Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis.	

9. Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)

Special Event Processing Fee	\$145.00
The council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.	

10. All navigation and other fees specified herein are exclusive of Goods and Services Tax.

11. Standard Charges under the Maritime Transport Act 1994 – Marine Tier 1 Oil Transfer Sites

Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the Director of Maritime New Zealand. The power to approve these plans has been delegated by the Director to the Chief Executive Officer (sub-delegated to council employees) of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994. Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:

- Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments

⁴ Charges for Bay of Islands apply for vessels entering inside the pilotage limits as marked on chart NZ 5125.

- ii. Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.

The fee set is based on officer's actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged the standard rate as approved by the Inland Revenue Department.

- 12.** These bylaw fees shall apply for the period 1 July 2012 to 30 June 2013 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

These bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed when the Annual Plan is adopted (date to be determined). Following confirmation, the bylaws will come into force on 1 July 2013.

Appendices to draft charging policy 2013/14

Appendix 1 – Resource Consent Applications

Fixed initial deposits and consents staff hourly processing rates

Schedule of fixed initial deposits

Description	Fixed initial deposit \$ excluding GST	\$ including GST
Notified and limited notified applications		
<ul style="list-style-type: none"> Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits 	2,604.78	2,995.50
<ul style="list-style-type: none"> Moorings 	1302.17	1,497.50
New non-notified applications		
<ul style="list-style-type: none"> Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (including Farm Dairy Effluent and Domestic On-site Wastewater) 	694.35	798.50
<ul style="list-style-type: none"> Moorings 	476.96	548.50
<ul style="list-style-type: none"> Bore Drilling Permits 	241.30	277.50
<ul style="list-style-type: none"> plus per additional bore 	29.13	33.50
<ul style="list-style-type: none"> Existing Moorings within High Priority Marine 4 Mooring management Areas. Application fee (minimum charge) 	108.26	124.50
<ul style="list-style-type: none"> Fixed Fee for Discharge Permit for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning) (see Note 8) 	52.17	60.00
Replacement non-notified applications		
<ul style="list-style-type: none"> Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Domestic On-site Wastewater) 	607.83	699.00
<ul style="list-style-type: none"> Moorings (includes moorings that have previously had a licence and are seeking to be authorised under the RMA) 	390.87	449.50
<ul style="list-style-type: none"> Domestic On-site Wastewater Discharge Permits 	434.35	499.50
Certificate of compliance	390.87	449.50
Transfer of consents from the consent holder to another person (payable by the person requesting the transfer)	48.26	55.5
Transfer existing water permit between sites within catchment		
<ul style="list-style-type: none"> Notified (including limited notification) 	607.83	699.00
<ul style="list-style-type: none"> Non-notified 	241.30	277.50
S127 Change or cancellation of consent conditions		
<ul style="list-style-type: none"> Notified (including limited notification) 	911.30	1048.00
<ul style="list-style-type: none"> Non-notified 	390.87	449.50
<ul style="list-style-type: none"> Minor administrative change 	86.96	100.00
Request to review deemed coastal permit to reflect actual space (off-site review) under s53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004		

Description	Fixed initial deposit \$ excluding GST	\$ including GST
<ul style="list-style-type: none"> Notified (including limited notification) 	2604.78	2995.50
<ul style="list-style-type: none"> Non-notified 	694.35	798.50
S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)		
<ul style="list-style-type: none"> Notified (including limited notification) 	911.30	1,048.00
<ul style="list-style-type: none"> Non-notified 	390.87	449.50
Extension of period until a consent lapses	241.30	277.50
Hearing costs (per hearing day per committee member) at hourly rates set by the Remuneration Authority* or the actual costs of independent Commissioners. See also Note 6.	(Per RA)	
* Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$68 per hour (committee Member) and \$85 per hour (chairman).		
Requests by applicants and/or submitters for independent commissioner(s) to hear and decide resource consent applications as provided for by s100A(2) of the RMA: <ul style="list-style-type: none"> In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant. In cases where one or more submitter requests independent commissioner(s), the council will charge as follows: <ul style="list-style-type: none"> a) The applicant will be charged for the amount that the council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and b) The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in a) above. Notwithstanding the above, in cases where the applicant <u>and</u> any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant. 		

Note: Approved resource consents attract annual charges. For Building Consent Application Fees – Refer Appendix 2.

Consents Hourly Processing Rates

Description	Hourly Rate excluding GST	Hourly Rate including GST
• Secretarial/Admin	\$67.00	\$77.05
• Consents Officer Scale 1	\$78.00	\$89.70
• Consents Officer Scale 2	\$89.00	\$102.35
• Consents Officer Scale 3	\$99.00	\$113.85
• Programme Manager Scale 1	\$105.00	\$120.75
• Programme Manager Scale 2	\$115.00	\$132.25
• Consents Manager	\$150.00	\$172.50
• Consultants	Actual Costs	

Note 1: Complex applications for resource consent(s): Notwithstanding the above schedule, the Chief Executive Officer may require an additional charge pursuant to Section 36(3) based on the council's estimate of actual and reasonable cost for the processing of complex applications.

Note 2: The fixed initial deposits listed in the above table are minimum charges for resource consent applications and are charges 'fixed' under section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the fixed initial deposit are considered to be additional charges pursuant to section 36(3) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process.

Note 3: The final costs of processing each resource consent application will be based on actual and reasonable costs and will include the charging of staff time at the rates in the above schedule of consents staff hourly processing rates and disbursements. In the event that consultants are used to assist the council in processing resource consent applications, the actual costs of the consultants will be used in calculating the final costs.

Note 4: All applications will be publicly notified unless the consent authority is satisfied that the adverse effect on the environment of the activity for which consent is sought will be minor. Where the adverse effects are considered to be minor the application will be processed on a limited notified basis unless the written approval has been provided from every person whom the consent authority is satisfied may be adversely affected by the granting of the consent, in which case the application will qualify to be processed on a non-notified basis.

Note 5: Where an application is for multiple activities involving more than one type of consent, deposits are required for each type with the following exceptions:

- The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;
- The fee for discharge permits for sewage volumes greater than 3 cubic metres per day (eg communal subdivision systems, marae etc) includes the associated discharge to air resource consent; and
- The fee for discharge permits to discharge stormwater includes the associated water permit to divert stormwater.

Notwithstanding the above the council may determine that other 'packages' of consent applications do not require individual deposits for each consent type.

Note 6: For applications relating to restricted coastal activities, the applicant will also be charged the costs of the Minister of Conservation's representative. Additional costs of the Minister of Conservation's representative will also be charged with the prior agreement of the applicant.

Note 7: The consent holder will be invoiced the amount of the deposit for reviews of consent conditions at the time the review is initiated by the Northland Regional Council.

Note 8: This 'fixed fee' only applies where such an application is able to be processed on a non-notified basis and no additional charges will be invoiced for such applications even if the costs exceed the fixed fee. However, in the event that the application is required to be limited notified or publicly notified then the council will require the applicable fixed initial deposit for notified & limited notified applications (as outlined in the box above) before notification of the application.

Appendix 2 – Standard charges under the Building Act 2004

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

1. Project and Land Information Memoranda (PIM/LIM)

Estimated value of work	Minimum estimated charge (MEC) excluding GST	(MEC) including GST
All Applications	\$1,043.48	\$1,200.00

- Notes:**
- MEC is payable upon application for a PIM/LIM.
 - Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on Standard Labour Charges in Section 4 of this appendix.

2. Building consents and certificates of approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council (WRC). Fees will be charged in accordance with the Fees and Charges policy set by WRC. All fees and charges for consent processing will be invoiced directly to the applicant by WRC.

3. Requests for information on building consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 4 of this appendix.

4. Technical processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the deposit will be recovered in accordance with the additional hourly charges.

Function	Deposit including GST	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary		Standard labour charge rates shown below.
Issue of a Notice to Fix		Minimum charge of \$95.00 and further charges for inspections and other action to confirm compliance based on standard labour charge rates shown overleaf.
Lodge Building Warrant of Fitness	\$104.00	Standard labour charge rates shown overleaf.
Amendment to compliance schedule	\$1,043.00	Standard labour charge rates shown overleaf. Actual and reasonable for expert advice
Building warrant of fitness audit		Standard labour charge rates shown overleaf.
Certificate of Acceptance	Large dam (above \$100,000 value) \$4,170 Medium dam (\$20,000 – \$100,000 value) \$2,085 Small Dam (\$0 to \$20,000 value) \$520.00	Standard labour charge rates shown below. Actual and reasonable for expert advice.
Lodge dam potential impact category	\$104.00	Standard labour charge rates shown below.

Function	Deposit including GST	Hourly charge for exercise of functions or to recover additional costs
Lodge dam safety assurance programme	\$104.00	Standard labour charge rates shown below.
Lodge annual dam safety compliance certificate	\$104.00	Standard labour charge rates shown below.
Other functions		Standard labour charge rates shown below.

Standard labour charge rates

	Excluding GST per hour
▪ Technician/Administrator	\$67.00
▪ Officer Scale 1	\$78.00
▪ Officer Scale 2	\$89.00
▪ Officer Scale 3	\$99.00
▪ Senior Officer – scale 1	\$105.00
▪ Senior Officer – scale 2	\$115.00
▪ Manager	\$150.00

Note: All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty. Progressive charging may be used where costs are greater than \$500 (excluding GST).

When building consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to, infringement offence notices, enforcement orders or prosecutions.

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under section 229 of the Building Act 2004 to issue an infringement notice.

Appendix 3 – Water Takes Fee Scales

Scale of Annual Charges for Water Takes

Note: Appendix 15 identifies water take consents that have fees set outside these scales

Fee Level	Description/Criteria	Administration charge \$ including GST	Compliance monitoring/supervision \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
8	1. Negligible potential effect: minor abstraction from water resource low level of allocation and limited future potential demand; no water use returns; limited benefit from existing SOE monitoring. (Minimum fee)	96.00	–	24.00	120.00
10	2. Minor potential effect: minor abstraction from water resource with low to moderate level of allocation; moderate abstraction from water resource with low level of allocation; water use returns; small benefit from existing SOE monitoring and limited monitoring in the catchment.	96.00	25.00	72.00	193.00
12	3. Moderate potential effect: minor abstraction from water resource with moderate to high level of allocation; moderate abstraction from a water resource with moderate levels of allocation; major abstraction from water resource with low level of allocation; water use returns, resource monitoring by consent holder; moderate benefits from existing SOE monitoring, data likely to be used for flow allocation management purposes and/or replacement of consent.	96.00	57.00	144.00	297.00
15	4. Medium potential effect: moderate abstraction from water resource with high level of allocation; major abstraction from resource with moderate level of allocation; water use returns, resource monitoring by consent holder; continuation flow conditions; existing SOE monitoring has greater benefits to consent holder for management, security of supply and/or replacement of consent; Total estimated staff time relating to monitoring, supervision and reporting of compliance 1–2 hours.	96.00	128.00	240.00	464.00
19	5. Medium potential effect – moderate inspection time: Same criteria as Category 4. However total estimated staff time relating to monitoring, supervision and reporting of compliance 2–3 hours.	96.00	197.00	240.00	533.00
22	6. Medium potential effect – significant inspection time: same criteria as Category 4 but total estimated staff time relating to monitoring, supervision and reporting of compliance 3–4 hours	96.00	268.00	240.00	604.00
24	7. Medium to high potential effect – significant inspection time: moderate to major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance > 4 hours; Existing SoE monitoring has considerable benefits to consent holder for management, security of supply and/or replacement of consent.	96.00	324.00	420.00	840.00
25	8. High potential effect – significant inspection time: major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent	96.00	396.00	840.00	1332.00

Fee Level	Description/Criteria	Administration charge \$ including GST	Compliance monitoring/ supervision \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
	compliance >4 hours; existing SOE monitoring has direct benefits to consent holder for management, security of supply, replacement of consent, and specific compliance monitoring of consent.				

Appendix 4 – Minor to moderate discharges to air, water and land, and land use activities including quarries

Scale of annual charges for consents for minor to moderate discharges to air, water, and land (no or minor sampling and/or testing planned) and consents for land use activities including quarries

The fee levels provided below allow for the appropriate recovery of costs by the council based on the degree of work required by the council in monitoring each consent. The appropriate fee level will be determined using the formula outlined in Section 4.2.3 of the charging policy with the estimated cost then rounded to the appropriate fee level.

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST	Fee code narration
1	0.00	0.00	Invoiced manually
2	0.00	0.00	Waived or remitted annual charges
3	0.00	0.00	Charged under another consent
4	0.00	0.00	Post billed (non-scale)
5	0.00	0.00	Special arrangement
6	0.00	0.00	Domestic sewage discharges (Post billing)
7	83.48	96.00	Minimum loaded with additional fees post monitoring
8	83.48	96.00	Annual monitoring charge (and for all the following fees)
9	90.00	103.50	
10	101.30	116.50	
11	119.13	137.00	
12	131.30	151.00	
13	419.13	171.50	
14	179.57	206.50	
15	191.30	220.00	
16	208.26	239.50	
17	226.09	260.00	
18	239.13	275.00	
19	250.43	288.00	
20	268.26	308.50	
21	298.26	343.00	
22	310.00	356.50	
23	328.70	378.00	
24	388.26	446.50	
25	358.26	412.00	
26	417.39	480.00	
27	447.83	515.00	
28	477.39	549.00	
29	507.39	583.50	
30	537.83	618.50	
31	566.52	651.50	
32	596.96	686.50	
33	627.39	721.50	

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST	Fee code narration
34	656.52	755.00	
35	686.52	789.50	
36	715.65	823.00	Annual monitoring charge (and for all the following fees)
37	745.65	857.50	
38	776.52	893.00	
39	805.65	926.50	
40	835.65	961.00	
41	865.22	995.00	
42	894.78	1029.00	
43	925.65	1064.50	
44	955.22	1098.50	
45	984.78	1132.50	
46	1014.35	1166.50	
47	1044.35	1201.00	
48	1074.78	1236.00	
49	1103.91	1269.50	
50	1134.35	1304.50	
51	1163.48	1338.00	

Appendix 5 – Farm Dairy Effluent Charges

Scale of charges for consents for farm dairy effluent discharges (full and minor non-compliance and significant non-compliance)

Full and minor non-compliance

Sampling and testing required where indicated.

Fee level	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
4	Per inspection – (no sampling or testing)	245.65	282.50
4	Per inspection – (single sample only)	292.17	336.00
4	Per inspection – (two samples)	339.13	390.00
4	Per inspection – (three samples)	386.09	444.00
4	Per inspection – (four samples)	433.04	498.00
4	Per inspection – (five samples)	480.00	552.00
4	Per inspection – (six samples)	526.96	606

Significant non-compliance

Sampling and testing required where indicated.

Fee Level	Description/criteria	Charge \$ excluding GST	Charge \$ including GST
4	Per inspection – (no sampling or testing)	328.70	378
4	Per inspection – (single sample only)	374.78	431.00
4	Per inspection – (two samples)	420.43	483.50
4	Per inspection – (three samples)	466.09	536.00
4	Per inspection – (four samples)	512.17	589.00
4	Per inspection – (five samples)	557.83	641.50
4	Per inspection – (six samples)	603.91	694.50

Second and subsequent visit, including follow-up inspections, for non-complying systems will be at \$81.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

Note: For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to Section 4.5 of the Charging Policy.

Appendix 6 – Coastal structures (post construction or installation)

Scale of annual charges for coastal structures

Fee level	Description/criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Total fee \$ including GST
101	Individual swing, pile and jetty moorings with or without resource consents.	93.50	70	163.50
101	Swing and pile moorings owned by one person or organisation, comprising 10 to 24 moorings (per mooring). Note: No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	82.00	70	152.00
3 or 4	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). Note: No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	52.50	70	122.50
1	Marinas comprising more than 75 berths. Navigation fee reverts to \$60.00 if fees are not paid within 60 days (per berth)		58.50	58.50
2	Dinghy pulls	101.50		101.50
8	Seawalls and reclamations	93.50		93.50
100	Boat ramps up to 15 m x 4.5 m	93.50	70.00	163.50
102	Boat ramps/slipways over 15 metres and grids	93.50	140.50	234
103	Boatsheds	109.50	70.00	179.50
104	Boatsheds with additional berth	109.50	140.50	250.00
9	Cables and pipes	91.50		91.50
13	Private accommodation in the coastal marine area	109.50		109.50
108	Wooden minor structures and jetties not more than 10 m ² in plan area within the coastal marine area (no more than minor environmental effects)	104.00	70.00	174.00
107	Concrete minor structures and jetties not more than 10 m ² in plan area within the coastal marine area (no more than minor environmental effects)	93.50	70.00	163.50
108	Wooden minor structure and jetties: more than 10 m ² and up to 300 m ² in plan area	104.00	70.00	174.00
107	Concrete minor structure and jetties: more than 10 m ² and up to 300 m ² in plan area	93.50	70.00	163.50
108	Community and boating club structures and jetties, and non-commercial public structures	104.00	70.00	174.00
105	Marine farms and offsite farms	347.50	70.00	417.50
18	High use structures and jetties not marine related	109.50		109.50

Fee level	Description/criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Total fee \$ including GST
106	(a) High use structures and jetties, marine-related and not more than 300 m2 in plan area within the coastal marine area, and (b) Slipways with a maximum capacity of not more than 50 tonnes	109.50	386.50	496.00
115	High use structures and jetties, marine-related, more than 300 m2 but not more than 1,000 m2 in plan area within the coastal marine area	109.50	1674.00	1783.50
125	(a) High use structures and jetties, marine-related and not more than 1,000 m2 in plan area within the coastal marine area, and (b) Slipways with a maximum capacity of more than 50 tonnes	109.50	2962.00	3071.50

Note: All structures may be subject to additional charges that recovers the costs incurred by the council for extra monitoring, such as sampling a discharge. Where the costs of monitoring the structure and discharge exceed the annual charge herein, the council will recover the balance in accordance with Section 36(3) of the Resource Management Act 1991.

Wooden structures are inspected at three yearly intervals and concrete/rock structures at six yearly intervals. This reflects the durability of concrete/rock structures and the reduced risk to the environment and navigational safety from (structural) failure of these structures.

Consent Holders of multiple structures authorised under a single resource consent for contiguous facilities, will be charged one annual fee for the most significant structure authorised by that consent.

Appendix 7 – Coastal structures (construction or installation phase)

Monitoring inspection charges for consents for coastal structures during their construction or installation phase

Inspection charge	Excluding GST per hour
All coastal structures	
(per officer, plus costs of sampling/testing)	
Monitoring Officer Scale 1	\$78.00
Monitoring Officer Scale 2	\$89.00

Note: Refer to Section 4.2.2 of the Charging Policy for bases of charges.

Appendix 8 – Land Use Consents for boating-related structures in waters upstream of the coastal marine area (post construction)

Scale of annual charges for land use consents for boating-related structures in waters upstream of the Coastal Marine Area (CMA) with minor environmental effects (amended to match fees for similar structures in the CMA, Appendix 6).

Fee level	Description/criteria	RMA \$ excluding GST	Total fee \$ including GST
100	Minor structures and jetties: not more than 10 m2 in plan area.	135.65	156.00
102	Jetties and other structures: more than 10 m2 in plan area.	193.04	222.00

- Note:** 1. Consents for new boat-related structures or to alter boat related structures in waterbodies will be subject to an inspection charge of \$65.00 per hour (plus GST) per officer during their construction phase.
- Note:** 2. Refer to Section 4.2.2 of the Charging Policy for bases of charges.

Appendix 9 – Major industries

Estimated annual charges for resource consents for major industries

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
AFFCO Moerewa	7381(1), (2), (4–11)	2856.65	3295.50
Ballance Agri–Nutrients Ltd	7247	1,193.91	1373.00
GBC (Portland Cement Works)	5059 (1–6), (8)	1,193.91	1373.00
NZMP Ltd (Kauri) (part of Fonterra Co–op Group Ltd)	4373, 4375, 4377, 4836, 7532, 7671, 8159	7,759.57	8923.50
NZMP Ltd (Maungaturoto)	4204, 5139, 5140, 5145, 5146, 5147, 7119, 7155	10,146.52	11,668.50
Imerys Tableware NZ Ltd (Matauri Bay Plant)	1345, 2773, 5042, 6751, 6780, 6908, 8050	1,193.91	1373.00
NZRC (Marsden Point Oil Refinery)	8319	14,324.35	16,473.00

Appendix 10 – Timber treatment plants

Estimated annual charges for resource consents for significant timber treatment plants

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
McEwing Enterprises Ltd (Oturei Timber)	4721	586.52	686.50
North Pine Ltd (Waipu)	7651	1,172.61	1,373.00
Donnellys Crossing Sawmills Ltd	4652	1,172.61	1,373.00
Kaihu Valley Sawmill	4653	1,172.61	1,373.00
Carter Holt Harvey Forests Ltd	7921	879.13	1,029.00
Croft Pole Distributors Ltd	8528 (incorporates 4758)	1,172.61	1,373.00
Sheppard, B (Matakohe)	7622	1,172.61	1,373.00
Kaitaia Timber Co Ltd	4655	1,993.91	2,334.50

Note: For the basis of charging, refer Section 4.2.3 of the Charging Policy.

Appendix 11 – Major effluent discharges or discharges to sensitive receiving environments

Estimated annual charges for resource consents for major effluent discharges

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North District Council	3839, 2577, 2635, 3775, 7203, 7205	*1,790.87	2,059.50
Far North District Council	2337, 4007, 7205, 1108, 7399	*2,387.40	2,745.50
Far North District Council	4111, 2667	*2,685.65	3,088.50
Far North District Council	2417, 932	*3,103.04	3,568.50
Far North District Council	1168	7,877.83	9,059.50
Kaipara District Council	1102, 1115, 1116	*2,268.26	2608.50
Kaipara District Council	3666	4,774.78	5,491
Kaipara District Council	3780	1,193.91	1,373
Whangarei District Council	4509	1,193.91	1,373
Whangarei District Council	7403	1,909.57	2,196
Whangarei District Council	4155	1,193.91	1,373
Whangarei District Council	2576	2,387.39	2,745.50
Whangarei District Council	7445	2030.00	2334.50
Whangarei District Council	4352	3,581.30	4,118.50
Ministry of Education	Administration charge, schools charged separately for monitoring costs.	**3,223.48	**3,707
Ota Point Effluent Society	2724	2,983.91	3,431.50

*Each consent

** Combined charge

Note: For the basis of charging, refer Section 4.2.3 of the Charging Policy.

Appendix 12 – Refuse landfills

Estimated annual charges for resource consents for closed and operating refuse landfills

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North District Council	1824	715.65	823.00
Kaipara District Council	4816	1,193.91	1373.00
Kaipara District Council	4809, 4814, 7234, 2257, 4433	* 715.22	* 822.50
Far North District Council	7503	1,432.61	1,647.50
Far North District Council	4789	1,551.30	1,784.00
Kaipara District Council	7562	7,162.17	8,236.50
Far North District Council	2918	1,909.57	2,196
Far North District Council	7502	4,774.78	5,491

* Each consent

Appendix 13 – Large scale discharges to air

Estimated annual charges for resource consents for large scale discharges to air

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
AFFCO (Moerewa) Ltd	7381(34)	2,983.91	# 3,431.50
Ballance Agri-Nutrients Ltd (Whāngārei plant)	7068	4,774.78	# 5,491.00
Golden Bay Cement Ltd	5059(7)	3,581.30	# 4,118.50
Juken Nissho Ltd	7062	22,680.43	26,082.50
NZ Refining Co Ltd	8319(2) prev. 7075	2,030	2,334.50
NZMP Ltd (Kauri)	7072	5,371.30	# 6,177.00
NZMP Ltd (Maungaturoto)	7073	5,371.30	# 6,177
Richmond (Effluent Ponds)	7088	1,193.91	1,373.00
Croft Timber	8528	4,774.78	5,491.00
TDC Sawmills	8417	4,774.78	5,491.00

Industries requiring stack testing

Note: For the basis of charging, refer Section 4.2.3 of the Charging Policy.

Appendix 14 – Marinas

Estimated annual charges for resource consents for major coastal activities

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North Holdings Ltd, Opuia Marina	8385	4,774.78	5,491.00
Kerikeri Cruising Club	6260	4,774.78	5,491.00
Riverside Drive Marina Ltd	7926	358.26	412.00
Tutukaka Marina Management Trust	2093, 6267, 7836	*4,774.78	5,491.00
Whāngārei Marina Management Trust	7958, 8089, 8517	*4,774.78	5,491.00
Whangaroa Marina Trust	7940	4,774.78	5,491.00

* Each consent

Note: The basis for charging are described in Section 4.2.4 of the Charging Policy.

Navigation, Water Transport and Maritime Safety Bylaw charges also apply to marinas as detailed in Appendix 6.

Appendix 15 – Water takes of high potential effects

Estimated annual charges for water take consents for high potential effects

Consent holder	Consent no(s)	Annual admin/ supervision/ monitoring charge \$ including GST	Resource user charge \$ including GST	Annual charge \$ including GST (Total)	Fee level
Whāngārei District Council	2960	*2,496.00	840.00	3,336.00	70
Fonterra Kauri	437304	*2,871.00	840.00	3,711	74
Far North District Council	4369	*2,745.50	420.00	3,165.50	52
Maungatapere Water Supply Co	4607	*374.50	840.00	1,214.50	53
Murphy Prosperity Trust	4715	*374.50	420.00	794.50	54
North Power	4845	*936.00	420.00	1,356.00	55
Ngāwhā Geothermal Resource Company Ltd	488312	*624.00	#1,260.00	1,884.00	56
Kokich & Anderson	4965	*748.50	840.00	1,588.50	57
Northern Dairylands Ltd	5004	*624.00	420.00	1,044.00	58
A B Kevey & L J Christie	5014	*436.50	420.00	856.50	59
McBeth Farms Ltd	5021	*436.50	420.00	856.50	59
Brown Trust Partnership	5022	*436.50	420.00	856.50	59
Leeuwenburg J A & G M Leewenburg	5027	*436.50	420.00	856.50	59
Bryant Fischer Family Trust	7330	*624.00	420.00	1,044.00	58
Whangarei District Council	7398	*1,248.00	840.00	2,088	60
Whangarei District Council	7404	*3,119.50	840.00	3,959.50	71
Whangarei District Council	7405	*873.50	420.00	1,293.50	61
Woodbury Farming Ltd	7411	*873.50	420.00	1,293.50	61
Kaipara District Council	7582	*936.00	420.00	1,356.00	55
Burke Farms Ltd	7642	*748.50	420.00	1,168.50	62
Kaipara District Council	8032	*748.50	420.00	1,168.50	62
Kaipara District Council	8134	*873.50	420.00	1,293.50	61

* Includes a charge pursuant to Section 36(1)(c) towards the costs of specific investigations (flow and/or water quality monitoring) within catchment relating to consent and compliance monitoring (See Section 4).

Multiple consents taking from different catchments and/or resources.

Note: For the basis of charging, refer to ection 4.2.3 of the Charging Policy.

Appendix 16 – Miscellaneous management charges

The council's Resolution of 8 December 2004, "that pursuant to Section 150(6) of the Local Government Act 2002, council managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the council as necessary from time to time." The council's labour, plant and equipment charges to external parties are as follows:

1. Laboratory services – laboratory test charges

Job Ref. No.	Description/criteria	Per sample \$ excluding GST	Per sample \$ including GST
7346	Absorbance % transmittance	5.22	6.00
7369	Conductivity	9.57	11.00
7349	Deposited air particulate	62.61	72.00
7368	Dissolved oxygen	5.22	6.00
7377	E coli/total coliforms – colilert	29.13	33.50
7378	Enterococci – enterolert	29.13	33.50
7373	Faecal coliforms by MF	23.04	26.50
7381	Microscopic examination	24.78	28.50
7374	Faecal coliforms by MPN	41.74	48.00
7370	pH	5.22	6.00
7348	PM10	31.30	36.00
7371	Salinity	5.22	6.00
7358	Suspended solids	17.83	20.50
7372	Temperature	1.30	1.50
7365	Turbidity	6.52	7.50
7346	UV% transmittance	5.22	6.00

Any further tests required, please contact laboratory staff for prices.

2. Labour – general

Labour costs for the council's staff not previously specified in this Policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.*

3. Plant

3.1 Where any of the council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc, shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the council are payable by the hirer.

3.2 Water quality monitoring devices

	\$ excluding GST	\$ including GST
YSI Sondes per day	62.61	72.00
ISCO Automated Sampler per day	52.17	60.00

All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in Section 4.2.3.

3.3 Vehicles/quads

Inland Revenue approved mileage rates Annual work related kilometres travelled	External rate per km \$ excluding GST	Internal rate per km \$ excluding GST
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Motor vehicles

1 – 3000 km (total kms for a job)	0.62	0.28
3001 kms and over (for each km over 3000)	0.19	0.28
Transit van or similar (public service rate)	1.00	0.41
Light truck (public service rate)	1.20	0.55
Motor vehicles – flat rate	0.28	0.26

* When tradesmen are called out, and their service is cancelled, all costs incurred by the council are payable by the hirer, at the above charge-out rates.

Motor cycles/quad bikes

1 – 3000 km	0.31	0.14
3001 kms and over (for each km over 3000)	0.10	0.14
Transit van or similar (public service rate)	0.14	0.14
Light truck (public service rate)	1.20	0.55
Motor vehicles – flat rate	0.28	0.26

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

3.4 Waterblaster (Labour Additional)	\$ excluding GST	\$ including GST₁
Large 4000 p.s.i. per hour	39.13	45.00
Medium 3000 p.s.i. per hour	26.96	31.00

3.5 Floating plant – standard rates

(a) Workboat hire	\$ excluding GST	\$ including GST
Workboat – Waikare per hour	600.00	690.00
Standby – Waikare per hour	265.22	305.00

For significant commercial projects, the council will negotiate hire, standby and total costs with contractors and other parties.

(b) Small launch hire	\$ excluding GST	\$ including GST
BOI Patrol Boat Karetu per hour	150.00	172.50
Standby – Karetu per hour	100.00	115.00
5 metre Lazercraft per hour	140.00	161.00
Standby – Lazercraft per hour	90.00	103.50
5.8 metre Inflatable (Tai Ao) per hour	200.00	230.00
Standby – Tai Ao per hour	130.00	149.50

All labour and transport costs incurred in the hire of vessels, are additional and charged at \$72.00 per hour per crew member.

NB: (Additional rates may apply in overtime hours)

Other plant not specified above

Each request to hire other council plant or equipment is to be referred to the appropriate manager for approval, who shall apply a realistic charge-out rate and notify the Finance Manager so that an invoice can be raised.

4. Hire charge – council, committee, training/meeting rooms

Catering is the responsibility of the hirer. Any refreshments provided by the council will be on charged at cost.

	\$ excluding GST	\$ including GST
Council Room per day	150.00	172.50
Committee Room per day	50.00	57.50
Council & Committee Rooms per day	180.00	207.00
Kaipara Training Room per day	150.00	172.50
Whangaroa Meeting Room per day	50.00	57.50
Kaipara/Whangaroa Rooms per day	180.00	207.00

5. Hire charge – council video conference facilities

Hire charge includes a meeting room.

	\$ excluding GST	\$ including GST
Price Per Hour	\$125.00	\$143.75

Bookings will be subject to the availability of a meeting room and the video conferencing unit. Priority will be given to council business. video conferencing unit is a tandberg unit with a 47 inch screen. Connection is IP only and is not configured for ISDN.

6. Photocopying (per page)

\$ excluding GST	Colour A4	Colour A3	Black A4	Black A3
Applicants/Staff	0.31	0.44	0.9	0.18
Other Parties	0.44	0.88	0.18	0.26

Note: Double-sided is equivalent to two pages.
Labour costs also to be recovered.

7. Biosecurity – sale of pest control products

Northland landowners are entitled to a one off free issue of 2.5kg bag of Pestoff and 2kg bag of rabbit pindone. Landowners are also entitled to a one off free issue of a 5-gram sachet of herbicide to control wild ginger.

All other pest control products such as traps, pesticides, prefeed, bait stations, and associated equipment are resold at a 10% mark-up on the price they are purchased from the manufacturer. This 10% mark-up is to cover the administrative costs of supplying these products.

8. Digital colour aerial ortho-photography

The council, through a partnership with the other councils in the region, is currently acquiring digital colour aerial ortho-photography for the region. Geo-referenced tiff images are available for purchase or use. Any purchase or use is subject to a licensing agreement, available on request.

The agreement may vary depending on the purchase or use and it is at the council's sole discretion whether such an agreement is entered into.

Typical clauses in purchase agreements:

1. The owners will supply the aerial photography to the purchaser as GIS compatible geo-referenced tiff tiles and the associated registration file, with each tile scale covering 2500m x 3750m.
2. The said aerial photography is supplied to the purchaser for internal use only and may not be sold or distributed in any format.
3. The purchaser will not make the said aerial photography available to any other organisation or person in any form.
4. The purchaser will refer any request for derived or associated products by any third party, to the owners.

All hardcopies of the aerial photography produced by the purchaser for its own use shall be endorsed with a statement that the aerial photography is copyright and may not be reproduced in any form without the consent of the "Owners".

Purchase of small sets of 1:5000 tiles, for an organisation's own internal use: \$50 per tile plus compilation costs at the standard charge rate per hour and GST.

Purchase of large sets of 1:5000 tiles: Price negotiable, including recovery of compilation costs at the standard charge rate per hour and GST.

Use of sets for research purposes: Price negotiable, including compilation costs at the standard charge rate per hour and GST.

9. Publication charges for RMA and miscellaneous documents

Plan	\$ including GST
Regional Policy Statement	46.00
Regional Coastal Plan	206.50
Regional Air Quality Plan	46.00
Regional Water & Soil Plan	165.50
Integrated Transport Study	36.00
Regional Land Transport Strategy	56.00
Heavy Traffic Volumes in Northland	20.50
Oakleigh–Marsden Point Rail Link Project	20.50
On-site Wastewater Disposal from Households & Institutions	20.50
CDs of Plans	20.50

Any council publications not made freely available to ratepayers may be purchased at cost from the council. Contact the council for further details.



Contact us:

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