

# ANNUAL PLAN 2016/17



**PUTTING NORTHLAND FIRST**

**NORTHLAND  
REGIONAL  
COUNCIL**



# Directory



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## Overview

# Message from Chairman and Chief Executive Officer

## He anga whakamua

Whakatakataka te hau ki te uru

Whakatakataka te hau ki te tonga

Kia mākinakina ki ūta

Kia mātaratara ki tai

E hī ake ana te ātākura

He tio, he huka, he hau hū

Te mea tuatahi, ko ngā mihi ki tō tātou Kaihanga, Tēnā hoki o tatou mate huhua o ngā tau, ngā marama, ngā wiki me ngā rā e pahure.

Tino hari, tino koa a matou e hoatu kia koutou te Whakamahere-a-tau 2016/17 a Te Kaunihera-ā-Rohe o Te Tai Tokerau, e whakamana no nga whakaaro o tatou rohe.

Hore kau etahi mea e rereke ana ki ta tatou Rautaki Whakamahere 2015-2025. Nga rereketanga ki enei nga kaupapa, e mahia nga mahi.

Ngā pūtake i tēnei Whakamahere a tau:

- He hononga ki nga hapori whanui
- He manaaki taonga me nga whaitua
- He manaaki awa
- Haere nga ma te rohe
- He mahi tautoko

Tetahi o enei putake e whakarawe kei roto i tenei whakamahere a tau.

Na reira, e nga mana, e nga reo, e nga hapori, ko te mutunga korero, Ka puta Matariki, ka rere a Whānui. Ko te tohu tena o te tau e.

## Tena koutou katoa

He anga whakamua acknowledges and recognises the importance of Māori and their culture in moving Northland forward together as one. It confirms Northland Regional Council's Annual Plan 2016/17, and outlines the activities proposed in this annual plan, explaining each of the areas that are discussed further in this document.

To this end, it is only fitting that we acknowledge 'Matariki' the beginning of the Māori New Year.

## Message from the Chairman and Chief Executive

Welcome to your new look Annual Plan for the 2016/17 year. This is the first annual plan to be made since national changes in legislation altered the scope of what can be covered in annual plans.

This plan is more streamlined and concise than the annual plans of the past, due in part to the hard work and deliberation that went into the Long Term Plan 2015-2025. The long term plan sets out what the council will do for the 10 years up to 2025 and how these activities will be paid for. This annual plan sets out any differences from the long term plan that relate to the 2016/17 year, and how these differences affect the way that council money is spent. It also brings into sharper focus the path that was set in the long term plan for the 2016/17 year.

This annual plan saw us consult on a number of proposals, and our thanks go to those who took the time to consider our proposals and let us know their thoughts. The opinions of submitters and points that were made were carefully considered by councillors and some changes were made to the proposals as a result of these. (A full explanation of these changes is provided in 'About this annual plan' on page 7.)

In the Long Term Plan 2015-2025 we signalled that a 2.34% general rate increase was required for the 2016/17 year to fund 'business as usual' activities. With careful financial management we were however able to operate 'business as usual' at a zero percent increase. Submitters supported the maintenance of the 2.34% forecast increase, allowing us to fund a range of additional activities and new initiatives, and improve the services we provide to our Northland communities. This means that we will maintain our usual activities with no budgetary or rate increase, and fund all of our new initiatives from the 2.34%, as indicated in our long term plan.

Submitters generally supported the majority of our proposals and offered valuable insight as to why they supported or opposed the proposals. We received a lot of feedback in response to our proposal to alter the way in which the Kerikeri-Waipapa rivers management rate is set, from a uniform to a differential rate. The community expressed support for both rating options, and these comments were considered by councillors in establishing a way forward that would be the fairest and most efficient way of supporting these flood works, which was ultimately to support the differential rate.

We are also pleased to be able to pass on to ratepayers savings on individual targeted rates, due to lower interest rates negotiated on your behalf.

What's evident from our consultation is that the process is robust – submitters voiced their opinions about the way in which ratepayer money is spent and changes have been made to the budget, to reflect this.

Councillors and staff look forward to implementing the proposals outlined in the consultation document and included in this annual plan for the 2016/17 year.



**Bill Shepherd**  
Chairman



**Malcolm Nicolson**  
Chief Executive Officer



# Your regional councillors



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# About this annual plan

This is the first annual plan to be produced since changes were made to the Local Government Act 2014, the legislation that guides councils in making long term and annual plans. The purpose of this legislative change was to streamline the consultation process and reduce duplication between plans, resulting in a simpler and more cost-effective process for our community.

The annual plan is now an exceptions document – it focusses only on any changes from the long term plan. Some of these changes are a result of fluctuations in financial planning from year to year, requiring updated financial statements. There are also changes that are new projects or activities that have been identified since the round of long term planning was completed. These proposals were identified in our Annual Plan 2016/17 Consultation Document and were consulted on for a month from 5 April 2016. Additional information on each of the proposals, and more information on council financial planning, was made available in our supporting information document.

There was support shown during the consultation process for council to maintain the 2.34% rate increase. To maintain this, and still implement the new initiatives that were consulted on, we will maintain our usual activities with no budgetary or rate increase, and fund all of our new initiatives from the 2.34%.

The consultation process showed a majority support for all but two of the initiatives proposed in the consultation document and supporting information. The two that didn't receive majority support were the proposal to spend \$30,000 to remove a rock hazard at Waipapa Landing, which received 50/50 supporting and opposing feedback, and the proposal to allocate \$200,000 towards legal fees associated with a court case that has been entered into jointly with Kaipara District Council, regarding the collection of rates.

At the time of deliberations, additional information was available on the nature of the rock hazard at Waipapa Landing, and so council was able to consider this together with the feedback received, and resolved to approve the \$30,000 as a maximum spend, as it is anticipated that the work required should now be reduced from what was first expected. The \$200,000 to be put toward legal fees was a necessary, if unpopular, expense; council resolved to fund this from the equalisation fund reserve, which

has been established from commercial profits generated, which means that it will have no impact on rates.

## Targeted rates

There was widespread support for reducing the term of both our regional recreational facilities rate and regional infrastructure rate by taking advantage of favourable borrowing rates. The regional recreational facilities rate funds the development of the Regional Events Centre. The term will be reduced by three months by maintaining the rate at its current value. Similarly, the term of the regional infrastructure rate will be reduced by two years, by keeping the rate at its current value. This rate funds activities relating to the development of regional infrastructure projects, beginning with the Marsden Point rail link project.

There was also support to reduce the cost of the Whangārei urban rivers management rate by 14%, and maintaining the term of the loan at 20 years. This rate funds the operational and capital costs of the flood risk reduction project for Whangārei.

Our proposal to change the Kerikeri-Waipapa rivers management rate from a uniform to a differential rate drew the most feedback of all the changes proposed. This rate funds operational river work and detailed investigations into flood scheme design options within the Kerikeri-Waipapa area. A differential rate would see those properties that stand to benefit the most, pay more than the remaining beneficiaries, at a rate of three to one. The majority of submitters supported this proposal, however, council carefully considered the points raised by submissions both in support of, and in opposition to the proposal, before resolving to proceed with the differential rate.

Changes to the Awanui River Management rate are discussed below.

## Changes as a result of consultation

As a result of feedback the following changes were made to the proposals presented in the annual plan consultation document:

- It was proposed that the Awanui River management rate be reduced in accordance with lower rates of lending. During the process of consultation a proposal was received from the community in support of increasing maintenance, and it was subsequently decided to maintain the

rate at the current amount of \$593,900, and apply the additional \$51,415 of funding that results from not reducing the rate, to scheme maintenance works. This was in consideration of the fact that a rating review is currently pending.

- It was proposed in the consultation document that \$5000 be allocated to assist community groups in the management of mangroves. This proposal received a high level of support and it was decided to increase the amount of funding to \$50,000.

### New proposals

During the process of consulting on the annual plan, two other proposals arose that council considered were of merit and were appropriate to include in the budget for the 2016/17 year. These proposals were deliberated on during the process of considering all submissions, and include:

- \$4000 to subsidise the recycling of silage wrap, to allow the recycling programme to continue in Northland.
- \$25,000 as a contribution to the Northland Transportation Alliance.

All other proposals have not been altered since consultation was undertaken. These activities will all be accommodated without the need for any further rate adjustment, and council resolved to include them in the annual plan as they were put forward in the consultation document. There is more information on all of these activities in the 'Council activities' section (on page 50), which addresses all new additions that contribute to the Annual Plan 2016/17.

### There are no major changes from the Long Term Plan 2015-2025 in this annual plan.

The Local Government Act expressly prohibits an annual plan from duplicating content already in the long term plan relating to activities and financial elements. In light of this, there will be many cases where the long term plan proper will be referred to, as the changes proposed in this annual plan are very much in line with what was proposed in the Long Term Plan 2015-2025.

You can view a copy of the Long Term Plan 2015-2025 at [www.nrc.govt.nz/ltp2015](http://www.nrc.govt.nz/ltp2015)

## Funding Impact Statement

# Funding impact statement

## Rating funding impact statement

The following table is stated as GST exclusive and shows total gross expenditure and lists, by rate and income type, and the funding derived from each source, for easy reference. Please note that the Long Term Plan 2015-2025 is referred to as LTP in the following tables.

LTP Year 1 2015-16 \$	Excluding GST	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance \$
30,873,827	Operational expenditure	32,468,856	31,461,897	(1,006,959)
6,136,548	Capital expenditure	1,782,349	1,360,599	(421,750)
<b>37,010,375</b>	<b>TOTAL gross expenditure</b>	<b>34,251,205</b>	<b>32,822,496</b>	<b>(1,428,709)</b>
	Funded by:			
8,255,003	Council Services Rate	8,240,740	8,488,642	(247,902)
6,043,507	Land Management Rate	6,580,779	6,215,641	365,138
611,350	Targeted Regional Infrastructure Rate	611,350	611,350	-
1,272,475	Targeted Regional Recreational Facilities Rate	1,301,463	1,278,837	22,626
3,827,298	Other Targeted Rates	3,902,685	4,100,286	(197,601)
1,089,704	Grants and subsidies	1,159,370	1,159,196	174
4,117,840	User charges	4,493,214	4,154,954	388,259
3,188,855	Rental income	2,455,941	3,177,292	(721,351)
2,403,344	Interest income	3,712,583	2,451,171	1,261,412
2,822,850	Dividend income	2,823,221	3,154,950	(331,729)
353,529	Forestry income	-	-	-
-	Sundry income	-	-	-
3,024,620	Cash reserves from/(to)	(1,030,140)	(1,969,823)	939,683
<b>37,010,375</b>	<b>TOTAL FUNDING</b>	<b>34,251,205</b>	<b>32,822,496</b>	<b>1,428,709</b>

## Prospective funding impact statement

The prospective funding impact statement is stated GST exclusive and is required under the Local Government Act 2002 Schedule 10 and conforms to clause 5 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to the preparation of the Funding Impact Statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from GAAP are the non-inclusion of depreciation, the inclusion of internal charges, and combination of capital and operational items within the one financial statement.

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
20,009,632	Targeted rates	20,637,017	20,694,756	57,739
1,192,704	Grants and subsidies for operating purposes	1,264,780	1,264,606	(174)
4,014,840	Fees charges	4,387,804	4,049,544	(338,260)
5,226,194	Interest and dividends from investments	6,535,804	5,606,121	(929,683)
3,542,384	Local authorities fuel tax, fines, infringement fees and other receipts	2,455,941	3,177,292	521,351
<b>33,985,755</b>	<b>TOTAL sources of operating funding</b>	<b>35,281,345</b>	<b>34,792,319</b>	<b>(489,026)</b>
	<b>Applications of operating funding</b>			
30,763,827	Payments to staff and suppliers	31,889,993	31,351,897	(538,096)
110,000	Finance costs	578,864	110,000	(468,864)
-	- Other operating funding applications	-	-	-
<b>30,873,827</b>	<b>TOTAL applications of operating funding</b>	<b>32,468,857</b>	<b>31,461,897</b>	<b>(1,006,960)</b>
<b>3,111,928</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,812,488</b>	<b>3,330,422</b>	<b>517,934</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital expenditure	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
619,566	Gross proceed from sale of assets	-	-	-
	- Lump sum contributions	-	-	-
	- Other dedicated capital funding	-	-	-
<b>619,566</b>	<b>TOTAL sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
	Capital expenditure:			
	- To meet additional demands	-	-	-
5,089,773	To improve levels of service	523,785	278,035	(245,750)
1,046,775	To replace existing assets	1,258,564	1,082,564	(176,000)
(2,804,504)	Increase/(decrease) in reserves	876,996	832,042	17,041
399,450	Increase/(decrease) in investments	153,144	1,137,781	922,642
<b>3,731,494</b>	<b>TOTAL applications of capital funding</b>	<b>2,812,489</b>	<b>3,330,422</b>	<b>517,934</b>
<b>(3,111,928)</b>	<b>Surplus/(deficit) from capital funding</b>	<b>(2,812,489)</b>	<b>(3,330,422)</b>	<b>(517,934)</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

LTP Year 1 2015-16 \$	Reconciliation to the statement of comprehensive revenue and expense	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance \$
6,136,548	Capital expenditure included above not in Comprehensive Revenue and Expense	1,782,349	1,360,599	(421,750)
399,450	Investment movements included above not in Comprehensive Revenue and Expense	153,144	1,075,786	922,642
-	Other Gains included in Comprehensive Revenue and Expense not above	-	-	-
-	Gross proceeds included above not in Comprehensive Revenue and Expense	-	-	-
-	Financial Asset fair value adjustments included in Comprehensive Revenue and Expense but not above	-	-	-
-	Property revaluation adjustments included in Comprehensive Revenue and Expense but not above	-	-	-
(2,804,504)	Transfers to/(from) special reserves included above not in Comprehensive Revenue and Expense	876,996	894,037	17,041
-	Infrastructure asset revaluation adjustments included in Comprehensive Revenue and Expense but not above	-	-	-
(1,290,843)	Depreciation expense included in Comprehensive Revenue and Expense but not above	(1,323,275)	(1,385,724)	(62,449)
2,440,651	<b>TOTAL Comprehensive Income per the Statement of Comprehensive Revenue and Expense</b>	<b>1,489,213</b>	<b>1,944,698</b>	<b>455,485</b>

LTP Year 1 2015-16 \$	Depreciation by activity	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance \$
1,520	Hazard management	1,520	1,520	-
6,205	Community representation and engagement	-	6,205	6,205
318,746	Resource management	328,759	328,854	95
136,224	River management	150,134	151,918	1,784
752,575	Support services	762,744	817,109	54,365
75,573	Transport	80,118	80,118	-
<b>1,290,843</b>	<b>TOTAL depreciation by activity</b>	<b>1,323,275</b>	<b>1,385,724</b>	<b>62,449</b>

LTP Year 1 2015-16 \$	Prospective schedule of capital expenditure for the period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
	<b>Resource Management</b>		
285,614	Plant and equipment	138,506	98,506
	<b>Transport</b>		
210,213	Plant and equipment	491,074	309,074
	<b>River Management</b>		
294,921	Plant and equipment	196,623	103,123
4,332,020	Infrastructural assets	61,995	61,995
	<b>Support</b>		
540,000	Information systems	321,731	215,481
154,780	Plant and equipment	209,181	209,181
319,000	Vehicles	363,239	363,239
<b>6,136,548</b>	<b>TOTAL capital expenditure</b>	<b>1,782,349</b>	<b>1,360,599</b>



# Rates

This section describes the various rates for 2016/17.

For Kaipara and Far North district rates assessments, keep in mind that, for efficiency, the regional recreational facilities rate, council services rate and the emergency services 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 set a uniform annual general charge.

## Targeted region-wide rates

The council sets two rates, which are applied as targeted region-wide rates – the council services rate and the land management rate. Targeted region-wide rates are assessed on all rateable properties in the Northland region. Council does not accept lump sum contributions in respect of any targeted rate.

## Council services rate

### What it funds

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

### How it is set

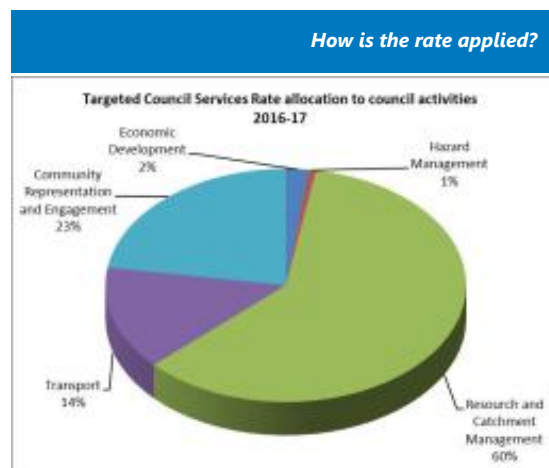
The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide \$72,850 to fund the ongoing maintenance of the Hātea River channel. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit (RU) in the Kaipara district.

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

### How much is the rate?

The estimated total council services rate amounts to **\$9,476,850** (including GST) for the 2016/17 financial year.

The council services 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 Whangārei districts of the Northland region, will be set as shown in the following table.



District	Excl. GST	Incl. GST	
Far North district	\$77.80	\$89.47	per SUIP
Kaipara district	\$109.62	\$126.06	per rating unit
Whangārei district	\$94.45	\$108.62	per SUIP

## Land management rate

### What it funds

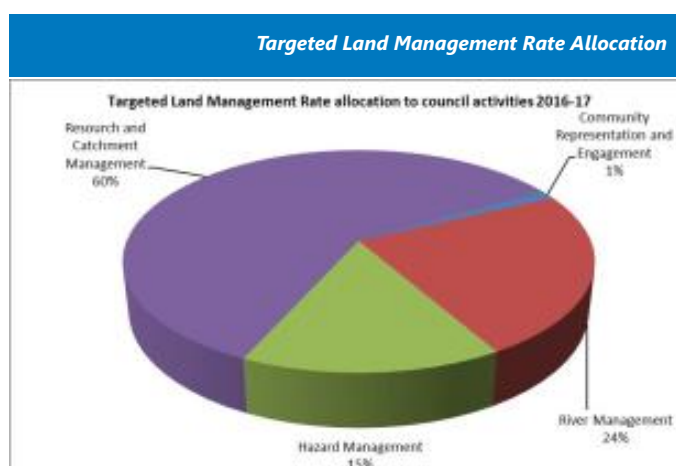
This land value based rate is used to fund activities that are carried out under the Biosecurity Act 1993, the Soil Conservation and Rivers Control Act 1941 and the Civil Defence Emergency Management Act 2002 and the Resource Management Act 1991. For new activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan under the Biosecurity Act 1993, consideration was given to the requirements of Section 100T of the Biosecurity Act, as itemised on page 12 of the Annual Plan 2016/17 Supporting Information document.

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



### How much is the rate?

The estimated total land management rate is **\$7,567,896** (including GST) for the 2016/17 financial year.

The following table shows the actual and equalised land value for each district and 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	6,901,714	7,128,853	\$33.70	\$38.75
Kaipara district	3,682,531	3,892,561	\$34.68	\$39.88
Whangārei district	9,363,248	9,363,248	\$32.71	\$37.61

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.

### Specific targeted rates

The following specific targeted rates are for 2016/17. Council does not accept lump sum contributions in respect of any targeted rates.

### Regional recreational facilities rate

#### What it funds

This rate funds the development of the regional events centre.

#### How it is set

The regional recreational facilities rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount differentiated by location in the Northland region. The rate will be assessed on each rating unit (RU) in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts. The rate is set at \$28.75 (including GST) per separately used or inhabited part (SUIP) of a rating unit in the Whangārei district; \$5.75 (including GST) per separately used or inhabited part (SUIP) 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 **\$1,496,682** (including GST) for the 2016/17 financial year. The rate is to be set 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
Whangārei 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 a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The council does not apply a differential on this rate.

#### How much is the rate?

The estimated total regional infrastructure rate is **\$703,053** (including GST) for the 2016/17 financial year.

The table below shows the actual and equalised land value for each district and 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	6,901,714	7,128,853	\$3.13	\$3.60
Kaipara district	3,682,531	3,892,581	\$3.23	\$3.71
Whangārei district	9,363,248	9,363,248	\$3.04	\$3.49

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.

### **Emergency services rate**

#### What it funds

The council will collect the emergency services rate to provide a contestable funding pool for eligible organisations whose primary purpose is to save lives that are in immediate or critical danger, or the responding to serious injury. The funds must be applied to the provision of services in Northland. The fund recipients will be granted funding for a three-year period.

#### How it is set

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

#### How much is the rate?

The estimated total emergency services rate is \$1,074,452 (including GST) for the 2016/17 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.76 (including GST) or \$10.23 (excluding GST).

#### How is the rate applied?

The emergency services rate will be applied to the approved recipients who met the specified criteria following a contestable funding process. The collection and payment of this rate forms part of the community representation and engagement activity.

### **Whangārei Heads pest management rate**

#### What it funds

The council will collect the Whangārei Heads pest management rate to undertake pest management in and around Whangārei Heads. The funding will be applied to target pests which threaten kiwi and to eradicate selected weeds on private land.

## Annual Plan 2016/17

How much is the rate?

The rate will be set at \$50.00 (GST inclusive) or \$43.48 (GST exclusive) for each separately used or inhabited part (SUIP) of a rating unit located in and around the Whangārei Heads area, as illustrated in the map below.

The Whangārei Heads pest management rate will be applied to target pests which threaten kiwi and to eradicate selected weeds on private land in the area identified on the map below.



## **Whangārei transport rate**

### **What it funds**

This rate forms the local contribution required to fund the Whangārei bus passenger transport and Whangārei Total Mobility service.

### **How it is set**

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

### **How much is the rate?**

The estimated total Whangārei transport rate is **\$558,307** (including GST) for the 2016/17 financial year.

The rate will be set at \$13.22 (including GST) or \$11.50 (excluding GST) for each separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

### **How is the rate applied?**

The Whangārei transport rate will be applied to the passenger transport administration activity to subsidise bus passenger transport and the Total Mobility service provided in the Whangārei district.

## **Kaitāia transport rate (Far North district)**

### **What it funds**

This rate funds the Kaitāia bus passenger transport service.

### **How it is set**

The Kaitāia transport rate (Far North district) is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part (SUIP) of a rating unit located near the Kaitāia bus route. These rating units are identified on the map below.

### **How much is the rate?**

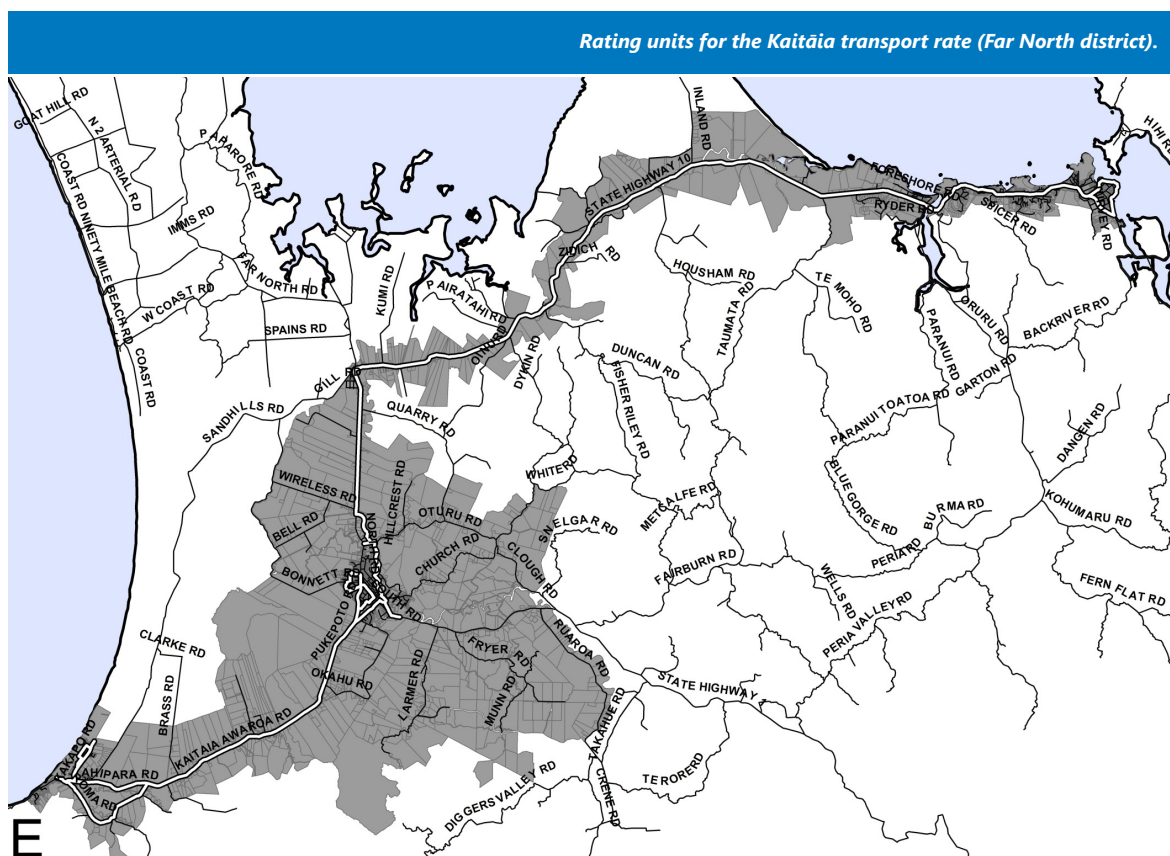
The estimated total Kaitāia transport rate (Far North district) is **\$93,872** (GST inclusive) for the 2016/17 financial year.

The rate will be set at \$15.69 (GST inclusive) or \$13.64 (GST exclusive) for each separately used or inhabited part (SUIP) of a rating unit located near the Kaitāia bus route, as illustrated in the map below.

### **How is the rate applied?**

The Kaitāia transport rate (Far North district) will be applied to the transport activity to subsidise bus passenger transport in the Kaitāia/Mangōnui/Ahipara area.





### Mid-north transport rate (Far North district)

#### What it funds

This rate funds the mid-north bus passenger transport service

#### How it is set

The mid-north transport rate (Far North district) is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rating units liable for the rate are identified on the map below. The rate is a fixed amount assessed on each separately used or inhabited part (SUIP) of a rating unit located near the mid-north bus route and is differentiated by category.

		Excl. GST per SUIP	Incl. GST per SUIP
1	SUIPs on or near mid-north bus route (as defined on the map below) - commercial differential	\$42.29	\$48.63
2	SUIPs on or near mid-north bus route (as defined on the map below) - non-commercial differential	\$21.14	\$24.31

#### How much is the rate?

The estimated total mid-north transport rate (Far North district) is \$286,190 (GST inclusive) for the 2016/17 financial year.

The revenue sought from each category is as follows:



		Excl. GST per SUIP	Incl. GST per SUIP
1	SUIPs on or near mid-north bus route (as defined on the map below) - commercial differential.	\$58,732	\$67,542
2	SUIPs on or near mid-north bus route (as defined on the map below) - non-commercial differential.	\$190,129	\$218,648
		<b>\$248,861</b>	<b>\$286,190</b>

### How is the rate applied?

The mid-north transport rate (Far North district) will be applied to the transport activity to subsidise bus passenger transport in the mid-north area.

### Mid-north transport rate differential

The mid-north transport rate will be set on a differential basis as described in the table below.

The differentials are generally based on the land use as defined by council's Valuation Service Provider and included in the Valuation Information Database. The differentials are set out in the following table.

Differential	Basis	Description	Land use codes
Non Commercial	100%	SUIPs have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as non commercial if the ratepayer demonstrates to council's satisfaction that the actual use is not commercial.)	0, 1, 2, 9, 10 to 17, 19 to 29, 90, 91, 92 & 97-99 (93 - 96 may also be treated as non commercial if the actual use of the land is not commercial)
Commercial	200%	SUIPs which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a non commercial land code use may be treated as commercial if the actual use of the entire rating unit is commercial in nature.)	3, 4, 5, 6, 7, 8, 18, 30 to 89, 93, 94, 95, & 96
Mixed Use		Mixed use may apply where different uses take place on the rating unit and where each use would be subject to a different differential. In these circumstances council may decide to apply different categories to the SUIPs of a rating unit.	
Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code.			

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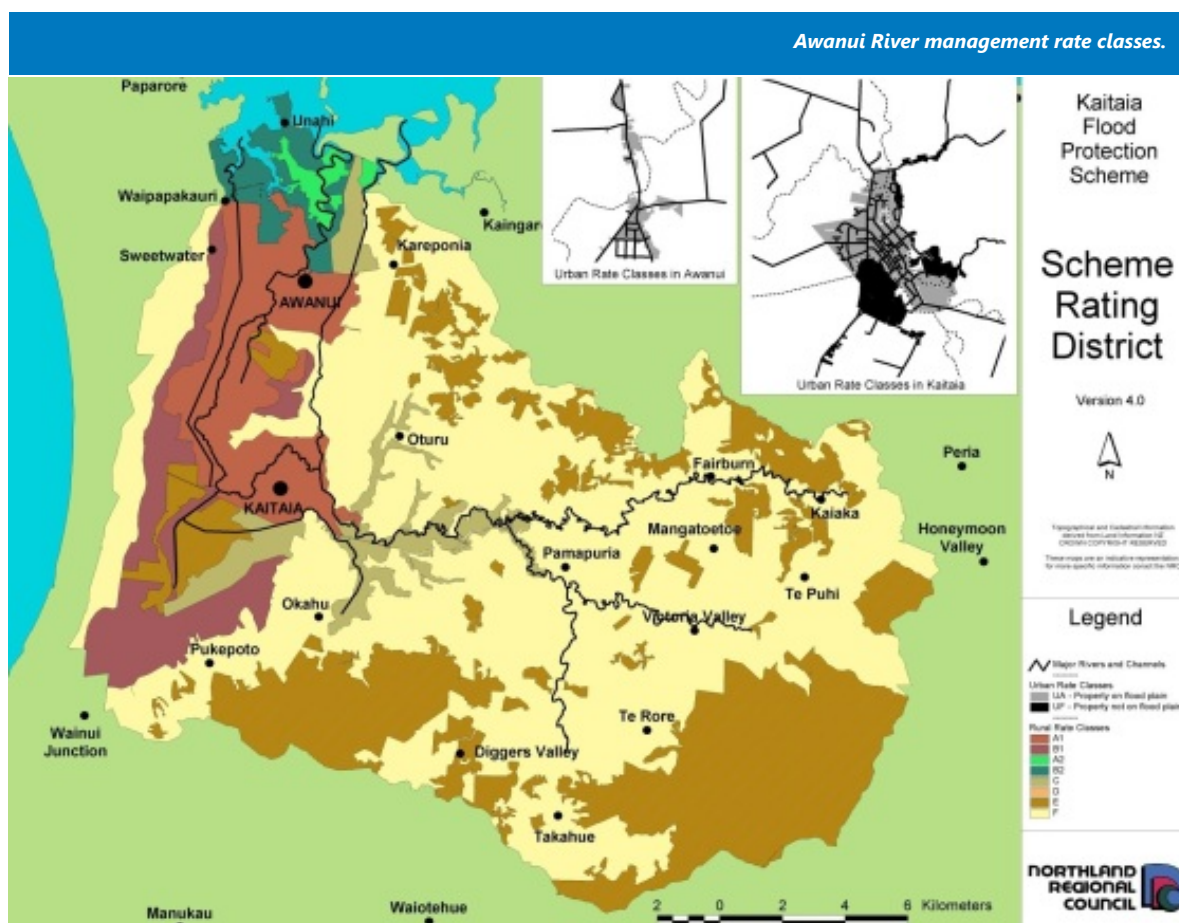
### What it funds

How it is set

The rate is set differentially as follows:

		Excl. GST	Incl. GST
1	Urban rate class UA (floodplain location) \$179.75 (including GST) direct benefit plus \$17.97 (including GST) indirect benefit per separately used or inhabited part of a rating unit.	\$171.93	\$197.72
2	Urban rate classes UF (higher ground) \$17.88 (including GST) direct benefit plus \$17.87 (including GST) indirect benefit per separately used or inhabited part of a rating unit.	\$31.09	\$35.75
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A1/A2, B1/B2, C, E and F.		3.0 times the appropriate rate
4	Rural rate differentiated by class,\$10.84 (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 Kaitiāia flood rating district as stated in the Awanui River asset management plan.	\$9.43	\$10.84

The rating classifications and the rate charged are illustrated in the following map and table.



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.	\$19.82	\$22.79
B1/B2	High benefit land subject to floodwater flows but not ponding as floods recede.	\$14.80	\$17.02
C	Moderate benefit; land floods less frequently and water clears quickly.	\$10.43	\$12.00
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-	-
F	Contributes run-off waters, and increases the need for flood protection.	\$0.80	\$0.92

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

### How much is the rate?

The estimated total Awanui River management rate is **\$682,985** (including GST) for the 2016/17 financial year. The revenue sought from each category of rateable land will be as follows:

Class		Total revenue excl GST	Total revenue incl GST
A1/A2	Rural	\$76,098	\$87,513
B1/B2	Rural	\$40,148	\$46,170
C	Rural	\$14,818	\$17,041
F	Rural	\$15,131	\$17,401
Indirect benefit	Rural	\$16,068	\$18,478
Urban A		\$248,439	\$285,704
Urban F		\$20,348	\$23,400
Commercial differential	Majority urban	\$162,850	\$187,278
<b>Total rate</b>		<b>\$593,900</b>	<b>\$682,985</b>

### 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.

Commercial properties for the Awanui River management rate are subject the 3:1 commercial differential on class UA (\$197.72 including GST for urban commercial; \$22.79 per ha for rural commercial A and \$17.02 for rural B. The rural commercial rate also includes a single rate of \$10.84 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 more hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

### **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 a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as defined in the Kaihū River management plan.

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:

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

### How much is the rate?

The estimated total Kaihū River management rate is **\$90,670** (including GST) in the 2016/2017 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	\$28,144	\$32,366
Class B	\$14,294	\$16,438
Catchment rate	\$31,454	\$36,172
Urban contribution	\$4,951	\$5,694
	<b>\$78, 843</b>	<b>\$90,670</b>

### How is the rate applied?

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

## ***Kerikeri-Waipapa rivers management rate***

### What it funds

This rate funds the operational and capital costs of the flood scheme works within the Kerikeri-Waipapa area.

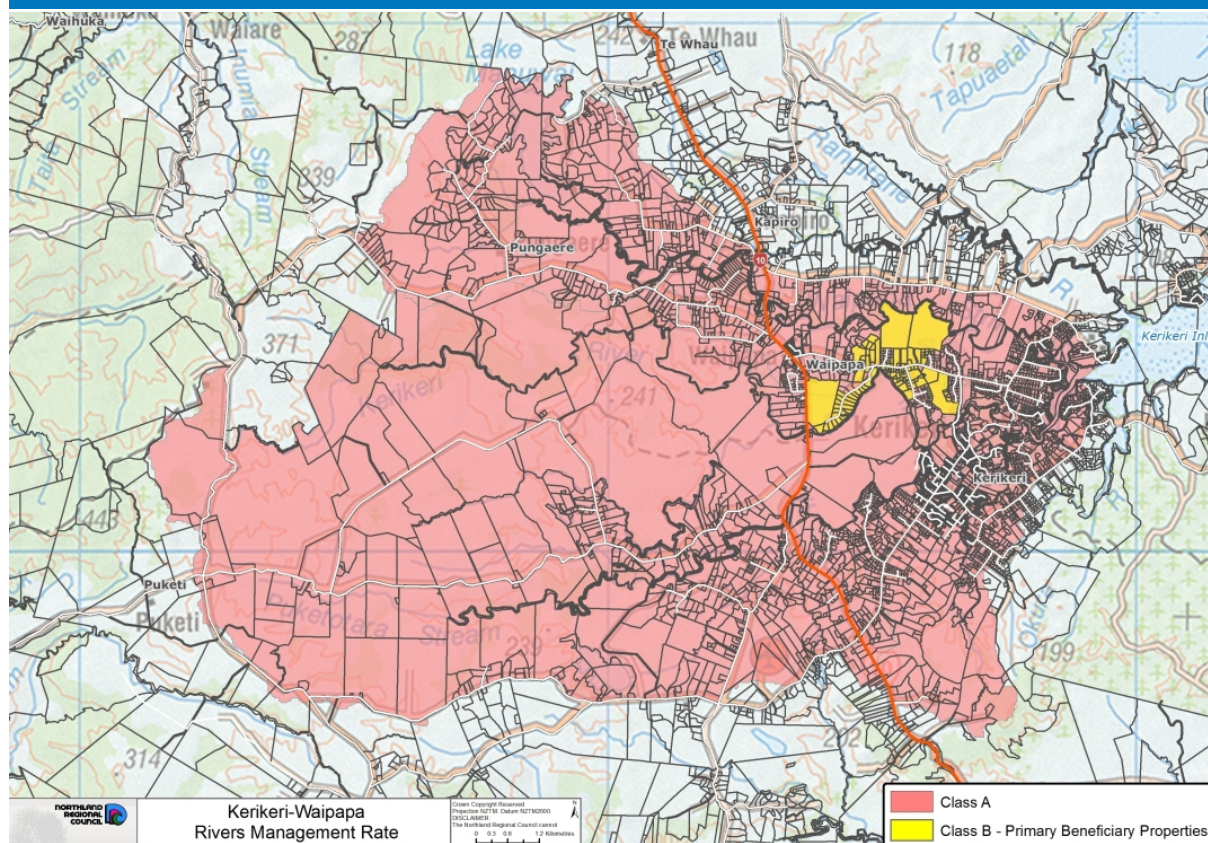
### How it is set

The Kerikeri-Waipapa rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, differentiated by location (see maps below) and category and set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, as follows

Class	Description	Excl. GST per SUIP	Incl. GST per SUIP
A	All properties within the catchment area other than Class B properties.	\$64.12	\$73.74
B	Properties that will receive the greatest direct benefit from flood risk reduction as a result of the proposed spillway as a result of their location in relation to that Scheme.	\$192.37	\$221.22



Map showing the new Kerikeri-Waipapa differential rate areas.



### How much is the rate?

The total estimated Kerikeri-Waipapa rivers management rate is **\$361,060** (including GST) in the 2016/17 financial year. The revenue sought from each category is as follows:

	Total revenue excl. GST	Total revenue incl. GST
Class A	\$291,459	\$335,178
Class B	\$22,506	\$25,882
	<b>\$313,965</b>	<b>\$361,060</b>

### Kaeo-Whangaroa rivers management rate

#### What it funds

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

#### How it is set

The Kaero-Whangaroa rivers management rate is a targeted rate set by the Local Government (Rating) Act 2002, set on a uniform basis in respect of each separately used or inhabited part (SUIP) of a rating unit falling within the former Whangaroa ward rating rolls of 100-199.

### How much is the rate?

The estimated total Kaeo-Whangaroa rivers management rate is \$159,828 (including GST) in the 2016/17 financial year. The rate is set at \$72.19 (including GST) or \$62.77 (excluding GST) and will be assessed on each separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward.

### How is the rate applied?

The rate is applied 100% to Kaeo-Whangaroa rivers management works which forms part of the river management activity.

### **Whangārei urban rivers management rate**

#### What it funds

This rate funds the operational costs and capital costs of the flood risk reduction project for Whangārei.

#### How it is set

The Whangārei urban rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, and assessed on all properties defined by reference to the differential categories, and differentiated by location (see maps below). It is set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, as follows:

		Per SUIP Excl. GST	Per SUIP Incl. GST
1.	Commercial properties in the Whangārei CBD flood area.	\$282.11	\$324.43
2.	Residential properties in the Whangārei CBD flood area.	\$108.84	\$125.17
3.	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumaunga, Kirikiri and Hātea River catchments).	\$36.42	\$41.88

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

Commercial properties in the Whangārei CBD flood area are all separate rating units used principally for commercial, industrial or related purposes which are not categorised as rural in accordance with the district plan; or zoned for commercial, industrial or related purposes, but not otherwise categorised. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol 2012; and private hospitals and private medical centres.

### How much is the rate?

The estimated total Whangārei urban rivers management rate is **\$1,074,274** (including GST) in the 2016/17 financial year. The revenue sought from each category is as follows:



		Excl. GST	Incl. GST
1.	All commercial properties in the Whangārei CBD flood area.	\$290,855	\$334,483
2.	All residential properties in the Whangārei CBD flood area.	\$18,830	\$21,655
3.	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$624,466	\$718,137
		<b>\$934,151</b>	<b>\$1,074,274</b>

#### How is the rate applied?

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



*Contributing water catchments in Whangārei urban rivers management scheme.*



# Other rating information

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

Northland Regional Council approves the addition of penalties on unpaid rates, remissions of rates and rate penalties, and rate postponements for rate payers in accordance with the relevant resolutions and policies it makes. The district councils process these transactions following receipt of Northland Regional Councils approval.

Northland Regional Council will apply the definitions of the Far North, Kaipara and Whangārei district councils to determine a separately used or inhabited part of a rating unit as follows:

## Far North District Council SUIP definition

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

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

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

- Individual flats or apartments;
- Separately leased commercial areas which are leased on a rating unit basis;
- Vacant rating units;
- Single rating units which contain multiple uses such as a shop with a dwelling; and
- A residential building or part of a residential building that is used, or can be used as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities, for example, cooking stove, range, kitchen sink etc. together with living and toilet/bathroom facilities.

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

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

## Far North District Council postponement charges

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

- Application fee: \$50.
- Administration fee: \$50pa.
- Reserve fund fee on the Residential Postponement Policy: 0.25% on the outstanding balance.
- Financing fee on all postponements: currently set at 5.25% pa but may vary to match council's average cost of funds.

At council's discretion all these fees may be added to the total postponement balance.

## Whangārei District Council SUIP definition

A separately used or inhabited part is defined as a clearly identified part of a property (rating unit) that is capable of separate use or capable of being separately inhabited or occupied. For a commercial rating unit this includes a building or part of a building that is, or is capable of being, separately tenanted, leased or sub leased. For a residential 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 separate 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 separate 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 revalued 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 by reference to 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 for each district is available at the relevant district council and the Northland Regional Council. The rating information database for each district can also be found on each district council website. The website addresses are:

[www.fndc.govt.nz](http://www.fndc.govt.nz)

[www.wdc.govt.nz](http://www.wdc.govt.nz)

[www.kaipara.govt.nz](http://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.

# Rating examples

## 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 annual plan.

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2016, so they may differ slightly.

## Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculation on the total projected capital value determined by the certificate of projected valuation of the district at 30 June 2016, with an additional charge of \$1.73 (including GST) per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land management rate assessed on the land value of each ratable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed transport rate assessed on each separately used or inhabited part of a rating unit;
6. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
7. A targeted, Whangārei urban rivers management rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit.

Whangārei urban/rural/other Land Management Rate = LV rate in the \$ = 0.0003761 Infrastructure Rate = LV rate in the \$ = 0.0000349		Land value	2016-17 rates incl. GST	2015-16 rates Inc. GST
<b>Residential property (non CBD)</b>				
Council services rate			\$108.62	\$113.89
Land management rate	\$120,000		\$45.13	\$44.35
Regional recreational facilities rate			\$28.75	\$28.75
Regional infrastructure rate			\$4.19	\$4.47
Transport rate (Whangārei district)			\$13.22	\$13.44
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$211.67</b>	<b>\$216.74</b>
<b>Residential property (non CBD)</b>				
Council services rate			\$108.62	\$113.89
Land management rate	\$225,000		\$84.63	\$83.16
Regional recreational facilities rate			\$28.75	\$28.75
Regional infrastructure rate			\$7.86	\$8.38
Transport rate (Whangārei district)			\$13.22	\$13.44
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$254.84</b>	<b>\$259.46</b>
<b>Residential property (in CBD area)</b>				
Council services rate			\$108.62	\$113.89
Land management rate	\$225,000		\$84.63	\$83.16
Regional recreational facilities rate			\$28.75	\$28.75
Regional infrastructure rate			\$7.86	\$8.38
Transport rate (Whangārei district)			\$13.22	\$13.44
Emergency services rate			\$11.76	\$11.84
Whangārei urban rivers management rate			\$125.17	\$146.23
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$380.01</b>	<b>\$405.69</b>
<b>Residential property (in storm water catchment area)</b>				
Council services rate			\$108.62	\$113.89
Land management rate	\$225,000		\$84.63	\$83.16
Regional recreational facilities rate			\$28.75	\$28.75
Regional infrastructure rate			\$7.86	\$8.38

Transport rate (Whangārei district)		\$13.22	\$13.44
Emergency services rate		\$11.76	\$11.84
Whangārei urban rivers management rate		\$41.88	\$51.56
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$296.72</b>	<b>\$311.02</b>
<b>Farm property</b>			
Council services rate		\$108.62	\$113.89
Land management rate	\$2,750,000	\$1,034.28	\$1,016.49
Regional recreational facilities rate		\$28.75	\$28.75
Regional infrastructure rate		\$96.10	\$102.42
Transport rate (Whangārei district)		\$13.22	\$13.44
Emergency services rate		\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$1,292.73</b>	<b>\$1,286.83</b>
<b>Commercial property (non CBD)</b>			
Council services rate		\$108.62	\$113.89
Land management rate	\$2,000,000	\$752.20	\$739.26
Regional recreational facilities rate		\$28.75	\$28.75
Regional infrastructure rate		\$69.89	\$74.49
Transport rate (Whangārei district)		\$13.22	\$13.44
Emergency services rate		\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$984.44</b>	<b>\$981.68</b>
<b>Commercial property (in CBD area)</b>			
Council services rate		\$108.62	\$113.89
Land management rate	\$2,000,000	\$752.20	\$739.26
Regional recreational facilities rate		\$28.75	\$28.75
Regional infrastructure rate		\$69.89	\$74.49
Transport rate (Whangārei district)		\$13.22	\$13.44
Emergency services rate		\$11.76	\$11.84
Whangārei urban rivers management rate		\$324.43	\$384.75
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$1,308.87</b>	<b>\$1,366.43</b>



*Whangārei district ratepayers in the Whangārei Heads Pest Management rate area will be assessed:*

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June, with an additional charge of \$1.73 (including GST) per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed transport rate assessed on each separately used or inhabited part of a rating unit;
6. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
7. A targeted, fixed Whangārei Heads pest management rate assessed on each separately used or inhabited part of a rating unit located in and around the Whangārei Heads area.

Whangārei urban/rural/other Land Management Rate = LV rate in the \$ = 0.0003761 Infrastructure Rate = LV rate in the \$ = 0.0000349		Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential property (Whangārei Heads Pest Management Area)</b>				
Council services rate			\$108.62	\$113.89
Land management rate	\$225,000		\$84.63	\$83.16
Regional recreational facilities rate			\$28.75	\$28.75
Regional infrastructure rate			\$7.86	\$8.38
Transport rate			\$13.22	\$13.44
Emergency services rate			\$11.76	\$11.84
Whangārei Heads Pest Management Rate			\$50.00	\$50.00
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$304.84</b>	<b>\$309.46</b>

## Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each rating unit; and
6. A targeted Kaihū River management rate, based on land area, and differentiated by location and area of benefit as defined in the Kaihū River management scheme.

Kaipara urban/rural Land Management Rate = LV rate in the \$ = 0.0003988 Infrastructure Rate = LV rate in the \$ = 0.00003711		Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential property</b>				
Council services rate			\$126.06	\$116.00
Land management rate	\$120,000		\$47.86	\$42.76
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.45	\$4.33
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$195.88</b>	<b>\$180.67</b>
<b>Residential property</b>				
Council services rate			\$126.06	\$116.00
Land management rate	\$225,000		\$89.73	\$80.17
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$8.35	\$8.11
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$241.65</b>	<b>\$221.87</b>
<b>Farm property</b>				
Council services rate			\$126.06	\$116.00
Land management rate	\$2,750,000		\$1,096.70	\$979.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$102.05	\$99.15
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$1,342.32</b>	<b>\$1,212.72</b>

Additional for properties in the Kaihū River catchment	Class	2016-17 rates incl. GST	2015-16 rates inc. GST
10 hectares	Class A	\$256.20	\$256.20
	Class B	\$128.10	\$128.10
	Catchment rate	\$19.20	\$19.20
100 hectares	Class A	\$2,562.00	\$2,562.00
	Class B	\$1,281.00	\$1,281.00
	Catchment rate	\$192.00	\$192.00

## Ratepayers in the Far North District

Far North district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit.

Far North Land Management Rate = LV rate in the \$ = \$0.0003875 Infrastructure Rate = LV rate in the \$ = \$0.000036		Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential/commercial/other</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$120,000		\$46.50	\$41.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.32	\$4.25
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$157.80</b>	<b>\$155.13</b>
<b>Residential/commercial/other</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$225,000		\$87.19	\$78.71
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$8.10	\$7.97
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$202.27</b>	<b>\$195.58</b>
<b>Residential/commercial/other</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$2,750,000		\$1,065.63	\$962.04
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$99.00	\$97.36
Emergency services rate			\$11.76	\$11.84
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$1,271.61</b>	<b>\$1,168.30</b>

**Far North district ratepayers in the Awanui River management rate area will be assessed:**

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of a rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
6. A targeted Awanui River management rate, classes UA/UF, A, B, C, E and F differentiated by location and area of benefit as defined in the Awanui river flood management scheme.

Far North - Awanui Catchment Land Management Rate = LV rate in the \$ = \$0.0003875 Infrastructure Rate = LV rate in the \$ = \$0.000036		Land value	2016-17 Rates Incl. GST	2015-16 Rates Inc. GST
<b>Residential and commercial urban</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$120,000		\$46.50	\$41.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.32	\$4.25
Emergency services rate			\$11.76	\$11.84
<i>Plus Awanui River management rates applicable to:</i>				
	Urban UA low land		\$197.72	\$203.76
	Urban UF hills		\$35.75	\$37.05
	Commercial urban UA <sup>1</sup>		\$593.16	\$611.28
<b>Lifestyle - 10 hectares</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$450,000		\$174.38	\$157.42
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$16.20	\$15.93
Emergency services rate			\$11.76	\$11.84
<i>Plus Awanui River management rates applicable to:</i>				
	Rural commercial A		\$694.54	\$715.74
	Rural commercial B		\$521.44	\$539.75
	Rural class A		\$238.74	\$246.17
	Rural class B		\$181.04	\$187.51
	Rural class C		\$130.84	\$128.80
	Rural class E		\$10.84	\$11.39
	Rural class F		\$20.04	\$20.78

<b>Farm Property - 100 hectares</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$2,750,000	\$1,065.63	\$962.01
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$99.00	\$97.36
Emergency services rate		\$11.76	\$11.84
<b>Plus Awanui River management rates applicable to:</b>			
	Non Farm Com. A&B	<sup>1</sup> Refer Below	<sup>1</sup> Refer Below
	Rural class A	\$2,289.84	\$2,359.22
	Rural class B	\$1,712.84	\$1,772.59
	Rural class C	\$1,210.84	\$1,185.52
	Rural class E	\$10.84	\$11.39
	Rural class F	\$102.84	\$105.37

1 Commercial properties for the Awanui River management rate are subject the 3:1 commercial differential on class UA (\$197.72 including GST for urban commercial; \$22.79 per ha for rural commercial A and \$17.02 for rural B. The rural commercial rate also includes a single rate of \$10.84 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 assessed:**

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of a rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
6. A targeted Kaeo-Whangaroa Rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties falling within the former Whangaroa ward (rating rolls 100-199).

<b>Far North</b>			
Land Management Rate = LV rate in the \$ = \$0.0003875	Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
Infrastructure Rate = LV rate in the \$ = \$0.000036			
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$120,000	\$46.50	\$41.98
Regional recreational facilities rate		\$5.75	\$5.75

Regional infrastructure rate		\$4.32	\$4.25
Emergency services rate		\$11.76	\$11.84
Kaeo - Whangaroa Rivers management rate		\$72.19	\$74.53
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$229.99</b>	<b>\$229.66</b>
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$225,000	\$87.19	\$78.71
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$8.10	\$7.97
Emergency services rate		\$11.76	\$11.84
Kaeo - Whangaroa Rivers management rate		\$72.19	\$74.53
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$274.46</b>	<b>\$270.11</b>
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$2,750,000	\$1,065.63	\$962.04
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$99.00	\$97.36
Emergency services rate		\$11.76	\$11.84
Kaeo - Whangaroa Rivers management rate		\$72.19	\$74.53
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$1,343.80</b>	<b>\$1,242.83</b>

Far North district ratepayers in the Kerikeri-Waipapa rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of a rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
6. A targeted Kerikeri-Waipapa rivers management rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit, for properties falling within the Kerikeri-Waipapa catchment area.



Far North Land Management Rate = LV rate in the \$ = \$0.0003875 Infrastructure Rate = LV rate in the \$ = \$0.000036		Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential/commercial/other Class A Property</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$120,000		\$46.50	\$41.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.32	\$4.25
Emergency services rate			\$11.76	\$11.84
Kerikeri - Waipapa Rivers management rate			\$73.74	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$231.54</b>	<b>\$235.17</b>
<b>Residential/commercial/other Class A Property</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$225,000		\$87.19	\$78.71
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$8.10	\$7.97
Emergency services rate			\$11.76	\$11.84
Kerikeri - Waipapa Rivers management rate			\$73.74	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$276.01</b>	<b>\$275.62</b>
<b>Farm Property Class A Property</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$2,750,000		\$1,065.63	\$962.04
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$99.00	\$97.36
Emergency services rate			\$11.76	\$11.84
Kerikeri - Waipapa Rivers management rate			\$73.74	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$1,345.35</b>	<b>\$1,248.34</b>
<b>Residential/commercial/other/Class B Property</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$120,000		\$46.50	\$41.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.32	\$4.25
Emergency services rate			\$11.76	\$11.84

Kerikeri - Waipapa Rivers management rate		\$221.22	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$379.02</b>	<b>\$235.17</b>
<b>Residential/commercial/other/Class B Property</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$225,000	\$87.19	\$78.71
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$8.10	\$7.97
Emergency services rate		\$11.76	\$11.84
Kerikeri - Waipapa Rivers management rate		\$221.22	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$423.49</b>	<b>\$275.62</b>
<b>Farm Property Class B Property</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$2,750,000	\$1,065.63	\$962.04
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$99.00	\$97.36
Emergency services rate		\$11.76	\$11.84
Kerikeri - Waipapa Rivers management rate		\$221.22	\$80.04
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$1,492.83</b>	<b>\$1,248.35</b>

Far North district ratepayers in the Kaitiāia transport rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of a rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
6. A targeted, fixed Kaitiāia transport rate assessed on each separately used or inhabited part of a rating unit falling within the targeted area.

Far North Land Management Rate = LV rate in the \$ = \$0.0003875 Infrastructure Rate = LV rate in the \$ = \$0.000036	Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$120,000	\$46.50	\$41.98

Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$4.32	\$4.25
Emergency services rate		\$11.76	\$11.84
Kaitiāia transport rate		\$15.69	\$15.69
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$173.49</b>	<b>\$170.82</b>
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$225,000	\$87.19	\$78.71
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$8.10	\$7.97
Emergency services rate		\$11.76	\$11.84
Kaitiāia transport rate		\$15.69	\$15.69
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$217.96</b>	<b>\$211.27</b>
<b>Residential/commercial/other</b>			
Council services rate		\$89.47	\$91.31
Land management rate	\$2,750,000	\$1,065.63	\$962.04
Regional recreational facilities rate		\$5.75	\$5.75
Regional infrastructure rate		\$99.00	\$97.36
Emergency services rate		\$11.76	\$11.84
Kaitiāia transport rate		\$15.69	\$15.69
<b>TOTAL regional rates (GST inclusive)</b>		<b>\$1,287.30</b>	<b>\$1,184.00</b>

Far North district ratepayers in the Mid North transport rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of a rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted, fixed regional recreational facilities rate, differentiated by location in the Northland region and assessed on each separately used or inhabited part of a rating unit;
4. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
5. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
6. A targeted, Mid North transport rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit falling within the targeted area.

Far North Land Management Rate = LV rate in the \$ = \$0.0003875 Infrastructure Rate = LV rate in the \$ = \$0.000036		Land value	2016-17 rates incl. GST	2015-16 rates inc. GST
<b>Residential</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$120,000		\$46.50	\$41.98
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$4.32	\$4.25
Emergency services rate			\$11.76	\$11.84
Mid North transport rate			\$24.31	\$0.00
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$182.11</b>	<b>\$155.13</b>
<b>Residential</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$225,000		\$87.19	\$78.71
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$8.10	\$7.97
Emergency services rate			\$11.76	\$11.84
Mid North transport rate			\$24.31	\$0.00
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$226.58</b>	<b>\$195.58</b>
<b>Farm Property</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$2,750,000		\$1,065.63	\$962.04
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$99.00	\$97.36
Emergency services rate			\$11.76	\$11.84
Mid North transport rate			\$24.31	\$0.00
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$1,295.92</b>	<b>\$1,168.30</b>
<b>Commercial</b>				
Council services rate			\$89.47	\$91.31
Land management rate	\$2,000,000		\$775.00	\$699.60
Regional recreational facilities rate			\$5.75	\$5.75
Regional infrastructure rate			\$72.01	\$70.80
Emergency services rate			\$11.76	\$11.84
Mid North transport rate			\$48.63	\$0.00
<b>TOTAL regional rates (GST inclusive)</b>			<b>\$1,002.62</b>	<b>\$879.30</b>

# Summary of rates

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the 2015/16 year and the 2016/17 financial year. 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:

Rating base information: Estimate – 30 June 2016

	Projected number of rating units	Capital Value \$'000's	Land Value \$'000's	Equalised Capital value \$'000's	Equalised Land Value \$'000's	Equalised Capital Value %	Equalised Land Value %
Far North district	36,882	\$13,142,984	\$6,901,714	\$13,576,107	\$7,128,853	33.91%	34.97%
Kaipara district	14,408	\$6,806,928	\$3,682,531	\$7,238,219	\$3,892,561	18.08%	19.10%
Whangārei district	43,321	\$19,217,888	\$9,363,248	\$19,217,888	\$9,363,248	48.01%	45.93%
Total valuation - Northland	94,611	\$ 39,167,799	\$ 19,947,493	<b>\$40,032,213</b>	<b>\$20,384,661</b>	100.00%	100.00%

	Budgeted rates 2016-17 (Including GST)					Budgeted rates 2015-16 (Including GST)				
	Far North district	Kaipara district	Whangārei district	Total \$ (gross)	Total \$ (net)	Far North district	Kaipara district	Whangārei district	Total \$ (gross)	Total \$ (net)
<b>Targeted Council service rate</b>										
Rates per SUIP	\$89.47			\$3,299,851	\$3,189,174	\$91.31			\$3,358,801	\$3,269,177
Rates per RU		\$126.06		\$1,816,314	\$1,700,336		\$116.00		\$1,646,068	\$1,546,074
Rates per SUIP			\$108.62	\$4,705,630	\$4,587,340			\$113.89	\$4,871,169	\$4,678,003
				<b>\$9,821,796</b>	<b>\$9,476,850</b>				<b>\$9,876,038</b>	<b>\$9,493,254</b>
<b>Targeted Land management rate</b>										
Rate per \$ of actual LV	\$0.0003875			\$2,674,594	\$2,646,618	\$0.0003498			\$2,444,265	\$2,423,113
Rate per \$ of actual LV		\$0.0003988		\$1,468,582	\$1,445,130		\$0.0003563		\$1,299,358	\$1,276,262
Rate per \$ of actual LV			\$0.0003761	\$3,521,658	\$3,476,147			\$0.0003696	\$3,281,051	\$3,250,658
				<b>\$7,664,833</b>	<b>\$7,567,896</b>				<b>\$7,024,674</b>	<b>\$6,950,033</b>
<b>Targeted Regional recreational facilities</b>										
Rates per SUIP	\$5.75			\$212,069	\$204,956	\$5.75			\$211,505	\$205,862
Rates per RU		\$5.75		\$82,846	\$77,556		\$5.75		\$81,593	\$76,636
Rates per SUIP			\$28.75	\$1,245,479	\$1,214,170			\$28.75	\$1,229,609	\$1,180,849
				<b>\$1,540,393</b>	<b>\$1,496,682</b>				<b>\$1,522,706</b>	<b>\$1,463,346</b>
<b>Targeted Regional infrastructure rate</b>										
Rate per \$ of actual LV	\$0.00003600			\$248,487	\$245,869	\$0.00003540			\$247,370	\$245,118
Rate per \$ of actual LV		\$0.00003711		\$136,650	\$134,252		\$0.00003605		\$131,466	\$129,104
Rate per \$ of actual LV			\$0.00003494	\$327,189	\$322,932			\$0.00003724	\$330,640	\$328,831

		\$712,325	\$703,053		\$709,476	\$703,053
<b>Targeted Emergency service rate</b>						
Rates per SUIP	\$11.76	\$433,729	\$419,181	\$11.84	\$435,511	\$423,890
Rates per RU	\$11.76	\$169,439	\$158,620	\$11.84	\$168,007	\$157,802
Rates per SUIP	\$11.76	\$509,458	\$496,651	\$11.84	\$506,379	\$486,298
		<b>\$1,112,625</b>	<b>\$1,074,452</b>		<b>\$1,109,897</b>	<b>\$1,067,990</b>
<b>Targeted Whangārei transport rate</b>						
Rates per SUIP	\$13.22	\$572,704	\$558,307	\$13.44	\$574,815	\$552,021
<b>Targeted Whangārei Heads pest management rate</b>						
Rates per SUIP	\$50.00	\$108,200	\$106,450	\$50.00	\$107,250	\$103,000
<b>Targeted Kaitiāia transport rate</b>						
Rates per SUIP (Kaitiāia only)	\$15.69	\$95,661	\$93,872	\$15.69	\$95,709	\$93,936
<b>Targeted Mid North transport rate</b>						
Rates per SUIP		\$ 292,463	\$ 286,190		-	-
<b>Targeted Awanui river management rate</b>						
Far North District - Rural		\$187,857	\$186,603		\$174,041	\$172,194
Far North District - Urban		\$496,379	\$496,382		\$514,303	\$510,791
		<b>\$684,236</b>	<b>\$682,985</b>		<b>\$688,344</b>	<b>\$682,985</b>
<b>Targeted Kaihū river management rate</b>						
Kaipara		\$90,670	\$90,670		\$89,171	\$89,171
<b>Targeted Kaeo-Whangaroa river management rate</b>						
Far North (Kaeo only)	\$72.19	\$168,022	\$159,828	\$74.53	\$172,425	\$159,867
<b>Targeted Kerikeri-Waipapa rivers management rate</b>						
Far North (Kerikeri-Waipapa only)		\$366,665	\$361,060		\$365,383	\$361,060
<b>Targeted Whangārei rivers management rate</b>						
Rates per SUIP		\$1,081,811	\$1,074,274		\$1,311,299	\$1,291,362
<b>TOTAL RATES (including GST)</b>						
Far North district		\$8,475,775	\$8,289,735		\$8,019,313	\$7,865,008
Kaipara district		\$3,764,500	\$3,606,564		\$3,415,663	\$3,275,049
Whangārei district		\$12,072,128	\$11,836,271		\$12,212,210	\$11,871,021
<b>TOTAL</b>		<b>\$24,312,402</b>	<b>\$23,732,570</b>		<b>\$23,647,186</b>	<b>\$23,011,078</b>





## Council activities

# Council activities

This section includes information on the changes in council's activities, services and budgets that are specific to the 2016/17 year. It introduces each of council's groups of activities, discusses what is new, and includes a funding impact statement for each group of activities.

Council's services are categorised in to seven groups of activities. Initiatives that have been added to council services as part of this annual plan contribute to five of these groups of activities as summarised in the table below.

Group of Activities	New initiatives included in this annual plan
1. Community representation and engagement	<ul style="list-style-type: none"> <li>• Enviroschools</li> <li>• Turner Centre</li> <li>• Te Taitokerau Māori Advisory Committee fees</li> <li>• Mangrove removal</li> </ul>
2. Resource and catchment management	<ul style="list-style-type: none"> <li>• Large-scale pest management exercise</li> <li>• Stage four of poplar and willow nursery</li> <li>• Staff resourcing for farm dairy effluent monitoring</li> <li>• Water quality loggers</li> <li>• Groundwater pump</li> <li>• Biosecurity monitoring equipment</li> <li>• Staff resourcing for data management and reporting</li> <li>• Lakes survey</li> <li>• Recycling of silage wrap</li> </ul>
3. River management	<ul style="list-style-type: none"> <li>• Staff resourcing for rivers and natural hazards</li> <li>• River level station upgrades</li> <li>• Pumppro replacement</li> <li>• Satellite loggers for flood event data</li> <li>• Additional maintenance works for Awanui River flood management scheme</li> </ul>
4. Hazard management	No new initiatives

Group of Activities	New initiatives included in this annual plan
5. Economic development	No new initiatives
6. Transport	<ul style="list-style-type: none"> <li>• Additional support for public transport</li> <li>• Northland Transportation Alliance</li> <li>• Whangārei Harbour beacon replacement</li> <li>• Hātea beacon upgrade</li> <li>• Rock clearance at Waipapa landing</li> </ul>
7. Support services	<ul style="list-style-type: none"> <li>• Automated agenda and minutes system</li> <li>• Aerial photography</li> <li>• Mobile devices</li> <li>• Legal fees</li> </ul>

In past annual plans, this section has incorporated levels of service, performance measures, and targets for each group. This information is no longer required in an annual plan unless changes are being proposed. No changes are being made to levels of service as part of this annual plan, and the relevant information for the 2016/17 year can be found in the Long Term Plan 2015 -2025 (available online at [www.nrc.govt.nz/ltp2015](http://www.nrc.govt.nz/ltp2015)).

# Community representation and engagement

## What has changed?

There are four new initiatives that will contribute to the council's outcomes relating to community representation and engagement. We have allocated \$32,500 to support the Enviroschools programme, which will allow all of the schools on the waiting list to join over time; \$24,000 is being contributed towards the completion of the Turner Centre in Kerikeri; \$11,500 is being allocated as additional resourcing to the Te Taitokerau Māori Advisory Committee; and, funding of \$50,000 is being made available to help support community groups in their management of mangroves.

Community representation and engagement	
Enviroschools	\$32,500
Turner Centre	\$24,000
Te Taitokerau Māori Advisory Committee fees	\$11,500
Mangrove removal	\$50,000
<b>Total</b>	<b>\$118,000</b>

### Enviroschools

Funding has been made available for a 0.5 full-time equivalent to carry out Enviroschools facilitator's tasks, which will allow the 30 schools currently on the Enviroschools waiting list to be invited onto the programme over time. This will increase participation from 47% to 70% of Northland schools in the programme.

The \$32,500 of ongoing operational expenditure required for this initiative will predominantly be funded from the council service rate.

*This initiative contributes to the community representation and engagement group of activities in the [Long Term Plan 2015-25](#), activity 1.1 community representation and engagement, level of service 1.1.3 'Support and deliver environmental education initiatives'.*

### Turner Centre

Funding is being made available in the 2016/17 year to the Turner Centre in Kerikeri, to support the completion of the back stage of the plaza and installation of sound-proofing bi-fold doors between the events halls and the plaza.

The \$24,000 of one-off operational expenditure required for this initiative will predominantly be funded from the council service rate.

*This initiative contributes to the community representation and engagement group of activities in the [Long Term Plan 2015-25](#), activity 1.1 community representation and engagement, level of service 1.1.5 'Provide funding to a select group of community projects'.*

### Te Taitokerau Māori Advisory Committee fees

Provision has been made in the Annual Plan 2016/17 for additional allowances and travel expenses for appointed members to the Te Taitokerau Māori Advisory Committee. Formal meetings of the committee are held every two months with additional committee workshops and hui held to provide council with feedback and input on specific topics (for example, the development of the new Regional Plan for Northland).

The \$11,500 of ongoing operational expenditure required for this initiative will predominantly be funded from the council service rate.

*This initiative contributes to the community representation and engagement group of activities in the [Long Term Plan 2015-25](#), activity 1.1 community representation and engagement.*

### **Mangrove management**

Funding of \$50,000 is being made available to support communities where they are pro-actively managing mangroves, where there is good reason to do so. There are some areas within Northland where mangroves require management, and some community groups and organisations are investigating methods for this management.

The \$50,000 of ongoing operational expenditure required for this initiative will predominantly be funded from the land management rate.

*This initiative contributes to the community representation and engagement group of activities in the [Long Term Plan 2015-25](#), activity 1.1 community representation and engagement, level of service 1.1.5 'Provide funding to a select group of community projects'.*

## Funding impact statement for community representation and engagement

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
2,921,464	Targeted rates (other than targeted water rates)	2,856,768	2,979,133	122,365
	- Grants and subsidies for operating purposes	-	-	-
59,652	Fees charges and targeted rates for water supply	59,652	59,652	
	- Internal charges and overheads recovered	-	-	-
	- Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
<b>2,981,116</b>	<b>TOTAL operating funding</b>	<b>2,916,420</b>	<b>3,038,785</b>	<b>122,365</b>
	<b>Applications of operating funding</b>			
3,502,360	Payments to staff and suppliers	3,887,892	3,779,063	(108,829)
	- Finance costs	-	-	-
658,146	Internal charges and overheads applied	378,780	680,796	302,017
	- Other operating funding applications	-	-	-
<b>4,160,506</b>	<b>TOTAL applications of operating funding</b>	<b>4,266,672</b>	<b>4,459,859</b>	<b>193,188</b>
<b>(1,179,390)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(1,350,252)</b>	<b>(1,421,074)</b>	<b>(70,822)</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
	- Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
	- <b>TOTAL sources of capital funding</b>	-	-	-
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
	- To improve levels of service	-	-	-
	- To replace existing assets	-	-	-
	- Increase/(decrease) in reserves	(182,000)	-	182,000
(1,179,390)	Increase/(decrease) in investments	(1,168,252)	(1,421,074)	(252,822)
<b>(1,179,390)</b>	<b>TOTAL applications of capital funding</b>	<b>(1,350,252)</b>	<b>(1,421,074)</b>	<b>(70,822)</b>
<b>1,179,390</b>	<b>Surplus/(deficit) from capital funding</b>	<b>1,350,252</b>	<b>1,421,074</b>	<b>70,822</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Resource and catchment management

## What has changed?

Funding has been allocated in the 2016/17 year to support several new initiatives, mainly focussed in three key areas: \$50,000 is being contributed to a large-scale joint-agency pest management exercise around Waipoua Forest; \$30,000 to continue support for the highly successful poplar and willow nursery, which will be expanded; and, various technical equipment and resources required for the monitoring of water quality and pests will be updated and replaced at a cost of \$187,000. In addition to these key areas, \$4000 has been allocated to support the recycling of silage wrap programme.

Resource and catchment management	
Large-scale pest management exercise	\$50,000
Stage four of poplar and willow nursery	\$30,000
Staff resourcing for farm dairy effluent management	\$65,000
Water quality loggers	\$25,000
Groundwater pump	\$7000
Biosecurity monitoring equipment	\$10,000
Staff resourcing for data management and reporting	\$65,000
Lakes survey	\$15,000
Recycling of silage wrap	\$4000
<b>Total</b>	<b>\$271,000</b>

### Large-scale pest management exercise

Funding has been allocated to support a proposed large-scale pest control operation around Waipoua Forest, of which the Northland Regional Council is a supporting partner. This operation will meet the criteria for "high value area" funding, which is part of the Regional Pest Management Strategy 2010-15. This funding will contribute toward work on private land.

The \$50,000 one-off operational expenditure required for this initiative will predominantly be funded from the land management rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activity 2.5 biosecurity, levels of service 2.5.1 'Reducing the impact of introduced pests on environmental, economic and social values'; and; 2.5.2 'Protecting forests and lake health through effective regional pest control.'*

### Stage four of poplar and willow nursery

Provision of funding has been made in the Annual Plan 2016/17 for the fourth stage (block 4) of council's poplar and willow nursery, which will enable sufficient planting materials to support the growth of council's soil conservation programme.

The \$30,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-16](#), activities 2.3 land and biodiversity and 3.1 river management; levels of service 2.3.1 'Promoting sustainable land management especially water quality, biodiversity, soil conservation and coastal environments, and; 3.1.5 'Maintaining and enhancing water quality in our rivers and coastal waters through integrated management.'*

### **Staff resourcing for farm dairy effluent management**

Funding has been allocated to provide for additional staffing to enable farm dairy effluent volume reduction work to be undertaken on a greater number of farms, while still maintaining ordinary operations in the farm dairy effluent team. This additional staff resourcing will allow the project to be extended to 16 farms per year.

The \$65,000 of operational expenditure for a two-year fixed term is required for this initiative will predominantly be funded from the land management reserve.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activity 2.2 monitoring, level of service 2.2.1 'Maintaining and enhancing water quality in our rivers and coastal waters'.*

### **Water quality loggers**

Funding has been made available in the 2016/17 year for the purchase of five fully self-contained water quality loggers, allowing the council to monitor continuously dissolved oxygen levels in rivers, and meet their obligations under the National Policy Statement for Freshwater Management and National Objective Framework.

The \$25,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activity 2.2 monitoring, level of service 2.2.7 'Monitor the life-supporting capacity of water, in-stream uses and values'. This initiative also contributes to the river management group of activities in the [Long Term Plan 2015-25](#), activity 3.1 river management, level of service 3.1.3 'Monitoring the state of the regional environment, specifically water resources'.*

### **Groundwater pump**

Funding has been made available for the purchase of a new groundwater pump that will result in faster sample collection and more efficient use of staff time, to be used to collect groundwater samples as part of the council's dune lakes groundwater monitoring programme.

The \$7000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activity 2.2 monitoring, level of service 2.2.7 'Monitor the life-supporting capacity of water, in-stream uses and values'.*

### **Biosecurity monitoring equipment**

Funding has been allocated for the purchase of game trail cameras and GPS units to assist the community in measuring and monitoring the success of their biosecurity operations.

The \$10,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*The initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activity 2.5 biosecurity, level of service 2.5.3 'Promoting community involvement in pest management'.*

### **Resourcing for data management reporting**

Provision has been made for the addition of a data management and reporting officer, which will allow specialist staff to spend more time in the field, improve customer service relating to monitoring activities, and allow requests for information to be responded to promptly.

The \$65,000 of ongoing operational expenditure required for this initiative will predominantly be funded from the council service rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activities 2.3 land and biodiversity, and 2.4 planning and policy; level of service 2.3.1 'Promoting sustainable land management especially water quality, biodiversity, soil conservation and coastal environment'; and, level of service 2.4.3 'Monitoring trends and events that may require a resource management planning/policy response'.*

### **Lakes survey**

Additional funding has been allocated for the council's lakes surveys, to allow all priority lakes to receive full ecological monitoring at least every five years, with additional monitoring for lakes of concern.

The \$15,000 of ongoing operational expenditure required for this initiative will predominantly be funded from the land management rate.

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activities 2.2 monitoring and 2.5 biosecurity; levels of service 2.2.7 'Monitor the life-supporting capacity of water, in-stream uses and values' and; 2.5.2 'Protecting forests and lake health through effective regional pest control'.*

### ***Recycling of silage wrap***

Additional funding of \$4000 has been made available in the 2016/17 year to support the 'Plasback' silage wrap recycling scheme, which aligns closely with the council's environmental role. The scheme was becoming inviable financially, primarily due to the wide geographic distribution of farms and recent changes to waste collection in Northland.

**The \$4000 of one-off operational expenditure required for this initiative will be funded from further operational savings.**

*This initiative contributes to the resource and catchment management group of activities in the [Long Term Plan 2015-25](#), activities 2.2 monitoring and 2.3 land and biodiversity; level of service 2.2.8 'Maintaining a high standard of ambient air quality' and; 2.3.1 'Promoting sustainable land management especially water quality, biodiversity, soil conservation and coastal environments.'*

## Funding impact statement for resource and catchment management

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
8,847,743	Targeted rates (other than targeted water rates)	8,980,563	9,099,271	118,708
	- Grants and subsidies for operating purposes	-	-	-
2,194,939	Fees charges and targeted rates for water supply	2,467,664	2,255,513	(212,150)
	- Internal charges and overheads recovered	-	-	-
	- Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
<b>11,042,682</b>	<b>TOTAL operating funding</b>	<b>11,448,226</b>	<b>11,354,784</b>	<b>(93,442)</b>
	<b>Applications of operating funding</b>			
10,384,393	Payments to staff and suppliers	10,460,095	10,412,486	(47,609)
	- Finance costs	-	-	-
4,253,792	Internal charges and overheads applied	4,202,593	4,401,675	199,083
	- Other operating funding applications	-	-	-
<b>14,638,186</b>	<b>TOTAL applications of operating funding</b>	<b>14,662,688</b>	<b>14,814,161</b>	<b>151,473</b>
<b>(3,595,504)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(3,214,462)</b>	<b>(3,459,377)</b>	<b>(244,916)</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
	- Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
	<b>- TOTAL sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
229,614	To improve levels of service	75,914	35,914	(40,000)
56,000	To replace existing assets	62,592	62,592	0
(155,000)	Increase/(decrease) in reserves	(220,000)	(155,000)	65,000
(3,726,118)	Increase/(decrease) in investments	(3,132,968)	(3,402,883)	(269,915)
<b>(3,595,504)</b>	<b>TOTAL applications of capital funding</b>	<b>(3,214,462)</b>	<b>(3,459,377)</b>	<b>(244,915)</b>
<b>3,595,504</b>	<b>Surplus/(deficit) from capital funding</b>	<b>3,214,462</b>	<b>3,459,377</b>	<b>244,915</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# River management

## What has changed?

There are several new initiatives relating to river management that are receiving additional resourcing in the 2016/17 year: \$70,000 is being allocated to rivers and natural hazards to allow the team to manage increased workloads; \$10,000 is allocated to upgrading river level stations that have been recently acquired; \$24,000 is allocated to replace Pumppro river level sensors that have exceeded their life expectancy; \$27,500 has been provided for satellite loggers to ensure security of flood water monitoring data during flood events; and, \$51,415 has been allocated for additional maintenance works as part of the Awanui River flood management scheme.

River management	
Staff resourcing for rivers and natural hazards	\$70,000
River level station upgrades	\$10,000
Pumppro replacement	\$24,000
Satellite loggers for flood event data	\$27,500
Additional maintenance works for Awanui River flood management scheme	\$51,415
<b>Total</b>	<b>\$131,500</b>

### Staff resourcing for rivers and natural hazards

The rivers/natural hazards team is at capacity resulting in some projects having to be suspended in order to meet other time-sensitive works. Funding has been allocated to provide for one additional staff resource.

The \$70,000 of ongoing operational expenditure required for this initiative will predominantly be funded from the land management rate.

*This initiative contributed to the river management group of activities in the [Long Term Plan 2015-25](#), activity 3.1 river management, and levels of service 3.1.1 'Building, monitoring and maintaining flood protection schemes to protect life and property'; 3.1.6 'Contributing to informed policy decisions regarding water resources'; and; 3.1.7 'Contributing to informed management of river hazards'.*

### River level station upgrades

In 2015 council agreed with NIWA that they would take possession of water level stations in the Mangakāhia Gorge and Mangaharuru. These are all key flood forecasting stations, and funding has been allocated for the required upgrade and repair of the stations (including new modems to allow them to function properly) during the 2016/17 financial year.

The \$10,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the river management group of activities in the [Long Term Plan 2015-25](#), activity 3.1 river management, and level of service 3.1.8 'Provide accurate rainfall and flood level monitoring'.*

### Pumppro replacement

Additional funding has been made available to enable replacement of specialised hydrometric monitoring equipment. Some of the equipment sensors (Pumppro sensors) have exceeded their life expectancy and have begun to fail, requiring replacement.

The \$24,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the river management group of activities in the [Long Term Plan 2015-25](#), activity 3.1 river management, level of service 3.1.3 'Monitoring the state of the regional environment, specifically water resources'.*

### **Satellite loggers for flood event data**

Funding has been made available for five satellite loggers to be acquired and deployed to five priority flood level hydrometric sites to provide security of real-time flood level monitoring data during flood events. Sites being considered for this include Kaeo, Awanui, Whakapara, Kerikeri, Whangārei and others, with final site selection to be determined to ensure best coverage and mitigation of risk.

The \$27,500 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*The initiative contributes to the river management and hazard management groups of activities in the [Long Term Plan 2015-2025](#): activity 3.1 river management, level of service 3.1.7 'Contributing to informed management of river hazards'; activity 4.1 [civil defence and emergency management](#), level of service 4.1.2 'Providing accurate and timely flood warnings'; and activity 4.2 natural hazard management, level of service 4.2.1 'Investigating, assessing and documenting natural hazard information to protect life and property'.*

### **Additional maintenance works for Awanui River flood management scheme**

Favourable rates of lending, a favourable tender process and lower than anticipated capital spend has resulted in additional funding of \$51,415 that has been made available for maintenance of the Awanui River flood management scheme.

The \$51,415 of ongoing operational expenditure required for this initiative will be funded from the Awanui River Management Rate.

*The initiative contributes to the river management and hazard management groups of activities in the [Long Term Plan 2015-2025](#): activity 3.1 river management, levels of service 3.1.1 'Building, monitoring and maintaining flood protection schemes to protect life and property.' and 3.1.1.1 'To provide flood protection and control works for urban and rural Kaitiāia'.*

## Funding impact statement for river management

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Annual Plan 2016-17 \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
3,614,087	Targeted rates (other than targeted water rates)	3,627,613	3,652,115	24,502
	- Grants and subsidies for operating purposes	-	-	-
	- Fees charges and targeted rates for water supply	-	-	-
	- Internal charges and overheads recovered	-	-	-
28,800	Local authorities fuel tax, fines, infringement fees and other receipts	35,722	-	(35,722)
<b>3,642,887</b>	<b>TOTAL operating funding</b>	<b>3,663,335</b>	<b>3,652,115</b>	<b>11,220</b>
	<b>Applications of operating funding</b>			
2,166,132	Payments to staff and suppliers	2,315,133	2,207,939	(107,194)
681,288	Finance costs	519,068	792,847	273,779
620,475	Internal charges and overheads applied	720,017	642,279	(77,738)
	- Other operating funding applications	-	-	-
<b>3,467,895</b>	<b>TOTAL applications of operating funding</b>	<b>3,554,218</b>	<b>3,643,065</b>	<b>88,847</b>
<b>174,991</b>	<b>Surplus/(deficit) of operating funding</b>	<b>109,117</b>	<b>9,050</b>	<b>(100,067)</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
619,566	Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
<b>619,566</b>	<b>TOTAL sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
4,460,946	To improve levels of service	131,579	62,079	(69,500)
165,995	To replace existing assets	127,069	103,039	(24,000)
(3,018,895)	Increase/(decrease) in reserves	522,463	471,498	(50,965)
(813,489)	Increase/(decrease) in investments	(671,994)	(627,566)	44,428
<b>794,557</b>	<b>TOTAL applications of capital funding</b>	<b>109,117</b>	<b>9,050</b>	<b>(100,067)</b>
<b>(174,991)</b>	<b>Surplus/(deficit) from capital funding</b>	<b>(109,117)</b>	<b>(9,050)</b>	<b>100,067</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Hazard management

There were no new initiatives proposed or adopted in this annual plan that related to the hazard management group of activities. The following funding impact statement is provided for reference and to reflect minor financial adjustments that include rating base information, and salary and overhead allocations.

## Funding impact statement for hazard management

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties			
878,187	Targeted rates (other than targeted water rates)	1,028,810	903,199	(125,611)
70,000	Grants and subsidies for operating purposes	71,638	71,638	-
204,300	Fees charges and targeted rates for water supply	257,756	209,081	(48,675)
	- Internal charges and overheads recovered	-	-	-
12,000	Local authorities fuel tax, fines, infringement fees and other receipts	12,000	12,000	
<b>1,164,487</b>	<b>TOTAL operating funding</b>	<b>1,370,203</b>	<b>1,195,918</b>	<b>(174,286)</b>
	<b>Applications of operating funding</b>			
1,210,690	Payments to staff and suppliers	1,381,848	1,236,414	(145,434)
	- Finance costs	-	-	-
450,245	Internal charges and overheads applied	485,836	465,420	(20,417)
	- Other operating funding applications	-	-	-
<b>1,660,934</b>	<b>TOTAL applications of operating funding</b>	<b>1,867,684</b>	<b>1,701,834</b>	<b>(165,850)</b>
<b>(496,447)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(497,480)</b>	<b>(505,916)</b>	<b>(8,436)</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
	- Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
	<b>TOTAL sources of capital funding</b>			
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
	- To improve levels of service	-	-	-
	- To replace existing assets	-	-	-
(100,000)	Increase/(decrease) in reserves	(100,000)	(100,000)	
(396,447)	Increase/(decrease) in investments	(397,480)	(450,916)	(8,436)
<b>(496,447)</b>	<b>TOTAL applications of capital funding</b>	<b>(497,480)</b>	<b>(505,916)</b>	<b>(8,436)</b>
<b>496,447</b>	<b>Surplus/(deficit) from capital funding</b>	<b>497,480</b>	<b>505,916</b>	<b>8,436</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Economic development

There were no new initiatives proposed or adopted in this annual plan that related to the economic development group of activities. The following funding impact statement is provided for reference and to reflect minor financial adjustments that include rating base information, and salary and overhead allocations.

## Funding impact statement for economic development

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-		-
2,160,722	Targeted rates (other than targeted water rates)	2,086,010	2,119,431	33,422
	- Grants and subsidies for operating purposes	-		-
62,763	Fees charges and targeted rates for water supply	64,232	64,232	0
	- Internal charges and overheads recovered	-		-
4,634,150	Local authorities fuel tax, fines, infringement fees and other receipts	3,592,612	4,370,710	778,098
<b>6,803,635</b>	<b>TOTAL operating funding</b>	<b>5,742,854</b>	<b>6,554,373</b>	<b>811,519</b>
	<b>Applications of operating funding</b>			
2,946,356	Payments to staff and suppliers	3,064,606	2,557,185	(507,421)
632,893	Finance costs	284,510	560,956	276,446
104,374	Internal charges and overheads applied	212,663	107,620	(105,043)
	- Other operating funding applications	-		-
<b>3,683,623</b>	<b>TOTAL applications of operating funding</b>	<b>3,561,779</b>	<b>3,225,761</b>	<b>(336,018)</b>
<b>3,120,012</b>	<b>Surplus/(deficit) of operating funding</b>	<b>2,181,075</b>	<b>3,328,613</b>	<b>1,147,538</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-		-
	- Development and financial contributions	-		-
	- Increase/(decrease) in debt	-		-
	- Gross proceed from asset sales	-		-
	- Lump sum contributions	-		-
	<b>TOTAL sources of capital funding</b>			
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-		-
	- To improve levels of service	-		-
	- To replace existing assets	-		-
(444,811)	Increase/(decrease) in reserves	(75,698)	(286,978)	(211,280)
3,564,823	Increase/(decrease) in investments	2,256,773	3,615,591	1,358,818
<b>3,120,012</b>	<b>TOTAL applications of capital funding</b>	<b>2,181,075</b>	<b>3,328,613</b>	<b>1,147,538</b>
<b>(3,120,012)</b>	<b>Surplus/(deficit) from capital funding</b>	<b>(2,181,075)</b>	<b>(3,328,613)</b>	<b>(1,147,538)</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Transport

## What has changed?

Funding has been made available in 2016/17 for five new initiatives that will contribute to the transport group of activities. Two of these relate directly to transport, and three relate to harbour safety and navigation. Funding of \$30,000 has been allocated to provide additional staff resourcing to support the expansion and improvement of public transport services; \$25,000 has been allocated as a contribution towards the set-up of the joint local authorities Northland Transportation Alliance; \$152,000 is being allocated to upgrade beacons required for navigation safety; and, up to \$30,000 is being allocated to removing a rock hazard on the approach to Waipapa Landing pontoon in Kerikeri.

Transport	
Additional support for public transport	\$30,000
Northland Transportation Alliance	\$25,000
Whangārei Harbour beacon replacement	\$60,000
Hātea beacon upgrade	\$92,000
Rock clearance at Waipapa landing	\$30,000
<b>Total</b>	<b>\$237,000</b>

### Additional public transport support

Additional resourcing has been allocated to provide additional transport staffing. This is required to effectively manage the present work load resulting from increased demand for new passenger transport services in Northland, and ongoing changes to legislation.

The \$30,000 of ongoing operational expenditure required for this initiative will predominantly be funded from the council service rate. Additional funding is also available from NZ Transport Agency, bringing the total value of this new initiative to \$65,000.

*This initiative contributes to the transport group of activities identified in the [Long Term Plan 2015-25](#), activity 6.1 transport, level of service 6.1.2 'Providing an efficient and effective public bus service.'*

### Northland Transportation Alliance

The proposed Northland Transportation Alliance represents the roading and transport work stream of the Northland Strategic Collaboration and Shared Activities Project. This work stream will bring together the roading and transport teams of all Northland's councils to enable better collaboration. A one-off payment of \$25,000 has been allocated as council's contribution to the set-up costs of this facility. The

detail of ongoing operational expenses will need to be refined and normalised into subsequent year's budgets.

The \$25,000 of set-up expenditure required for this initiative will predominantly be funded from ongoing operational savings and the Equilisation Fund Reserve.

*This initiative contributes to the transport group of activities identified in the [Long Term Plan 2015-25](#), activity 6.1 transport, levels of service 6.1.1 'Embed safety in the thinking of all Northland road users', 6.1.2 'Providing an efficient and effective public bus service', and 6.1.3 'planning for the future transport needs of the region'.*

### Whangārei Harbour beacon replacement

Funding has been made available for the replacement of 19 wooden pile beacons in the Whangārei Harbour that are more than 40 years old, where a planned replacement will be more cost-effective than an emergency replacement.

The \$60,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the transport group of activities in the [Long Term Plan 2015-25](#), activity 6.2 harbour safety and navigation, level of service 6.2.2 'Maintaining navigation aids for safe navigation'.*

### **Hātea beacon upgrade**

Funding has been made available for the replacement of 13 wooden pile beacons in the Hātea River that are also more than 40 years old and need to be replaced with buoys. These will aid navigation in this maritime area, and a planned upgrade will be more cost-effective than emergency replacement.

The \$92,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the transport group of activities in the [Long Term Plan 2015-25](#), activity 6.2 harbour safety and navigation, level of service 6.2.2 'Maintaining navigation aids for safe navigation'.*

### **Rock clearance at Waipapa landing**

Provision of up to \$30,000 has been made available for the removal of a large basalt rock that is located on the approach to the Waipapa landing pontoon in Kerikeri, posing a serious navigational hazard.

The \$30,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

*This initiative contributes to the transport group of activities in the [Long Term Plan 2015-25](#), activity 6.2 harbour safety and navigation, level of service 6.2.2 'Maintaining navigation aids for safe navigation'.*

## Funding impact statement for transport

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
1,641,429	Targeted rates (other than targeted water rates)	2,057,253	1,941,607	(115,646)
1,122,704	Grants and subsidies for operating purposes	1,193,142	1,192,968	(174)
1,489,913	Fees charges and targeted rates for water supply	1,538,501	1,459,642	(78,858)
	- Internal charges and overheads recovered	-	-	-
	- Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
<b>4,254,047</b>	<b>TOTAL operating funding</b>	<b>4,788,896</b>	<b>4,594,217</b>	<b>(194,678)</b>
	<b>Applications of operating funding</b>			
3,918,386	Payments to staff and suppliers	4,298,478	4,352,820	54,342
	- Finance costs	-	-	-
731,052	Internal charges and overheads applied	794,797	755,310	(39,487)
	- Other operating funding applications	-	-	-
<b>4,649,439</b>	<b>TOTAL applications of operating funding</b>	<b>5,093,274</b>	<b>5,108,129</b>	<b>14,855</b>
<b>(395,392)</b>	<b>Surplus/(deficit) of operating funding</b>	<b>(304,379)</b>	<b>(513,912)</b>	<b>(209,533)</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
	- Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
	<b>- TOTAL sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
85,213	To improve levels of service	168,742	138,742	(30,000)
125,000	To replace existing assets	322,333	170,333	(152,000)
7,021	Increase/(decrease) in reserves	7,631	4,550	(3,081)
(612,625)	Increase/(decrease) in investments	(803,085)	(827,536)	(24,451)
<b>(395,392)</b>	<b>TOTAL applications of capital funding</b>	<b>(304,379)</b>	<b>(513,912)</b>	<b>(209,533)</b>
<b>395,392</b>	<b>Surplus/(deficit) from capital funding</b>	<b>304,379</b>	<b>513,912</b>	<b>209,533</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Support services

## What has changed?

Funding has been made available for four new initiatives in the 2016/17 year that will contribute to the council's support services. Funding of \$50,000 will provide for an automated agenda and minutes system for council and committee meetings; \$22,500 is being contributed towards a national historic aerial photography project; \$34,000 has been allocated for the upgrade of mobile devices; and, \$200,000 is required to cover the legal expense associated with the legal challenges to the setting of rates through the Kaipara District Council.

Support services	
Automated agenda and minutes system	\$50,000
Aerial photography	\$22,250
Mobile devices	\$34,000
Legal fees	\$200,000
Total	\$306,250

### **Automated agenda and minutes system**

Funding has been allocated for the purchase and implementation of an automated agenda and minute system to enable the more efficient and effective production of agendas for council and committee meetings and the recording of minutes.

The \$50,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

These changes relate to the support services activities in the [Long Term Plan 2015-2025](#).

### **Aerial photography**

Provision has been made for Northland's share of the cost of a national initiative to digitise historical aerial photography and make it available for use by councils and the public, providing an insight into historical landscapes, which is invaluable in determining the change to the environment over time.

The \$22,250 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

These changes relate to the support services activities in the [Long Term Plan 2015-2025](#).

### **Mobile devices**

Additional funding has been allocated for new equipment to support council's 'Fast Tracking Digital' initiative, which will increase the number of staff who will be able to complete reporting of compliance and other inspections electronically while working in the field. This will increase staff output and enable staff to spend more time in the field working with communities.

The \$34,000 of capital expenditure required for this initiative will be funded from council's retained earnings with future depreciation funded from the council service rate.

These changes relate to the support services activities in the [Long Term Plan 2015-2025](#).

### **Legal fees**

Up to \$200,000 has been allocated in the 2016/17 year to cover the costs to council associated with a joint legal case with the Kaipara District Council, resulting from a challenge around the setting of council rates. The case has only arisen since the development of the Long Term Plan 2015-2025 so costs were not provided for within existing budgets.

The \$200,000 of operational expenditure required for this initiative will predominantly be funded from the Equalisation Fund Reserve.

These changes relate to the support services activities in the [Long Term Plan 2015-2025](#).

## Funding impact statement for support services

LTP Year 1 2015-16 \$	Prospective funding impact statement for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Sources of operational funding</b>			
	- General rates, uniform annual general charges, rates penalties	-	-	-
	- Targeted rates (other than targeted water rates)	-	-	-
	- Grants and subsidies for operating purposes	-	-	-
	- Fees charges and targeted rates for water supply	-	-	-
7,849,985	Internal charges and overheads recovered	7,110,337	8,115,414	1,005,077
3,949,181	Local authorities fuel tax, fines, infringement fees and other receipts	5,260,473	4,263,616	(996,857)
<b>11,799,166</b>	<b>TOTAL operating funding</b>	<b>12,370,810</b>	<b>12,379,030</b>	<b>8,220</b>
	<b>Applications of operating funding</b>			
6,315,509	Payments to staff and suppliers	6,481,941	6,485,990	4,049
	- Finance costs	-	-	-
	- Internal charges and overheads applied	-	-	-
	- Other operating funding applications	-	-	-
<b>6,315,509</b>	<b>TOTAL applications of operating funding</b>	<b>6,481,941</b>	<b>6,485,990</b>	<b>4,049</b>
<b>5,483,657</b>	<b>Surplus/(deficit) of operating funding</b>	<b>5,888,869</b>	<b>5,893,040</b>	<b>4,171</b>
	<b>Sources of capital funding</b>			
	- Subsidies and grants for capital purposes	-	-	-
	- Development and financial contributions	-	-	-
	- Increase/(decrease) in debt	-	-	-
	Gross proceed from asset sales	-	-	-
	- Lump sum contributions	-	-	-
	<b>- TOTAL sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Applications of capital funding</b>			
	Capital expenditure			
	- To meet additional demands	-	-	-
314,000	To improve levels of service	147,551	41,301	(106,250)
699,780	To replace existing assets	746,601	746,601	0
907,181	Increase/(decrease) in reserves	924,600	897,972	(26,628)
3,562,696	Increase/(decrease) in investments	4,070,117	4,207,166	137,048
<b>5,483,657</b>	<b>TOTAL applications of capital funding</b>	<b>5,888,869</b>	<b>5,893,040</b>	<b>4,171</b>
<b>(5,483,657)</b>	<b>Surplus/(deficit) from capital funding</b>	<b>(5,888,869)</b>	<b>(5,893,040)</b>	<b>(4,171)</b>
<b>0</b>	<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financials



# Financial statements

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The following financial statements show our financial plan for the 2016/17 year.

Please note that the following documents support the financial information contained in these financial statements, and can be found on our website [www.nrc.govt.nz/annualplanpolicies](http://www.nrc.govt.nz/annualplanpolicies):

- Significant forecasting assumptions;
- Significant financial forecasting assumptions;
- Statement of significant accounting policies; and
- Rates remission and postponement policies.

## **Charging policy**

Council's charging policy, which is inclusive of council's Navigation, Water Transport and Maritime Safety Bylaw charges, was adopted by council on 21 June 2016. This policy is available on our website: [www.nrc.govt.nz/chargingpolicy](http://www.nrc.govt.nz/chargingpolicy)

## Prospective statement of comprehensive revenue and expense

LTP Year 1 2015-16 \$	Prospective statement of comprehensive revenue and expense for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
	<b>Revenue</b>		
20,009,632	Rates	20,637,017	20,694,756
4,014,840	Fees and charges	4,387,804	4,049,544
1,192,704	Subsidies and grants	1,264,780	1,264,606
1,620,344	Finance revenue	2,876,583	1,615,171
6,984,800	Other revenue	5,279,162	6,332,242
783,000	Other gains	836,000	836,000
<b>34,605,321</b>	<b>TOTAL revenue</b>	<b>35,281,345</b>	<b>34,792,319</b>
	<b>Expenditure</b>		
12,112,685	Personnel costs	12,985,731	12,343,456
1,290,843	Depreciation and amortisation expense	1,323,275	1,385,724
110,000	Finance costs	578,864	110,000
-	Other losses	-	-
18,651,142	Other expenditure on activities	18,904,262	19,008,441
<b>32,164,670</b>	<b>TOTAL operating expenditure</b>	<b>33,792,132</b>	<b>32,847,621</b>
<b>2,440,651</b>	<b>Surplus/(deficit) before tax</b>	<b>1,489,213</b>	<b>1,944,698</b>
-	<b>Income tax credit/(expense)</b>	-	-
<b>2,440,651</b>	<b>Surplus/(deficit) after tax</b>	<b>1,489,213</b>	<b>1,944,698</b>
	<b>Surplus/(deficit) attributable to:</b>		
2,440,651	Northland Regional Council	1,489,213	1,944,698
-	Non-controlling interest	-	-
	<b>Other comprehensive revenue and expense</b>		
	Items that will be reclassified to surplus/(deficit):		
-	Financial assets at fair value through other comprehensive revenue and expense	-	-
	Items that will not be reclassified to surplus/(deficit):		
-	Gains/(loss) on property revaluations	-	-
-	Gains/(loss) on infrastructure asset revaluations	-	-
-	<b>TOTAL other comprehensive revenue and expense</b>	-	-
<b>2,440,651</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>	<b>1,489,213</b>	<b>1,944,698</b>

## Prospective statement of financial position

LTP Year 1 2015-16 \$	Prospective statement of financial position for period ending 30 June	Annual Report 2014-15	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
	<b>ASSETS</b>			
	<b>Current assets</b>			
831,029	Cash and cash equivalents	5,509,010	782,397	2,766,262
11,281,864	Investments current	-	4,000,000	9,981,864
5,233,112	Receivables	5,170,160	4,996,625	5,099,612
3,201,224	Inventories	3,145,987	3,274,603	3,249,224
-	Other current assets	3,900,022	3,898,022	-
<b>20,547,229</b>	<b>TOTAL current assets</b>	<b>17,725,179</b>	<b>16,951,647</b>	<b>21,096,962</b>
	<b>Non-current assets</b>			
-	Receivables	5,161,934	5,796,444	-
30,795,536	Investments non-current	28,230,525	47,206,132	31,631,536
33,406,275	Infrastructure, property, plant and equipment	28,608,153	33,857,645	33,666,044
45,579,000	Investment property	47,985,500	40,870,000	45,579,000
943,710	Intangible assets	645,680	208,142	658,816
1,933,000	Biological assets	2,200,000	2,200,000	1,933,000
5,908,752	Other non-current assets	8,690,246	8,690,246	5,899,336
<b>118,566,273</b>	<b>TOTAL non-current assets</b>	<b>121,522,038</b>	<b>138,828,609</b>	<b>119,367,732</b>
<b>139,113,502</b>	<b>TOTAL ASSETS</b>	<b>139,247,217</b>	<b>155,780,256</b>	<b>140,464,695</b>
	<b>LIABILITIES</b>			
	<b>Current liabilities</b>			
5,241,678	Payables	5,407,284	6,107,103	4,588,173
1,361,299	Provisions	1,339,138	1,370,474	1,416,299
<b>6,602,977</b>	<b>TOTAL current liabilities</b>	<b>6,746,422</b>	<b>7,477,577</b>	<b>6,004,472</b>
	<b>Non-current liabilities</b>			
-	Payables and deferred revenue	598,533	738,590	-
-	Loans non-current	-	13,000,000	-
25,563	Provisions non-current	11,732	74,447	30,563
<b>25,563</b>	<b>TOTAL non-current liabilities</b>	<b>610,265</b>	<b>13,813,037</b>	<b>30,563</b>
<b>6,628,540</b>	<b>TOTAL LIABILITIES</b>	<b>7,356,687</b>	<b>21,290,614</b>	<b>6,035,035</b>
<b>132,484,962</b>	<b>NET ASSETS</b>	<b>131,890,530</b>	<b>134,489,641</b>	<b>134,429,660</b>
	<b>Equity</b>			
129,999,159	Retained earnings	127,298,853	117,073,095	131,085,677
2,940,755	Revaluation reserves	961,290	961,290	2,940,755
(454,952)	Other reserves	3,630,387	16,455,256	403,228
<b>132,484,962</b>	<b>TOTAL equity</b>	<b>131,890,530</b>	<b>134,489,641</b>	<b>134,429,660</b>
-	Non-controlling interests in subsidiary companies	-	-	-
<b>132,484,962</b>	<b>TOTAL EQUITY</b>	<b>131,890,530</b>	<b>134,489,641</b>	<b>134,429,660</b>

## Prospective statement of changes in equity

LTP Year 1 2015-16 \$	Prospective statement of changes in equity for period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
130,044,311	Balance at 1 July	133,000,428	132,484,962
2,440,651	Total comprehensive revenue and expense	1,489,213	1,944,698
132,484,962	Balance at 30 June	134,489,641	134,429,660
	Total comprehensive revenue and expense attributable to:		
2,440,651	Northland Regional Council	1,489,213	1,944,698
-	Non-controlling interests	-	-
132,484,962	Balance at 30 June	134,489,641	134,429,660

## Prospective statement of cashflows

LTP Year 1 2015-16 \$	Prospective statement of cashflows for the period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$	Variance to LTP \$
	<b>Cash flows from operating activities</b>			
20,078,515	Receipts from rates revenue	22,332,957	20,820,537	1,512,420
4,766,925	Receipts from customers	4,632,896	4,950,875	(317,979)
901,764	Subsidies and grants received	1,019,688	1,183,694	(164,006)
2,215,076	GST received	1,662,318	2,446,123	(783,805)
1,620,344	Interest received	87,382	1,615,171	(1,527,789)
5,919,092	Other revenue received	2,823,221	5,811,043	(2,987,822)
(33,412,270)	Staff and Suppliers	(32,277,388)	(34,552,322)	2,274,934
(151,436)	Other payments - operating	(197,363)	(178,408)	(18,955)
(110,000)	Interest paid	(578,864)	(110,000)	(468,864)
1,828,010	Net cash provided (or used) in operating activities	(495,152)	1,986,713	(2,481,865)
	<b>Cash flows from investing activities</b>			
619,566	Sale of infrastructure, property, plant and equipment	-	-	-
1,440,000	Other receipts - investing	2,500,000	1,300,000	1,200,000
(6,136,548)	Purchase of infrastructure, property, plant and equipment	(1,782,354)	(1,360,599)	(421,754)
(4,076,982)	Net cash provided (or used) in investing activities	717,646	(60,599)	778,246
	<b>Cash flows from financing activities</b>			
9,120	Other receipts - financing	-	9,120	(9,120)
9,120	Net cash provided (or used) in financing activities	-	9,120	(9,120)
(2,239,852)	Net increase/(decrease) in cash and cash equivalents	222,494	1,935,233	(1,712,739)
3,070,881	Cash and cash equivalents at beginning of period	559,903	831,029	(271,126)
831,029	CASH AND CASH EQUIVALENTS AT END OF PERIOD	782,397	2,766,262	(1,983,865)

## Schedule of reserves

### Revaluation Reserves

LTP Year 1 2015-16 \$	Schedule of reserves for the period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
<b>Asset Revaluation Reserve</b>			
2,924,325	Opening balance	944,860	2,924,325
-	Increase /(decrease) in reserve throughout the year (operational transfer)	-	-
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
2,924,325	Closing balance	944,860	2,924,325
<b>Financial assets at fair value</b>			
16,430	Opening balance	16,430	16,430
-	Increase /(decrease) in reserve throughout the year (operational transfer)	-	-
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
16,430	Closing balance	16,430	16,430

### Other Reserves

<b>Land Management Reserve</b>			
1,328,791	Opening balance	1,028,291	1,054,291
(274,500)	Increase /(decrease) in reserve throughout the year (operational transfer)	(339,500)	(274,500)
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
1,054,291	Closing balance	688,791	779,791
<b>Awanui River Reserve</b>			
(427,430)	Opening balance	(739,530)	(1,073,731)
113,694	Increase /(decrease) in reserve throughout the year (operational transfer)	65,622	75,238
(759,995)	Increase /(decrease) in reserve throughout the year (capital transfer)	(61,995)	(61,995)
(1,073,731)	Closing balance	(735,903)	(1,060,488)
<b>Kaihū River Reserve</b>			
51,523	Opening balance	41,123	47,889
(3,634)	Increase /(decrease) in reserve throughout the year (operational transfer)	(20,374)	(5,561)
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
47,889	Closing balance	20,749	42,328
<b>Whangaroa-Kaeo Rivers Reserve</b>			
(174,522)	Opening balance	(25,122)	(127,473)
47,049	Increase /(decrease) in reserve throughout the year (operational transfer)	26,603	26,331
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
(127,473)	Closing balance	1,481	(101,142)

LTP Year 1 2015-16 \$	Schedule of reserves for the period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
<b>Whangārei Urban River Reserve</b>			
(8,634,564)	Opening balance	(9,786,317)	(9,198,561)
978,028	Increase /(decrease) in reserve throughout the year (operational transfer)	388,083	313,040
(1,542,025)	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
(9,198,561)	Closing balance	(9,398,234)	(8,885,521)
<b>Kerikeri Waipapa Rivers Reserve</b>			
169,854	Opening balance	(1,662,495)	(1,662,658)
197,488	Increase /(decrease) in reserve throughout the year (operational transfer)	144,024	143,945
(2,030,000)	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
(1,662,658)	Closing balance	(1,518,471)	(1,518,713)
<b>Infrastructure Facilities Reserve</b>			
(1,197,258)	Opening balance	(1,047,489)	(1,117,108)
80,150	Increase /(decrease) in reserve throughout the year (operational transfer)	202,991	80,150
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
(1,117,108)	Closing balance	(844,498)	(1,036,958)
<b>Recreational Facilities Reserve</b>			
(3,265,745)	Opening balance	(2,263,180)	(2,249,603)
1,016,142	Increase /(decrease) in reserve throughout the year (operational transfer)	1,188,385	1,092,694
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
(2,249,603)	Closing balance	(1,074,795)	(1,156,909)
<b>Property Reinvestment Fund Reserve</b>			
9,335,297	Opening balance	18,704,528	9,335,297
-	Increase /(decrease) in reserve throughout the year (operational transfer)	272,783	-
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
9,335,297	Closing balance	18,977,311	9,335,297
<b>Infrastructure Investment Fund Reserve</b>			
-	Opening balance	6,244,082	-
-	Increase /(decrease) in reserve throughout the year (operational transfer)	-	-
-	Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
-	Closing balance	6,244,082	-

LTP Year 1 2015-16 \$	Schedule of reserves for the period ending 30 June	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
<b>Equalisation Fund Reserve</b>			
1,607,744	Opening balance	1,926,456	1,581,424
(26,320)	Increase /(decrease) in reserve throughout the year (operational transfer)	(745,725)	(363,726)
-	- Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
1,581,424	Closing balance	1,180,731	1,217,698
<b>Hatea River Reserve</b>			
151,310	Opening balance	60,856	155,968
4,658	Increase /(decrease) in reserve throughout the year (operational transfer)	5,268	3,640
-	- Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
155,968	Closing balance	66,124	159,608
<b>Investment and Growth Reserve</b>			
3,362,583	Opening balance	3,045,214	2,783,023
(607,602)	Increase /(decrease) in reserve throughout the year (operational transfer)	(251,532)	(198,124)
28,042	Increase /(decrease) in reserve throughout the year (capital transfer)	26,138	26,138
2,783,023	Closing balance	2,819,820	2,611,037
<b>Kaitiāia Bus Reserve</b>			
13,927	Opening balance	25,704	16,290
2,363	Increase /(decrease) in reserve throughout the year (operational transfer)	2,363	910
-	- Increase /(decrease) in reserve throughout the year (capital transfer)	-	-
16,290	Closing balance	28,067	17,200
(454,952)	TOTAL special reserves closing balance as at 30 June	16,455,256	403,228

Information about council reserve funds held for a specific purpose is provided in the following table.

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.</p> <p>Council is proposing to use this reserve to fund operating activities that would ordinarily be funded from the Land Management Rate. Using this reserve in this manner enables council to keep rates affordable while continuing to provide positive operational outcomes. In the three years from 2015/16 to 2017/18 council is proposing to use \$275,000 annually as follows:</p> <ul style="list-style-type: none"> <li>• \$125k towards the Environment Fund;</li> <li>• \$20K towards hydrology webcams;</li> <li>• \$100K towards land elevation surveys; and</li> <li>• \$30k towards increased soil monitoring and ecological surveys.</li> </ul> <p>In 2016-17 council also intends to use the reserve to fund a special project to reduce effluent discharge from dairy farms. \$65,000 has been made available.</p> <p>The use of the reserve will be reviewed at the end of the 2017/18 financial year.</p> <p>While the reserve maintains a positive balance it can continue to 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"> <li>1. Matching of government and district contributions to provide financial assistance for repair work for significant events;</li> <li>2. Restoration work affecting one or more rivers, following a major flooding event;</li> <li>3. Urgent work to reduce the immediate flood risk;</li> <li>4. Storm damage repairs within a special rating area under the relevant flood management plans.</li> </ol>	<p>Civil defence and emergency management,</p> <p>natural hazard management,</p> <p>river management,</p> <p>land and biodiversity,</p> <p>biosecurity</p>
Awanui River Scheme Reserve	<p>This reserve was created to hold any Targeted 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.</p>	River management
Kaeo-Whangaroa River Scheme Reserve	<p>This reserve was created to hold any Targeted 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.</p>	River management
Kaihū River Scheme Reserve	<p>This reserve was created to hold any Targeted 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.</p>	River management



Reserve name	Purpose	Activities that may be funded from reserve
Kerikeri-Waipapa River Scheme Reserve	This reserve was created to hold any Targeted Kerikeri-Waipapa River 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 River Flood Management Scheme.	River management
Whangārei Urban Rivers Scheme Reserve	This reserve is to be created to hold any Targeted Whangārei 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 Whangārei Urban Rivers Management Scheme.	River management
Hātea River Maintenance	<p>This reserve was created to set aside a component of the council services rate specifically levied across the Whangārei constituency 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> <ol style="list-style-type: none"> <li>1. Ongoing maintenance and dredging;</li> <li>2. Disposal of dredged spoil material; and</li> <li>3. The provision of an annual hydrographic survey of the river.</li> </ol> <p>The reserve is to be maintained at a targeted fund of up to \$400,000.</p>	Harbour safety and navigation
Kaitāia Bus Reserve	This reserve is to be created to hold any targeted Kaitāia transport rates collected and unspent in any given year to cover any future funding shortfalls of Kaitāia bus service.	Transport
Recreational Facilities Reserve	This reserve was established to set aside any targeted regional recreational facilities rates collected and not fully used in any given year for the purpose of funding the Northland Events Centre. This reserve represents the internal borrowing associated with \$13M 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 end in the 2017/18 Financial year.	Economic development
Property Reinvestment Fund Reserve	<p>This reserve was established to hold the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. The funds are general funds and are set aside to be reinvested in income producing assets.</p> <p>The fund invests monies in separate managed funds which has been earmarked to hold the funds pending the identification of approved property investments. The fund targets a reasonable return to produce an income akin to rents and relating capital appreciation of the property market so as to maintain the purchasing power of the capital base.</p>	All
Infrastructure Investment Fund Reserve	This reserve was established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. It will help spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence.	

Reserve name	Purpose	Activities that may be funded from reserve
	The fund invests monies which has been earmarked for the approved infrastructure investments in external managed funds. The funds targets a moderate return, with capital protection and reasonable liquidity paramount in keeping with the Prudent Person rules of the Trustee Act. Low risk diversified income funds have been selected to achieve this.	
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
Equalisation Fund 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 Equalisation Fund Reserve.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	All
Asset revaluation reserves	Asset revaluation reserves represent the unrealised gains in the value of assets owned by Northland Regional Council.	All
Approved carry forwards	Approved carry forwards are amounts approved to be carried forward from one financial year to the next to enable specific work programmes to be completed. All carry forwards are approved by way of council resolution.	All

All reserves displaying a deficit balance at 1 July 2016 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

LTP Year 1 2015-16 \$	Community Investment Fund	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
11,381,852	Forecasted opening balance	12,164,852	12,164,852
783,000	Interest earned on funds	836,000	836,000
-	Transfer of investment income to operating (reduced dividend expectation)	(332,144)	-
-	Transfer of investment income to the Investment and Growth Reserve	-	-
12,164,852	Forecasted closing balance	12,668,708	13,000,852

LTP Year 1 2015-16 \$	Investment and Growth Reserve	Annual Plan 2016-17 \$	LTP Year 2 2016-17 \$
3,362,583	Forecasted opening balance	3,045,214	2,783,024
1,700,000	Northland Regional Council Investment Income transferred to Reserve	1,700,000	1,700,000
-	Community Investment Fund investment income transferred to Reserve	-	-
(1,069,005)	Payment to Northland Inc. Limited as operational funding	(1,094,020)	(1,094,020)
(101,810)	Payment to Northland Inc. Limited for tourism	(104,192)	(104,192)
(200,000)	Payment to fund feasibility studies	(200,000)	(200,000)
(410,000)	Payment to fund Regional promotion	(410,500)	(419,594)
(687,000)	Payments to fund projects	(250,000)	(250,000)
(17,073)	Payments to Independent Investment Advisor	(18,247)	(18,247)
205,328	Interest earned on Reserve and other deposits	151,566	214,067
2,783,023	Forecasted closing balance	2,819,820	2,611,037

# Statement of accounting policies

## Summary of changes

Council's Statement of Significant Accounting Policies outlines treatment of revenue, expenses, assets, liabilities, and equity in the financial statements. In addition to the notes to the financial statements, the accounting policies are meant to be read in conjunction with the financial statements. The statement includes details on compliance with the accounting standards issued by the External Reporting Board (XRB) or its sub-Board the New Zealand Accounting Standards Board (NZASB), pursuant to section 12(a) of the Financial Reporting Act 2013, and authoritative notices issued by the XRB or the NZASB, pursuant to section 12(c) of the Financial Reporting Act 2013.

There have been a few changes to accounting policies for the Annual Plan 2016/17, the key changes being as follows:

- The borrowings liability note has been amended to indicate the treatment of council's fixed rate notes. The fixed rate notes will continue to be stated at fair value until their maturation when they will be repaid in full. This differs from any other borrowings that are, after initial recognition, measured at amortised cost using the effective interest method.
- The financial assets at fair value through surplus or deficit note has been amended to include the Property Reinvestment Fund and Infrastructure Investment Fund in addition to the Community Investment Fund. These new funds did not exist the last time the accounting policies were published.

Refer to [www.nrc.govt.nz/annualplanpolicies](http://www.nrc.govt.nz/annualplanpolicies) for council's full statement of significant accounting policies.

# Financial prudence

There is an expectation that Northland Regional Council will act with financial prudence. To measure the level of prudence a number of measures have been developed for the sector.

Northland Regional Council measures financial prudence using the following measures:

		Target	2016/17 Annual Plan
<b>Affordability</b>			
Benchmark	Rates Benchmark*		
	i) Total Rates as % of Total Revenue	<65%	58%
	ii) Total Rates increase as %	<5%	3.1% #
	Debt Benchmark		
	Net Debt as % of Total Revenue	<175%	-108%
Indicator	Rates indicator**		\$259.76
<b>Sustainability</b>			
Benchmark	Balanced budget benchmark***	>1	1.04
	Essential services benchmark****	>1	0.53
	Net Interest as a % of Revenue	<10%	-8.90%
	Liquidity	>110%	400%
<b>Predictability</b>			
Benchmark	Operations control benchmark***** (result to be published in the annual report)		N/A

\* Rates income complies with the limits set in the councils financial strategy.

\*\* Rates Revenue per rating unit/SUIP

\*\*\* Revenue, excluding income from development contributions and financial contributions, revaluations and vested assets, exceeds operating expenditure

\*\*\*\* Council has invested heavily in flood control infrastructure over the last four years. It is expected that capital investment will be low over the next few years.

\*\*\*\*\* Net cash flow from operations equals or exceeds budget.

# Increase calculated using change from 2014/15 long term plan year one to Annual Plan 2016/17.





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