

Annual Plan 2020/21

Mahere-a-Tau 2020/21



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Moving forward Katete



Nau mai || Welcome

If the land is well

Toitū te whenua

If the sea is well

Toitū te moana

The people will thrive

Toitū te tāngata

He Mihi mo te Mahere-ā-Tau

Ko te Amorangi ki mua, ko te hāpai ō ki muri.

Otirā, ko Te Atua kei mua, kei muri iho i ngā mea katoa,

e tūmanakohia nei tātou i runga i te mata o te whenua.

Whai muri atu i tēnā, me mihi ki o tātou maha mate, e

hinga mai nei, e hinga atu rā mai Tāmaki ki Te Rerenga Wairua,

haere koutou e ngā mate, haere, haere, haere.

Ka whakahokia mai ngā kōrero ki waenganui i a tātou te kanohi ora, e noho mai ana ki ēra ō tātou marae kainga huri noa i ngā to pito katoa o Te Taitokerau, tēnā koutou, tēnā koutou, tēnā koutou katoa.

E whai ake i raro nei ngā kupu whāriki mō te Mahere-ā-Tau 2020/21

This mihi is an acknowledgement and greeting to the people of Northland and proudly introduces the Annual Plan 2020/21



Message from Chair and Chief Executive

Since this council started working on the Annual Plan in late 2019, the world has changed enormously.

We have all pulled together to meet the challenge of the COVID-19 pandemic, putting everything on hold and livelihoods on the line, and undoubtedly saving the lives of many Northlanders through our collective efforts.

We have also been through one of the worst droughts on record which, at the time of writing, is far from over.

And yet, we as a council have no doubt that the resilience and adaptability that runs deep in Northlanders will help get us through these unprecedented events.

Our council is acutely aware there are tough times to come for our region as we navigate the ongoing impacts of COVID-19 and drought on our economy. We are also faced with a big shortfall in revenue against what we had previously budgeted for the coming year.

What has not changed is our council's ongoing responsibilities to maintain the services essential to keeping our environment, people and communities healthy and safe.

It's critical to get the balance right between reducing costs to you and providing you with essential services. With this in mind council has cut close to \$2.4 million from our proposed 2020/21 budget. This was in response to the fall in forecast revenue from our investments and other sources such as cruise ship fees, and the clear message from you to keep rates as low as possible.

As well as cutting our spending we dug deep into our financial reserves, helping us to continue delivering activities which would have otherwise required rating income to continue. All these adjustments allowed us to cut the previously planned rates rise virtually in half, from the consulted 8.6% increase, to one of 4.5%.

Our council carefully considered each of the reductions in budget that were made to achieve this decrease, identifying priority areas to be reestablished should our non-rating revenue streams generate greater returns than currently forecast.

We can't afford to lose ground on the important environmental and other critical work that's already underway and effectively represents a very strategic, long-term investment in our region's future; that would end up costing more in the long run.

The decisions we have made should enable council and its ratepayers to move ahead with as much certainty as possible in the circumstances.

In a similar vein, central government's Budget 2020 is strongly focussed on growing our economy and creating jobs – including in the environmental sector – and we look forward to supporting this economic recovery work here in Northland.

While there are uncertain times ahead, our vision, strength and unity in Taitokerau will see us through – together we will thrive.

He waka eke noa: We are all in this together



Penny Smart

Chair



Malcolm Nicolson

Chief Executive Officer

Meet your locals

Tūtakitakitia i te iwi kāinga



About this Annual Plan 2020/21

E pā ana ki tēnei Mahere ā tau

This, the second annual plan developed following the Long Term Plan in 2018, reflects an unprecedented period of change. It is the result of 12 months of work that began with a standard review of our activities and funding sources to make sure that we were still on track to deliver the work that we'd committed to, and that we were in a good position to plan for future change in our next Long Term Plan.

Our annual planning documents often acknowledge that change is constant, particularly when combining political and natural environments with global financial markets. However the rapid rate of change that happened in the later stages of developing this annual plan as a result of COVID-19 was unprecedented and required us to be at our most agile, and make some challenging calls.

The result is a plan that is substantially different from what was originally consulted on, but one that strikes a balance between keeping up critical work and investment in our region, and addressing the affordability of rates in a post-COVID environment.

The process

In February 2020 council finalised the proposals for the consultation of this annual plan, which comprised an extra \$1.4 million of operating spend and \$265,000 of capital spend, for a suite of new investment across our activities. This would equate to an average 8.6% increase in rates, 4.6% above the 4% previously approved for the year.

Talking to our communities is a key part of developing any plan, and this Annual Plan was no different. Our consultation document set out the changes that were proposed, and the consultation began on 26 February. By the close of the submission period on 27 March, things were looking very different with a national state of emergency declared, and financial markets were looking uncertain.

Twenty submissions were received during the consultation period, which included feedback on both consulted and non-consulted topics. In the last week of consultation submissions on the annual plan proposals changed markedly as the economic impact of COVID-19 emerged, with pressure placed on all councils across New Zealand not to increase rates as planned, or to roll out a rates freeze.

Responding to COVID-19

Suddenly having to re-assess the proposed rate increase, and the work that it would fund, was just the beginning of the challenge for council. The economic impacts of COVID-19 were significant, with economic modelling and budget re-forecasting showing an estimated nett revenue decrease for council of approximately \$3,357,000. In addition, allowance had to be made for an estimated increase in bad debts provision of \$681,000, and movements on reserve balances.

In response to this sudden decrease in revenue, a review of all consulted annual plan proposals was carried out, to determine where proposals could be deferred without significantly impacting our core work. In addition, we reviewed all work programmes that had previously been approved for the year as part of the last Long Term Plan, and removed \$453,651 of previously approved spend. We also reviewed our business-as-usual budget and our recruitment budget making cuts where we could, making savings of over a million dollars.

The proposals that are no longer able to be funded as part of this annual plan budget are still intended to be carried out at a later date depending on the economic situation and council's future investment income, or may need to be consulted on again as part of the next Long Term Plan process.

Even with the substantial cuts that were made to the proposed annual plan, Long Term Plan, and business as usual budgets, a budgetary hole remained. To help fill this, we used some of our reserves and investment funds. These are funds that earn investment income, some of which is transferred to reserves and held there to fund activities, and would not ordinarily be drawn on unless required. Due to the re-forecast decrease in council revenue as a result of recent economic downturn, and a resulting significant decrease in income that had been budgeted to subsidise rates and fund council activities, it was considered appropriate that these be drawn upon.

We allocated \$150,000 from the Equalisation Fund Reserve, \$696,838 from the Community Investment Fund, \$250,000 from the Infrastructure Investment fund, and \$123,583 from the Property Reinvestment fund to fund general operating activities. We also allocated \$1,700,000 from the Community Investment Fund to fund economic development activities.

As a result of these reviews and allocations, the rate increase for the 2020/21 year was able to drop from the 8.6% consulted on in the annual plan consultation to 4.5% - only 0.5% above the amount previously approved for 2020/21 in our Long Term Plan 2018-2028.

What we approved:

- Technology upgrades | \$300,000 of operational expenditure (*reduced by \$200,000*)
- Replacement engines for the vessel 'Ruawai' | \$35,000 of capital expenditure
- Freshwater quality accounting system | \$50,000 of operational expenditure (*reduced by \$100,000*)
- Water quality monitoring stations | \$105,000 of capital expenditure
- Aupōuri groundwater analysis | \$20,000 of operational expenditure
- Lake level sensors | \$33,000 of capital expenditure
- Expansion of poplar and willow nursery | \$78,000 of capital expenditure
- Climate change adaptation strategy | \$105,000 of operational expenditure
- Monitoring officer for Kaitaia | \$70,273 of operational expenditure

What we didn't approve:

- Kaiarahi Mahere Māori - Māori technical advisor | \$101,000 of operational expenditure and \$4,700 of capital expenditure.
- Northland Māori representation on national committee 'Te Maruata' | \$7,000 of operational expenditure.
- Tangata whenua capability and capacity | \$30,000 of operational expenditure
- Campaigns and engagement coordinator | \$40,000 of operational expenditure and \$4,700 of capital expenditure
- Pest plant prevention | \$110,000 of operational expenditure
- Junior hydrology officer | \$69,000 of operational expenditure and \$4,700 of capital expenditure
- Off-site storage of consent files | \$17,000 of operational expenditure
- Data asset management | \$75,000 of operational expenditure
- Modelling highly allocated aquifers | \$100,000 of operational expenditure
- National wells database | \$20,000 of operational expenditure

What we removed from the pre-approved budget:

- Far north poplar and willow nursery manager | \$70,322
- Eastern Bays Hill country staff | \$82,206
- Project costs associated with Northern Wairoa and lakes projects | \$41,854
- Enviro schools staff and seminar costs | \$86,385
- Sponsorship, intern and environmental awards funding | \$68,880
- Painting of Water Street building, vehicle costs | \$104,004

What we approved

During their deliberations, council approved the following consulted proposals:

Technology upgrades | \$300,000 of operational expenditure

Faced with a rapidly evolving technological landscape, council is challenged with striking the right balance between maintaining the most efficient and fit-for-purpose systems and keeping everything as cost-effective as possible. The step change in council activities that resulted from the last Long Term Plan put significant pressure on our information technology systems, and we identified that we needed to invest more to implement modern enterprise systems which will enable us to be more productive and efficient, will significantly reduce our risk, and will keep pace with us as we move in to the next decade.

We originally proposed to boost investment by \$500,000 for 2020/21 and for two years following while migration to the new system was completed. During deliberations this amount was reduced to \$300,000. While this will slow implementation of the new enterprise system, the funding is sufficient to allow the project to continue to move ahead.

The \$300,000 of operational expenditure required, ongoing for three years, will predominantly be funded from the Council Services Rate.

Replacement engines for the vessel 'Ruawai' | \$35,000 of capital expenditure

Council maintains vessels to enable it to carry out activities on the water. The Ruawai is our all-weather capable coastal craft, used for a broad range of tasks from water quality runs to biosecurity checks, oil spills and pollution monitoring. We keep our vessels well maintained to ensure reliability and to retain optimal resale value, and we identified that we're approaching the optimum time to replace the engines of the Ruawai, where we can offset the cost of new engines by the sale of the existing engines, and keep the vessel sound.

The \$35,000 of one-off capital expenditure required will predominantly be funded from retained earnings with future depreciation of \$3,500 funded from the Council Services Rate

Freshwater quality accounting system | \$50,000 of operational expenditure

The National Policy Statement for Freshwater Management requires a significant amount of work from regional councils to establish freshwater quality objectives and limits. One of the requirements of the policy statement is that regional councils must establish

and operate freshwater quality accounting systems, to ensure that quality and accurate information is available for future management of freshwater.

We originally proposed to allocate a one-off spend of \$150,000 to the system. During deliberations this amount was reduced to \$50,000.

The \$50,000 of one-off operational expenditure required will predominantly be funded from the Freshwater Management Rate.

Water quality monitoring stations | \$105,000 of capital expenditure

Council maintains seven continuous freshwater monitoring stations, of which only two are fitted with specialised 'multiple sensor' equipment that enables us to measure a wide range of environmental parameters. In order to upgrade the sensors and get the best data for our environmental science framework, \$105,000 of one-off capital spend was allocated. The ongoing operational costs of \$7,000 a year were able to be covered by existing budgets.

The \$105,000 of one-off capital expenditure required will predominantly be funded from retained earnings with future depreciation of \$10,500 funded from the Council Services Rate.

Aupōuri groundwater analysis | \$20,000 of operational expenditure

We are one of a few regions with groundwater age data already available, and have a unique opportunity to participate in an independent study on detailed groundwater age analysis. \$20,000 has been allocated to carry out a more detailed analysis of 10-12 sites across the Aupōuri aquifer, to tie in to the independent work being carried out and improve our understanding for future decisions on sustainable management of groundwater.

The \$20,000 of one-off operational expenditure required will predominantly be funded from the Freshwater Management Rate.

Lake level sensors | \$33,000 of capital expenditure

Our lake level recorders, which allow us to monitor the water level in our lakes, were due for replacement in the coming financial year and we're future-proofing by replacing the recorders with upgraded telemetered sensors. This means that we'll get data in real-time without the risk of data loss.

The \$33,000 of one-off capital expenditure required will predominantly be funded from retained earnings with future depreciation of \$3,300 funded from the Council Services Rate.

Expansion of poplar and willow nursery | \$78,000 of capital expenditure

The council-owned poplar and willow nursery has been progressively expanding over the last three years to meet the demands of land owners who use the poles to control erodible soils, keeping soil on the hills and out of our waterways. The demand is unwavering, and \$78,000 has been allocated to expand the nursery by another 4ha, allowing us to grow another 30,000 poplar and willow poles to meet future demand.

The \$78,000 of one-off capital expenditure required will predominantly be funded from retained earnings with future depreciation of \$7,800 funded from the Council Services Rate

Climate change adaptation strategy | \$105,000 of operational expenditure

Council is a key driver of a regional joint adaptation group which is developing an adaptation strategy to identify the key risks for the region and prioritise sites for community adaptation planning. We are working to get the strategy delivered before our next Long Term Plan, in order to outline a collaborative climate change adaptation work programme.

The one-off spend of \$105,000 will, in addition to existing budget and contributions from district councils, fund technical support for the development of climate change adaptation plans at a small number of pilot sites in advance of the Long Term Plan programme.

The \$105,000 of one-off operational expenditure required will predominantly be funded from the Council Services Rate.

Monitoring officer for Kaitaia | \$70,273 of operational expenditure

We've experienced a marked increase in the consent monitoring workload in the Kaitaia area, as a result of avocado growing developments and the associated use of groundwater from the Aupōuri Aquifer. The drought Northland experienced during the consultation period highlighted the need for immediate increased water monitoring in the area, and after the Annual Plan 2020/21 consultation document had been released for public feedback, it became clear that an additional environmental monitoring officer was needed to service the Kaitaia area, and further north.

The \$70,273 of ongoing operational expenditure required will predominantly be funded from the Freshwater Management Rate.

What we didn't approve

During their deliberation council resolved not to fund the following consulted proposals in the 2020/21 budget, with the intention that they would be brought back to council for approval during the year if revenue was higher than anticipated.

Kaiarahi Mahere Māori – Māori technical advisor | \$101,000 of operational expenditure and \$4,700 of capital expenditure.

Fostering enduring relationships with tangata whenua is one of council's key areas of focus, and an area in which we are experiencing significant demand. Funding of \$101,000 was proposed for the position of Kaiarahi Mahere Māori – a technical role tasked with improving how council and Māori work together in decision making processes, and to support staff and councillors in their engagement with tangata whenua.

Northland Māori representation on national committee 'Te Maruata' | \$7,000 of operational expenditure.

Te Maruata is a sub-committee of the National Council of Local Government New Zealand (LGNZ), and it provides advice and support for LGNZ, as well as an opportunity for input into future national policy and legislation. Funding of \$7000 was proposed to enable two members of Te Tai tokerau Māori and Council Working Party to represent Northland on this national committee.

Tangata whenua capability and capacity | \$30,000 of operational expenditure

Council has an obligation and a commitment to build the capacity of Māori to contribute to our decision-making processes. A key part of this is the development of a Mana Whakahono ā Rohe agreement, which provides a structure for the relationship between council and iwi authorities or hapū, under the Resource Management Act.

Council has adopted a hapū based Mana Whakahono ā Rohe agreement for Northland, and new funding of \$30,000 was proposed to support this commitment, and the training and capacity building that it comprises.

While council resolved not to fund this proposal, it was identified as a priority proposal to be brought back to council if revenue allowed.

Campaigns and engagement coordinator | \$40,000 of operational expenditure and \$4,700 of capital expenditure

A campaigns and engagement coordinator was proposed to help ensure that our communities can easily engage with us, and that they are aware of the work that council is carrying out, with a focus on water

and pest management engagement activities. Funding of \$40,000 was sought as a portion of the funding required to support this position.

Pest plant prevention | \$110,000 of operational expenditure

Under our Regional Pest Management Plan, we are working to eradicate, or progressively contain, 31 pest plants to prevent their further spread and are working to exclude another 14 pest plan species from becoming established. A review of these programmes had identified the benefit of extra contract work to complete surveillance and control inspections, at a cost of \$110,000.

Junior hydrology officer | \$69,000 of operational expenditure and \$4,700 of capital expenditure

Maintaining a hydrometric network for Northland is one of our primary environmental responsibilities, and the boost in work that resulted from the last Long Term Plan put pressure on the team running this network. With health and safety standards often requiring two officers to carry out some of the work in the field, further stretching existing resources, it was proposed to employ a junior hydrology officer at a cost of \$69,000.

Off-site storage of consent files | \$17,000 of operational expenditure

Many years of managing consent applications have resulted in a large number of physical files and records, which we need to have access to at all times, and which take up physical space, cost staff time, and are not a permanent long-term method of storing information. \$17,000 was proposed to move these records to a secure off-site location, releasing valuable office space, and enabling them to be scanned into digital files.

Data asset management | \$75,000 of operational expenditure

Data is one of council's biggest assets, and managing this huge volume of data is no mean feat. We'd proposed to create an inventory of our data to fully understand its status, so that we could develop a plan to improve data quality and mitigate risks, at a cost of \$75,000.

Modelling highly allocated aquifers | \$100,000 of operational expenditure

Northland's precious groundwater is coming under increasing pressure from land use and development, and monitoring and managing this is an ongoing challenge. We'd proposed \$100,000 to purchase a model to help us assess the allocation limits for the Aupōuri, Ruawai and Russell aquifers, to enable effective planning and set the scene for longer term planning and reviews.

While council resolved not to fund this proposal, it was identified as a priority proposal to be brought back to council if revenue allowed.

National wells database | \$20,000 of operational expenditure

Another piece of the groundwater management puzzle is tracking and recording the wells that are extracting groundwater. We had the opportunity to do this via a joint effort between five regional councils to develop a wells database that can provide effective data storage and reporting of well information, with the contribution costing \$20,000.



What we removed from the pre-approved budget

During their deliberation council resolved not to proceed with \$453,651 of the planned just over \$700,000 of spend that had previously been approved as part of the Long Term Plan 2018-2028 for inclusion in the 2020/21 budget. It is intended that they would be brought back to council for approval during the year if revenue was higher than anticipated.

Far north poplar and willow nursery manager | \$70,322

We'd intended to expand our production of poplar and willow poles with the development of a nursery in the far north. We haven't been able to find suitable land, and are now looking in to expanding the existing nursery instead, meaning that a manager is not immediately necessary.

Eastern Bays Hill country staff | \$82,206

Funding from central government for additional hill country work means that staffing levels are currently sufficient.

Project costs associated with Northern Wairoa and lakes projects | \$41,854

These overhead costs associated with project staffing are no longer required as the vacancies are being put on hold.

Enviroschools staff and seminar costs | \$86,385

We've been growing our successful Enviroschools programme to meet the high demand from the region. Stopping this funding will mean that the programme cannot expand as planned, but will not prevent the popular programme from being delivered in its current capacity.

Sponsorship, intern and environmental awards funding | \$68,880

Reducing this funding means that we cannot offer additional sponsorship or Māori intern role in the 2020/21 year. The environmental awards will still proceed in a more limited capacity.

Painting of Water Street building, vehicle costs | \$104,004

We're keeping up essential maintenance but deferring the painting of our Water Street building.

Using our reserves and funds

We maintain several reserves and investment funds. The money from these funds is used to earn investment income, and some of this investment income is transferred to other reserves where it is held and used to fund council activities.

Generally, investment gains are re-invested and are not drawn upon unless required. The expected decrease in council revenue as a result of COVID-19 meant it was an appropriate time to draw on these, to help fill the hole resulting from a significant decrease in our forecast revenue.

We drew \$150,000 from the Equalisation Fund Reserve to fund our operational activities. This was consistent with the purpose of the reserve, which is intended to smooth rating increases.

We also drew \$250,000 from the Infrastructure Investment Fund and \$696,838 of current year and historical gains from the Community Investment Fund, and applied this to general funding to maintain a balanced budget. To help make up for the loss of rental income we've experienced due to the economic impacts of COVID-19, we also retained \$123,583 of funding from the Property Reinvestment fund to apply to general funds.

In addition to the use of these reserves to fund our general activities, we transferred \$1.7 million of capital from the Community Investment Fund (CIF) to the Investment and Growth reserve, to fund economic activity for 2020/21. We would usually transfer the \$1.7 million from our investment income, including a contribution from the CIF, but with a significant reduction in our investment income now forecast, we opted to use capital from the CIF.

Finances Mahere ā Pūtea



Funding impact statement

Te tauākī pānga pūtea

Rating funding impact statement

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

Annual Plan 2019/20 \$(000)		Annual Plan 2020/21 \$(000)	LTP Year 3 2020/21 \$(000)	Variance \$(000)
47,644	Operational Expenditure	50,988	45,479	(5,509)
16,744	Capital Expenditure	17,864	5,002	(12,862)
64,388	Total Gross Expenditure	68,852	50,481	(18,371)
Funded By				
8,017	Council services Rate	9,098	8,143	955
2,408	Land Management Rate	2,327	2,693	(366)
4,903	Freshwater Management Rate	5,003	5,151	(148)
4,527	Pest Management Rate	4,583	4,690	(107)
2,154	Flood Infrastructure Rate	2,236	2,220	16
1,604	Civil Defence and Hazard Rate	1,635	1,648	(13)
611	Targeted Regional Infrastructure Rate	611	611	-
1,385	Targeted Regional Sporting Facilities Rate	1,385	1,385	-
4,251	Other Targeted Rates	4,250	4,251	(1)
4,793	Grants and Subsidies	8,149	2,869	5,280
4,388	User Charges	3,989	4,492	(503)
2,996	Rental Income	3,309	2,575	734
3,340	Interest Income	2,281	4,909	(2,628)
3,708	Dividend Income	1,495	4,096	(2,601)
-	Borrowings	3,116	-	3,116
15,303	Cash Reserves from/(to)	15,385	748	14,637
64,388	Total Funding	68,852	50,481	18,371

Prospective funding impact statement

The prospective funding impact statement is GST exclusive and is required under the Local Government Act 2002 (Schedule 10, Clause 20) and conforms to Form 1 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 the combination of capital and operational items within the one financial statement.

Explanatory note to Applications of Capital Funding: The variance in expenditure shown as the line item 'To improve levels of service' is primarily due to the significant redevelopment of the former Countdown building site in Kensington, Whangārei, and a commercial development in Dargaville.

Annual Plan 2019/20 \$(000)		Annual Plan 2020/21 \$(000)	LTP Year 3 2020/21 \$(000)	Variance \$(000)
Sources of Operating Funding				
-	General Rates, uniform annual general charges, rates penalties	-	-	-
29,860	Targeted rates	31,128	30,792	(336)
4,793	Grants and subsidies for operating purposes	8,149	2,869	(5,280)
4,388	Fees Charges	3,989	4,492	503
7,048	Interest and dividends from investments	3,776	9,005	5,229
2,996	Local authorities fuel tax, fines, infringement fees and other receipts	3,310	2,575	(735)
49,085	Total Sources of Operating Funding	50,352	49,733	(619)
Applications of Operating Funding				
46,304	Payments to staff and suppliers	49,928	44,081	(5,846)
1,340	Finance costs	1,060	1,398	338
-	Other operating funding applications	-	-	-
47,644	Total Applications of Operating Funding	50,988	45,479	(5,508)
1,441	SURPLUS/(DEFICIT) FROM OPERATING FUNDING	(636)	4,253	4,889
Sources of Capital Funding				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
6,545	Increase/(Decrease) in debt	3,116	2,049	(1,067)
-	Gross proceed from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
6,545	Total Sources of Capital Funding	3,116	2,049	(1,067)

Applications of Capital Funding				
Capital expenditure				
-	- To meet additional demands	-	-	-
15,470	- To improve levels of service	11,751	3,157	(8,594)
1,274	- To replace existing assets	6,113	1,845	(4,268)
(616)	Increase/(Decrease) in reserves	(579)	1,383	1,962
(8,142)	Increase/(Decrease) in investments	(14,805)	(83)	14,722
7,986	Total Applications of Capital Funding	2,480	6,302	3,822
(1,441)	SURPLUS/(DEFICIT) FROM CAPITAL FUNDING	636	(4,253)	(4,889)
-	FUNDING BALANCE	-	-	-

Reconciliation to Statement of Comprehensive Revenue and Expense

Annual Plan		Annual Plan	LTP Year 3	Variance
2019/20		2020/21	2020/21	
\$(000)		\$(000)	\$(000)	\$(000)
16,744	Capital expenditure included above not in Comprehensive Revenue and Expense	17,864	5,002	(12,862)
(8,142)	Investment movements included above not in Comprehensive Revenue and Expense	(14,805)	(83)	14,722
-	- Other Gains included in Comprehensive Income not above	-	-	-
-	- Gross Proceeds included above not in Comprehensive Income	-	-	-
-	- Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-
-	- Property revaluation adjustments included in comprehensive income but not above	-	-	-
(6,545)	Proceeds from Borrowings included above not in comprehensive revenue	(3,116)	(2,049)	1,067
(616)	Transfers to/(from) special reserves included above not in comprehensive Income	(579)	1,383	1,962
-	- Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-
(1,810)	Depreciation Expense included in Comprehensive Income not above	(1,839)	(1,823)	16
(369)	Total Comprehensive revenue and expense for the year per the Statement of Comprehensive Revenue and Expense	(2,475)	2,430	4,905

Rates

Ngā Reiti

The amounts of the rates stated include the council's GST obligations.

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

Uniform annual general charge

The council does not set a uniform annual general charge.

Targeted region-wide rates

The council sets six rates, which are applied as targeted region-wide rates – the council services rate, land management rate, fresh water management rate, pest management rate, flood infrastructure rate and the civil defence and hazard management rate. Targeted region-wide rates are assessed on all rateable properties in the Northland region.

Council services rate

What it funds

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

How it is set

The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected

valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide \$75,700 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

The estimated total council services rate amounts to **\$10,462,778** for the 2020/21 financial year.

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

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

Council services rate

District	Rate	Rateable unit
Far North	\$92.40	per SUIP
Kaipara	\$125.27	per rating unit
Whangārei	\$120.20	per SUIP

Land management rate

What it funds

This land value based rate is used to fund activities that are carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991. The land management rate will specifically fund land management activities that have a direct relationship to land. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. The land management rate is assessed across all sectors of the Northland community and recognises that the benefit derived from the funded activities is strongly linked to land values.

How it is set

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

How much is the rate?

The estimated total land management rate is **\$2,675,824** for the 2020/21 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Land management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	10,252,478	10,252,478	\$8.78
Kaipara	5,073,386	5,701,343	\$9.95
Whangārei	14,261,891	14,870,732	\$9.14

Freshwater management rate

What it funds

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

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

How it is set

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

How much is the rate?

The estimated total freshwater management rate is **\$5,753,546** for the 2020/21 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Freshwater management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	10,252,478	10,252,478	\$18.87
Kaipara	5,073,386	5,701,343	\$21.37
Whangārei	14,261,891	14,870,732	\$19.66

Pest management rate

What it funds

The council uses the pest management rate to fund activities that are carried out under the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan under the Biosecurity Act 1993, consideration is given to the requirements of Section 100T of the Biosecurity Act. An analysis of Section 100T requirements was carried out and considered by council as part of the process of consulting on and adopting the Long Term Plan 2018-2028, and can be found in the rates section of that document.

The pest management rate will specifically fund pest plant and pest animal management activities.

How it is set

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

How much is the rate?

The estimated total pest management rate amounts to **\$5,270,162** for the 2020/21 financial year.

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

Pest management rate

District	Rate	Rateable unit
Far North	\$46.88	per SUIP
Kaipara	\$63.56	per rating unit
Whangārei	\$60.11	per SUIP

Flood infrastructure rate

What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in the Infrastructure Strategy included in the Long Term Plan 2018-2028). Specific targeted rates will be used to fund the portion of flood protection infrastructure that is not met by this flood infrastructure rate, and operational river schemes works.

How it is set

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

How much is the rate?

The estimated total Northland flood infrastructure rate amounts to **\$2,570,886** for the 2020/21 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 \$27.05.

Civil defence and hazard management rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total civil defence and hazard management rate amounts to **\$1,880,080** for the 2020/21 financial year.

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

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

Civil defence emergency management rate

District	Rate	Rateable unit
Far North	\$16.73	per SUIP
Kaipara	\$22.67	per rating unit
Whangārei	\$21.44	per SUIP

Specific targeted rates

The following specific targeted rates are for 2020/21.

Emergency services rate

What it funds

The council will collect the emergency services rate to provide a funding pool for selected organisations whose primary purpose is to save lives that are in immediate or critical danger, or to respond 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 rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total emergency services rate is **\$1,112,941** for the 2020/21 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 \$11.71.

How is the rate applied?

The emergency services rate will be applied to approved recipients.

Regional sporting facilities rate

What it funds

The council will collect the regional sporting facilities rate to contribute funds towards the development of sporting facilities across Northland that are of regional benefit. Potential recipient projects will be determined through ongoing work on the Northland Sports Facilities Plan.

How it is set

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

How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to **\$1,593,107** for the 2020/21 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 \$16.76.

How is the rate applied?

This rate is applied to the development of sporting facilities that are of regional benefit.

Regional infrastructure rate

What it funds

The regional infrastructure rate will fund activities relating to the development and/or completion of regional infrastructure projects.

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 **\$702,449** for the 2020/21 financial year.

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

Regional infrastructure rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	10,252,478	10,252,478	\$2.30
Kaipara	5,073,386	5,701,343	\$2.61
Whangārei	14,261,891	14,870,732	\$2.40

How is the rate applied?

This rate is applied to the infrastructure facilities reserve.

Whangārei transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Whangārei transport rate is **\$1,015,162** for the 2020/21 financial year. The rate will be set at \$23.20 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How is the rate applied?

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

Far North transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Far North district transport rate is **\$319,533** for the 2020/21 financial year. The rate will be set at \$8.60 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North district.

How is the rate applied?

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

Awanui River management rate

What it funds

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

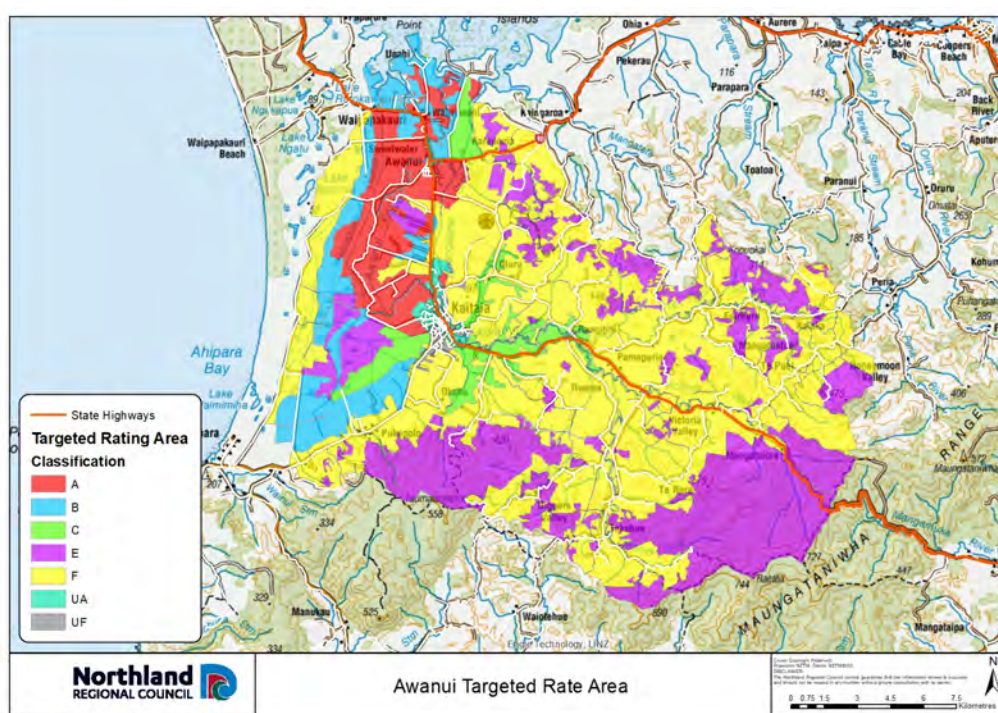
How it is set

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

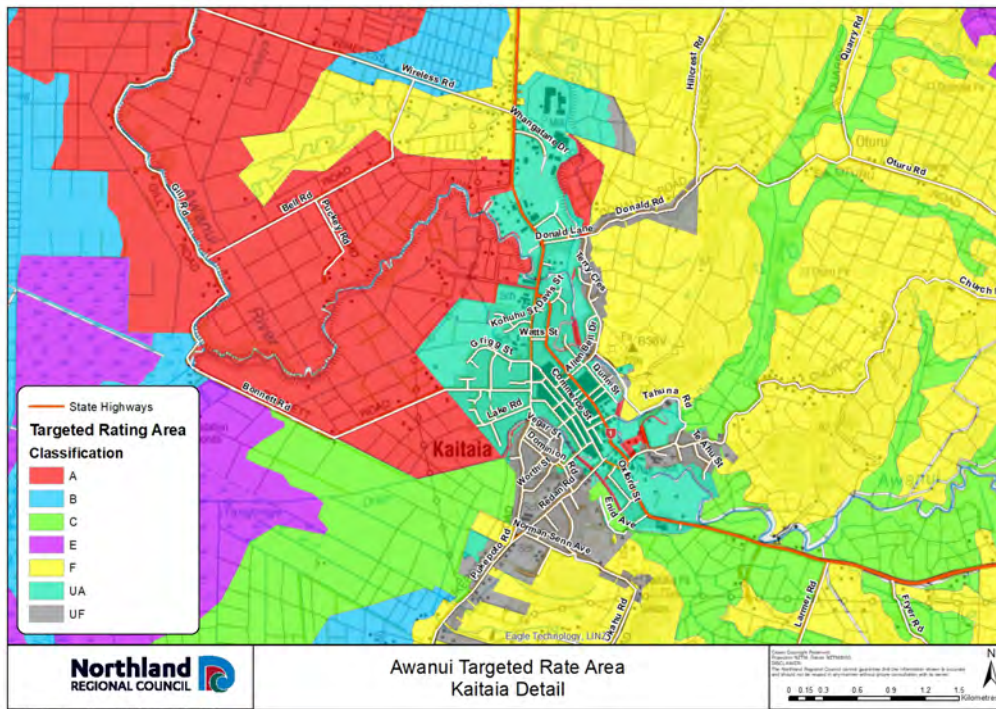
Awanui river management rate			
Category	Description	Rate	Rateable unit
1	Urban rate class UA(floodplain location)\$296.23 direct benefit plus \$29.89 indirect benefit per separately used or inhabited part of a rating unit.	\$326.12	Per SUIP
2	Urban rate classes UF (higher ground) \$29.89 direct benefit plus \$29.89 indirect benefit per separately used or inhabited part of a rating unit.	\$59.78	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$13.18 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 illustrated in the following maps and table.	\$13.18	Per SUIP

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

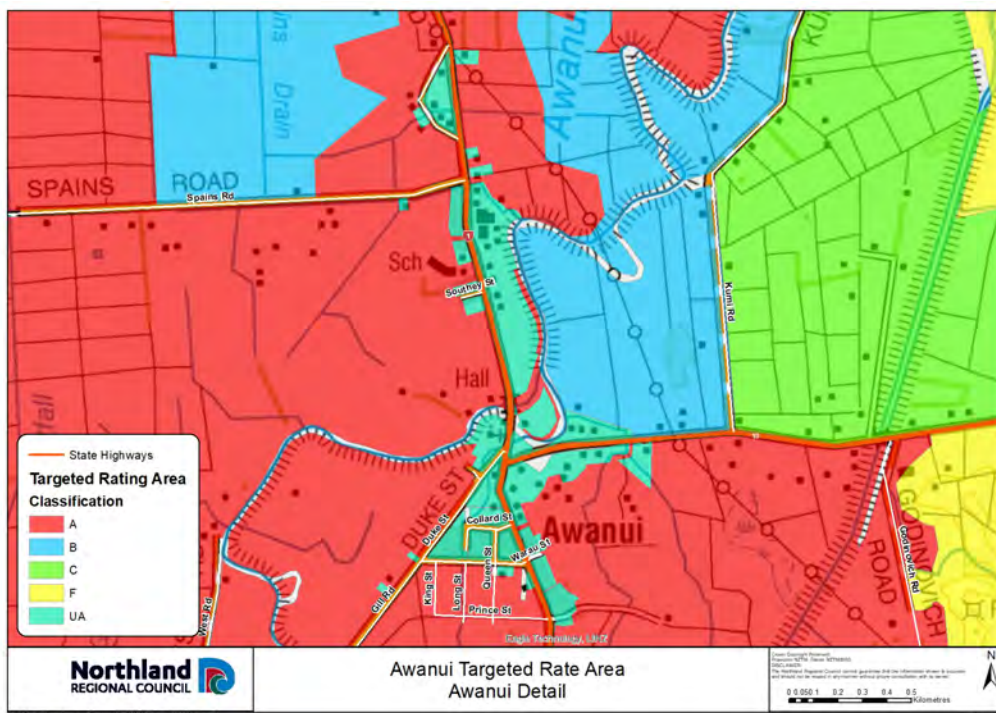
Awanui River scheme targeted rate



Awanui scheme targeted rate - Kaitiāia detail



Awanui River scheme targeted rate - Awanui detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$24.47
C	Moderate benefit; land floods less frequently and water clears quickly.	\$11.07
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.	\$1.09

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 **\$1,090,352** for the 2020/21 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui river management rate

Class	Rural or urban	Total revenue
A & B	Rural	\$139,082
C	Rural	\$17,898
F	Rural	\$20,563
Indirect benefit	Rural	\$21,466
Urban A	Urban	\$467,803
Urban F	Urban	\$39,697
Commercial differential	Majority urban	\$383,843
Total		\$1,090,352

How is the rate applied?

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

Kaihū River management rate

What it funds

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

How it is set

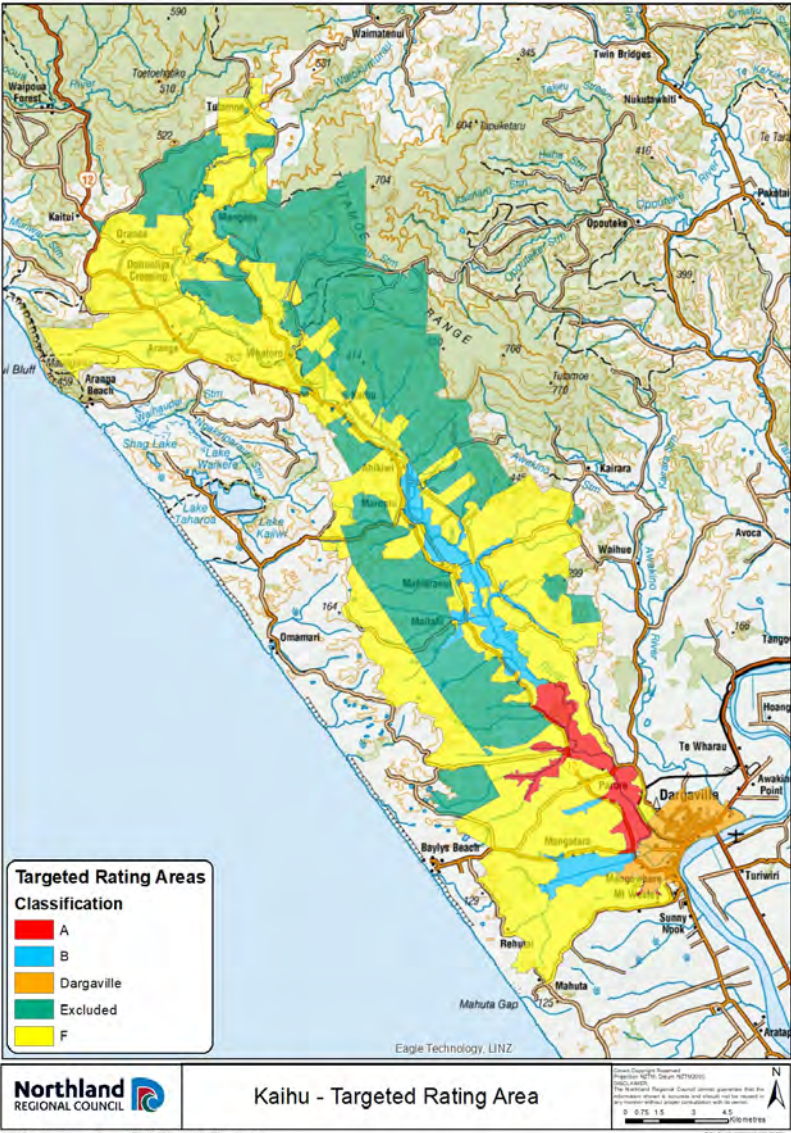
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

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

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

Kaihū River targeted rate area



Kaihū river management rate

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.13
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.39
F	Balance of rateable land within the Kaihū River rating area.	\$1.60
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5,015

How much is the rate?

The estimated total Kaihū River management rate is **\$79,869** in the 2020/21 financial year. The revenue sought from each category of rateable land will be as follows:

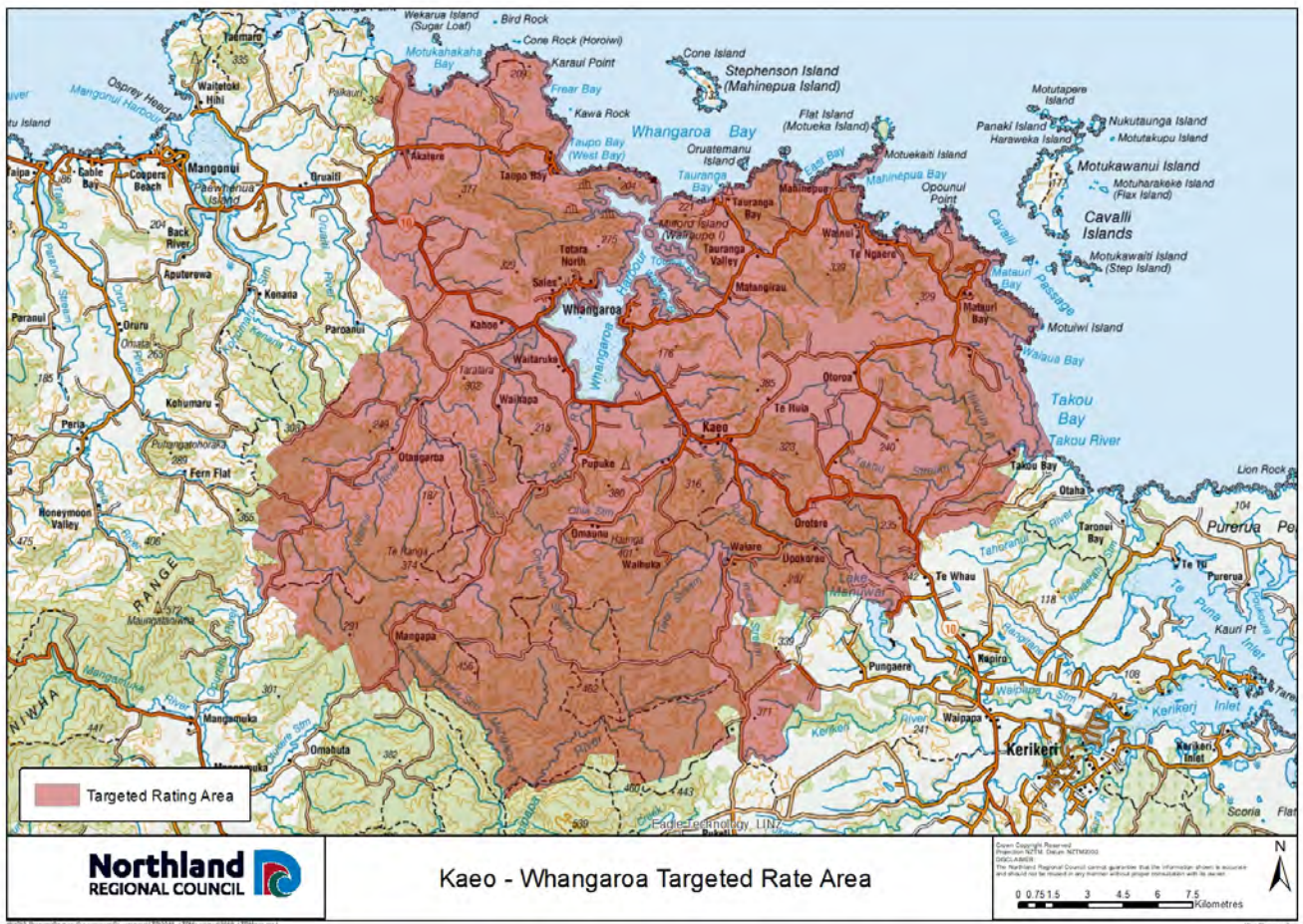
<i>Kaihū river management rate</i>	
Class	Total revenue
A	\$31,798
B	\$12,148
F	\$30,908
Urban contribution	\$5,015
Total	\$79,869

How is the rate applied?

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

Kāeo-Whangaroa rivers management rate

Kāeo-Whangaroa River targeted rate area



What it funds

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

How it is set

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

How much is the rate?

The estimated total Kāeo-Whangaroa rivers management rate is **\$116,644** in the 2020/21 financial year. The rate is set at \$51.36 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

How is the rate applied?

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

Whangārei urban rivers management rate

What it funds

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

How it is set

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

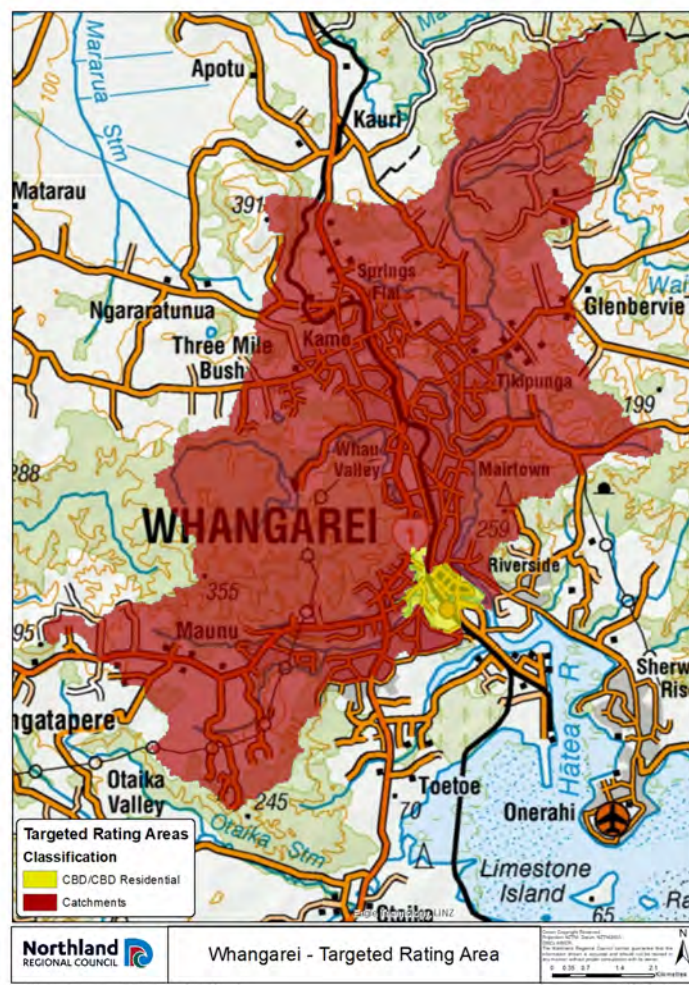
Whangārei urban rivers management rate			
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$353.75	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$174.91	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$43.52	Per SUIP

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

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

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

Whangārei urban rivers management rate area map



How much is the rate?

The estimated total Whangārei urban rivers management rate is **\$1,154,250** in the 2020/21 financial year. The revenue sought from each category is as follows:

Whangārei urban rivers management rate

Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$357,646
2	All residential properties in the Whangārei CBD flood area.	\$28,161
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$768,443
Total		\$1,154,250

How is the rate applied?

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

Other rating information

Each of Northland's three district councils is 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 Council's rates. They also collect the rates.

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

Separately used or inhabited part of a rating unit definitions

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

Far North district SUIP definition

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

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

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

- Individual flats or apartments;
- Separately leased commercial areas 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.

Whangārei district SUIP definition

A separately used or inhabited part is defined as;

- any part of a property (rating unit) that is separately used or occupied, or is intended to be separately used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, license, or other agreement;
- any part of a rating unit that is separately used, or occupied, or intended to be separately used or occupied by the ratepayer.

Examples include –

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

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

www.wdc.govt.nz

www.kaipara.govt.nz

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

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 information from the district valuation rolls at the time the rates are set, 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, with an additional charge of \$1.73 per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate, assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed Whangārei transport rate assessed on each separately used or inhabited part of a rating unit;
- 10A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
- 11A 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 \$ = 0.0000914	Land Value	2020/21	2019/20
Freshwater Management Rate = LV rate in the \$ = 0.0001966	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.000024	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	225,000	20.57	22.31
Targeted Freshwater Management Rate		44.24	45.50
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74

Targeted Regional Infrastructure Rate		5.40	5.69
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Total Regional Rates		350.68	334.08
Residential Property (in CBD area)			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	225,000	20.57	22.31
Targeted Freshwater Management Rate		44.24	45.50
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.40	5.69
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Whangārei River Management Rate - CBD Residential		174.91	174.16
Total Regional Rates		525.59	508.24
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	225,000	20.57	22.31
Targeted Freshwater Management Rate		44.24	45.50
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.40	5.69
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Whangārei River Management Rate - General Catchment		43.52	43.34
Total Regional Rates		394.20	377.42
Farm Property			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	2,750,000	251.35	272.64
Targeted Freshwater Management Rate		540.65	556.11
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02

Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		66.00	69.60
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Total Regional Rates		1,138.47	1,158.93
Commercial Property (non CBD)			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	2,000,000	182.80	198.28
Targeted Freshwater Management Rate		393.20	404.44
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		48.00	50.62
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Total Regional Rates		904.47	913.92
Commercial Property (in CBD area)			
Targeted Council Services Rate		120.20	104.25
Targeted Land Management Rate	2,000,000	182.80	198.28
Targeted Freshwater Management Rate		393.20	404.44
Targeted Pest Management Rate		60.11	58.37
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		21.44	20.68
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		48.00	50.62
Targeted Whangārei Transport Rate		23.20	22.83
Targeted Emergency Services Rate		11.71	11.69
Whangārei River Management Rate - CBD Commercial		353.75	352.25
Total Regional Rates		1,258.22	1,266.17

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 freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each rating unit; and
- 10A 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 \$ = 0.0000995	Land Value	2020/21	2019/20
Freshwater Management Rate = LV rate in the \$ = 0.0002137	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.0000261	(\$)	(\$)	(\$)
Residential Property			
Targeted Council Services Rate		125.27	112.05
Targeted Land Management Rate	225,000	22.39	23.92
Targeted Freshwater Management Rate		48.08	48.74
Targeted Pest Management Rate		63.56	63.80
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		22.67	22.61
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.87	6.08
Targeted Emergency Services Rate		11.71	11.69
Total Regional Rates		343.36	331.65
Farm Property			
Targeted Council Services Rate		125.27	112.05
Targeted Land Management Rate	2,750,000	273.62	292.38
Targeted Freshwater Management Rate		587.68	595.68
Targeted Pest Management Rate		63.56	63.80
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		22.67	22.61
Targeted Regional Sporting Facilities Rate		16.76	16.74

Targeted Regional Infrastructure Rate	71.78	74.36
Targeted Emergency Services Rate	11.71	11.69
Total Regional Rates	1,200.11	1,215.33

Additional for Properties in the Kaihū River Catchment	Land Value	2020/21	2019/20
GST Inclusive	(\$)	Rates	Rates
10 hectares	Class A	231.30	237.20
	Class B	113.90	116.80
	Class F	16.00	16.40
100 hectares	Class A	2,313.00	2,372.00
	Class B	1,139.00	1,168.00
	Class F	160.00	164.00

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 freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit.

Far North			
Land Management Rate = LV rate in the \$ = 0.0000878	Land Value	2020/21	2019/20
Freshwater Management Rate = LV rate in the \$ = 0.0001887	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.000023	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	225,000	19.76	26.28
Targeted Freshwater Management Rate		42.46	53.54
Targeted Pest Management Rate		46.88	46.78
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		16.73	16.58
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.18	6.68
Targeted Emergency Services Rate		11.71	11.69
Targeted Far North Transport Rate		8.60	8.68
Total Regional Rates		287.53	295.15
Farm Property			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	2,750,000	241.45	321.23
Targeted Freshwater Management Rate		518.93	654.33
Targeted Pest Management Rate		46.88	46.78
Targeted Flood Infrastructure Rate		27.05	26.02

Targeted Civil Defence and Hazard Management Rate	16.73	16.58
Targeted Regional Sporting Facilities Rate	16.76	16.74
Targeted Regional Infrastructure Rate	63.25	81.65
Targeted Emergency Services Rate	11.71	11.69
Targeted Far North Transport Rate	8.60	8.68
Total Regional Rates	1,043.76	1,265.86

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

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A targeted Awanui River management rate, classes UA/UF, A, B, C, E and F differentiated by location and area of benefit as defined in the Awanui river flood management scheme.

Far North District – Awanui Catchment			
Land Management Rate 2018/19 = LV rate in the \$ = 0.0000878	Land Value	2020/21	2019/20
Freshwater Management Rate = LV rate in the \$ = 0.0001887	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.000023	(\$)	(\$)	(\$)
Residential & Commercial Urban			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	225,000	19.76	26.28
Targeted Freshwater Management Rate		42.46	53.54
Targeted Pest Management Rate		46.88	46.78
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		16.73	16.58
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.18	6.68
Targeted Emergency Services Rate		11.71	11.69
Targeted Far North Transport Rate		8.60	8.68
<i>Plus Awanui river management rates applicable to:</i>			
- Urban rate class UA (floodplain location)		326.12	327.96
- Urban rate classes UF (higher ground)		59.78	60.01
- Commercial Urban UA		978.36	983.88
Lifestyle Property – 10 hectares			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	450,000	39.51	52.57

Targeted Freshwater Management Rate	84.92	107.07
Targeted Pest Management Rate	46.88	46.78
Targeted Flood Infrastructure Rate	27.05	26.02
Targeted Civil Defence and Hazard Management Rate	16.73	16.58
Targeted Regional Sporting Facilities Rate	16.76	16.74
Targeted Regional Infrastructure Rate	10.35	13.36
Targeted Emergency Services Rate	11.71	11.69
Targeted Far North Transport Rate	8.60	8.68

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B	747.28	747.37
- Rural Class A & B	257.88	258.03
- Rural Class C	123.88	124.06
- Rural Class E	13.18	13.35
- Rural Class F	24.08	24.24

Farm Property – 100 hectares

Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	2,750,000	241.45	321.23
Targeted Freshwater Management Rate		518.93	654.33
Targeted Pest Management Rate		46.88	46.78
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		16.73	16.58
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		63.25	81.65
Targeted Emergency Services Rate		11.71	11.69
Targeted Far North Transport Rate		8.60	8.68

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B	7,354.18	7,354.35
- Rural Class A & B	2,460.18	2,460.08
- Rural Class C	1,120.18	1,120.45
- Rural Class E	13.18	13.35
- Rural Class F	122.18	122.22

Note: Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: On \$326.12 for urban commercial UA class equating to \$978.36; on \$59.78 for urban commercial UF class equating to \$179.34; on \$24.47 for rural commercial class A and B equating to \$73.41; on \$11.07 for rural commercial class C equating to \$33.21; and on \$1.09 for rural commercial class F equating to \$3.27.

The rural rate also includes a single rate of \$13.18 to reflect the indirect benefit. Note that the commercial and industrial activities 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 three).

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 the rating unit;
2. A targeted land management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A 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).

Far North - Kāeo-Whangaroa			
Land Management Rate 2018/19 = LV rate in the \$ = 0.0000878	Land Value	2020/21	2019/20
Freshwater Management Rate = LV rate in the \$ = 0.0001887	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.000023	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	225,000	19.76	26.28
Targeted Freshwater Management Rate		42.46	53.54
Targeted Pest Management Rate		46.88	46.78
Targeted Flood Infrastructure Rate		27.05	26.02
Targeted Civil Defence and Hazard Management Rate		16.73	16.58
Targeted Regional Sporting Facilities Rate		16.76	16.74
Targeted Regional Infrastructure Rate		5.18	6.68
Targeted Emergency Services Rate		11.71	11.69
Targeted Far North Transport Rate		8.60	8.68
Targeted Kāeo-Whangaroa Rivers Management Rate		51.36	52.06
Total Regional Rates		338.89	347.21
Farm Property			
Targeted Council Services Rate		92.40	82.16
Targeted Land Management Rate	2,750,000	241.45	321.23
Targeted Freshwater Management Rate		518.93	654.33
Targeted Pest Management Rate		46.88	46.78

Targeted Flood Infrastructure Rate	27.05	26.02
Targeted Civil Defence and Hazard Management Rate	16.73	16.58
Targeted Regional Sporting Facilities Rate	16.76	16.74
Targeted Regional Infrastructure Rate	63.25	81.65
Targeted Emergency Services Rate	11.71	11.69
Targeted Far North Transport Rate	8.60	8.68
Targeted Kāeo-Whangaroa Rivers Management Rate	51.36	52.06
Total Regional Rates	1,095.12	1,317.92

Summary of rates

The following table illustrates the distribution of the regional rate on forecast basis for the 2020/21 financial year, with the actual 2019/20 regional rate for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate – 30 June 2020

	Gross Number of RU (Kaipara) or SUIP (others) (gross)	Net Number of RU (Kaipara) or SUIP (others) (net)	Capital Value (CV) \$(000)	Land Value (LV) \$(000)	Equalised Capital Value \$(000)	Equalised Land Value \$(000)	Equalised Capital Value (%)	Equalised Land Value (%)
Far North District	38,534	37,155	19,484,844	10,252,478	19,484,844	10,252,478	33.05%	33.26%
Kaipara District	14,759	14,130	8,936,389	5,073,386	10,045,512	5,701,343	17.04%	18.50%
Whangārei District	45,071	43,757	28,373,534	14,261,891	29,421,095	14,870,732	49.91%	48.24%
Total Valuation - Northland	98,364	95,042	56,794,767	29,587,755	58,951,451	30,824,553	100.00%	100.00%

	Rates 2020/21 (including GST)			Rates 2019/20 (including GST)		
		Total (gross)	Total (net)		Total (gross)	Total (net)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Targeted Council Services Rate						
Far North (per SUIP)	92.40	3,560,542	3,433,122	82.16	3,109,982	3,023,383
Kaipara (per RU)	125.27	1,848,860	1,770,065	112.05	1,631,669	1,561,189
Whangārei (per SUIP)	120.20	5,417,534	5,259,591	104.25	4,755,947	4,634,917
		10,826,936	10,462,778		9,497,598	9,219,489
Targeted Land Management Rate						
Far North (per \$ of actual LV)	0.0000878	900,168	890,067	0.0001168	906,054	895,546
Kaipara (per \$ of actual LV)	0.0000995	504,802	494,975	0.0001063	531,165	522,627
Whangārei (per \$ of actual LV)	0.0000914	1,303,537	1,290,782	0.0000991	1,400,168	1,351,234
		2,708,507	2,675,824		2,837,387	2,769,407
Targeted Freshwater Management Rate						
Far North (per \$ of actual LV)	0.0001887	1,934,643	1,914,068	0.0002379	1,845,620	1,823,491
Kaipara (per \$ of actual LV)	0.0002137	1,084,183	1,064,160	0.0002166	1,082,154	1,064,161
Whangārei (per \$ of actual LV)	0.0001966	2,803,888	2,775,318	0.0002022	2,855,984	2,751,351

		5,822,714	5,753,546		5,783,758	5,639,003
Targeted Pest Management Rate						
Far North (per SUIP)	46.88	1,806,474	1,741,826	46.78	1,770,784	1,721,475
Kaipara (per RU)	63.56	938,082	898,103	63.80	929,051	888,921
Whangārei (per SUIP)	60.11	2,709,218	2,630,233	58.37	2,663,165	2,595,393
		5,453,774	5,270,162		5,363,000	5,205,789
Targeted Flood Infrastructure Rate						
Far North (per SUIP)	27.05	1,042,345	1,005,043	26.02	984,883	957,458
Kaipara (per RU)	27.05	399,231	382,216	26.02	378,898	362,532
Whangārei (per SUIP)	27.05	1,219,171	1,183,627	26.02	1,187,074	1,156,865
		2,660,747	2,570,886		2,550,855	2,476,855
Targeted Civil Defence and Hazard Management Rate						
Far North (per SUIP)	16.73	644,674	621,603	16.58	627,428	609,957
Kaipara (per RU)	22.67	334,587	320,327	22.61	329,184	314,965
Whangārei (per SUIP)	21.44	966,322	938,150	20.68	943,619	919,606
		1,945,583	1,880,080		1,900,231	1,844,528
Targeted Regional Sporting Facilities Rate						
Far North (per SUIP)	16.76	645,912	622,797	16.74	633,474	615,835
Kaipara (per RU)	16.76	247,392	236,849	16.74	243,706	233,180
Whangārei (per SUIP)	16.76	755,486	733,461	16.74	763,523	744,092
		1,648,790	1,593,107		1,640,703	1,593,107
Targeted Regional Infrastructure Rate						
Far North (per \$ of actual LV)	0.0000230	236,208	233,640	0.0000297	230,274	227,152
Kaipara (per \$ of actual LV)	0.0000261	132,422	129,926	0.0000270	135,100	132,562
Whangārei (per \$ of actual LV)	0.0000240	342,446	338,883	0.0000253	357,469	342,735
		711,076	702,449		722,842	702,449
Targeted Emergency Services Rate						
Far North (per SUIP)	11.71	451,233	435,085	11.69	442,406	430,087
Kaipara (per RU)	11.71	172,828	165,462	11.69	170,200	162,848
Whangārei (per SUIP)	11.71	527,781	512,394	11.69	533,230	519,660
		1,151,842	1,112,941		1,145,836	1,112,595
Targeted Whangārei Transport Rate						
Rate per SUIP	23.20	1,045,647	1,015,162	22.83	1,041,703	1,015,194
Targeted Far North Transport Rate						
Far North District	8.60	331,392	319,533		328,621	319,470
Targeted Awanui River Management Rate						

Far North District - Rural	210,494	207,969	210,330	207,969
Far North District - Urban	893,471	882,383	892,878	882,383
	<u>1,103,965</u>	<u>1,090,352</u>	<u>1,103,208</u>	<u>1,090,352</u>
Targeted Kaihū River Management Rate				
Kaipara District (Kaihū river area only)	<u>79,869</u>	<u>79,869</u>	<u>79,869</u>	<u>79,869</u>
Targeted Kāeo-Whangaroa Rivers Management Rate				
Far North (Kāeo only) 51.36	<u>123,983</u>	<u>116,644</u>	<u>123,981</u>	<u>116,644</u>
Targeted Whangārei Urban Rivers Management Rate				
Rates per SUIP	<u>1,164,148</u>	<u>1,154,250</u>	<u>1,167,409</u>	<u>1,154,250</u>
TOTAL RATES				
	Gross (\$)	Net (\$)	Gross (\$)	Net (\$)
Far North District	12,781,539	12,423,780	12,106,715	11,830,850
Kaipara District	5,742,256	5,541,953	5,510,995	5,322,854
Whangārei District	18,255,178	17,831,851	17,669,291	17,185,296
	<u>36,778,973</u>	<u>35,797,584</u>	<u>35,287,001</u>	<u>34,339,001</u>

* Amount inclusive of GST

** Amount net of remissions and inclusive of GST

Financials

Mahere ā Pūtea

Financial Statements

The following financial statements show our financial plan for the 2020/21 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:

- Significant forecasting assumptions
- Significant financial forecasting assumptions
- Accounting policies

Prospective statement of comprehensive revenue and expense

Annual Plan 2019/20 \$(000)		Annual Plan 2020/21 \$(000)	LTP Year 3 2020/21 \$(000)
REVENUE			
29,860	Rates	31,128	30,792
4,388	Fees and Charges	3,989	4,492
4,793	Subsidies and Grants	8,149	2,869
1,001	Interest Revenue	552	1,480
6,704	Other Revenue	4,805	6,671
2,339	Other Gains	1,729	3,429
49,085	TOTAL REVENUE	50,352	49,733
EXPENSES			
17,623	Personnel Costs	18,959	17,776
1,810	Depreciation and Amortisation Expense	1,839	1,823
1,340	Finance Costs	1,060	1,398
-	Other Losses	-	-
28,681	Other Expenditure on Activities	30,969	26,305
49,454	TOTAL OPERATING EXPENDITURE	52,827	47,302
(369)	SURPLUS / (DEFICIT) BEFORE TAX	(2,475)	2,430
-	INCOME TAX CREDIT / (EXPENSE)	-	-
(369)	SURPLUS / (DEFICIT) AFTER TAX	(2,475)	2,430
SURPLUS / (DEFICIT) ATTRIBUTABLE TO:			
(369)	Northland Regional Council	(2,475)	2,430
-	Non-Controlling Interest	-	-
OTHER COMPREHENSIVE REVENUE & EXPENSE			
<i>Items that will be reclassified to surplus / (deficit)</i>			
-	Financial Assets at fair value through other comprehensive revenue & expense	-	-
<i>Items that will not be reclassified to surplus / (deficit)</i>			
-	Gains / (Loss) on Property Revaluations	-	-
-	Gains / (Loss) on Infrastructure Asset revaluations	-	-
-	TOTAL OTHER COMPREHENSIVE REVENUE & EXPENSE	-	-
(369)	TOTAL COMPREHENSIVE REVENUE & EXPENSE FOR THE YEAR	(2,475)	2,430

Section 100 of the Local Government Act 2002 states that a local authority must set revenues at a level sufficient to meet that year's operating costs. Exceptions are permitted under s100(2).

The table below demonstrates the calculations used to determine a balanced budget. Any result zero or greater demonstrates a balanced budget that meets s100(1).

2019/20		2020/21
\$(000)		\$(000)
(369)	GAAP deficit as above	(2,475)
(3,346)	Transfers to Reserves	(4,384)
3,962	Transfers from Reserves	4,713
247		(2,146)
(716)	CIF (Recapitalisation)/Utilisation	1,900
500	CIF Funded Grant	-
-	IIF Utilisation	250
31	Balanced budget surplus / (deficit)	4

Prospective statement of financial position

Annual Plan		Annual Plan	LTP Year 3
2019/20		2020/21	2020/21
\$(000)		\$(000)	\$(000)
ASSETS			
Current Assets			
73	Cash and cash equivalents	366	44
3,930	Other financial assets	936	3,626
5,285	Receivables	4,395	6,081
3,175	Inventory	3,181	3,205
-	Assets held for sale	2,079	-
12,463	Total Current Assets	10,957	12,956
Non Current Assets			
5,900	Receivables	6,102	6,546
42,922	Other financial assets	34,402	67,366
41,376	Infrastructure, property, plant and equipment	42,426	43,908
70,449	Investment property	71,233	47,667
525	Intangible assets	582	126
2,862	Forestry assets	3,264	2,713
7,828	Investment in subsidiaries (excl council controlled organisations) and joint venture company	7,828	7,828
863	Investment in council controlled organisations	863	863
172,724	Total Non Current Assets	166,700	177,018
185,187	TOTAL ASSETS	177,657	189,974
LIABILITIES			
Current Liabilities			
4,602	Payables	6,015	5,616
-	Borrowings and other financial liabilities	-	-
1,792	Employee entitlements	1,910	1,749
6,394	Total Current Liabilities	7,925	7,364
Non Current Liabilities			
806	Payables and deferred revenue	668	948
27,077	Borrowings and other financial liabilities	19,902	28,571
19	Employee entitlements	20	19
27,901	Total Non Current Liabilities	20,590	29,538
34,296	TOTAL LIABILITIES	28,515	36,902

150,892	NET ASSETS	149,142	153,071
EQUITY			
137,567	Accumulated funds	141,836	131,967
3,963	Revaluation reserves	3,973	2,807
9,361	Other reserves	3,333	18,297
150,892	Total Equity	149,142	153,071
-	Non-controlling interests in subsidiary companies	-	-
150,892	TOTAL EQUITY	149,142	153,071

Prospective statement of changes in equity

Annual Plan		Annual Plan	LTP Year 3
2019/20		2020/21	2020/21
\$(000)		\$(000)	\$(000)
151,261	Balance at 1 July	151,617	150,641
(369)	Total comprehensive revenue and expense	(2,475)	2,430
150,892	Balance at 30 June	149,142	153,071
	<i>Total comprehensive revenue and expense attributable to:</i>		
(369)	Northland Regional Council	(2,475)	2,430
-	Non-controlling interests	-	-
150,892	Balance at 30 June	149,142	153,071

Prospective statement of cashflows

Annual Plan 2019/20 \$(000)		Annual Plan 2020/21 \$(000)	LTP Year 3 2020/21 \$(000)	Variance to LTP \$(000)
Cash flows from operating activities				
29,157	Receipts from rates revenue	27,353	30,223	2,870
11,725	Receipts from customers	8,894	9,282	388
2,278	Subsidies and grants received	8,371	2,144	(6,227)
2,938	GST received	3,076	3,763	687
3,607	Interest received	661	3,559	2,898
3,708	Other revenue received	1,495	4,096	2,601
(50,126)	Staff and suppliers	(53,792)	(48,378)	5,414
(291)	Other payments - operating	(273)	(275)	(2)
(1,340)	Interest paid	(1,060)	(1,398)	(338)
1,657	Net cash provided / (used) in operating activities	(5,275)	3,016	8,291
Cash flows from investing activities				
-	Sale of infrastructure, property, plant and equipment	-	-	-
8,438	Other receipts - investing	22,712	(100)	(22,812)
(16,744)	Purchase of infrastructure, property, plant and equipment	(17,864)	(5,002)	12,862
(8,306)	Net cash provided (used) in investing activities	4,848	(5,102)	(9,950)
Cash flows from financing activities				
6,135	Other receipts - financing	10,344	12,049	1,705
-	Other payments - financing	(10,000)	(10,000)	-
6,135	Net cash provided / (used) in financing activities	344	2,049	1,705
(514)	Net increase / (decrease) in cash and cash equivalents	(83)	(37)	46
587	Cash and cash equivalents at beginning of period	449	81	(368)
73	Cash and cash equivalents at end of period	366	44	(322)

Schedule of reserves

Annual Plan 2019/20 \$(000)		Annual Plan 2019/20 \$(000)	LTP Year 3 2020/21 \$(000)
Land Management Reserve			
136	Opening Balance as at 1 July	-	-
(136)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(0)	Closing Balance as at 30 June	-	-
Awanui River Reserve			
(711)	Opening Balance as at 1 July	(614)	(436)
161	Increase /(Decrease) in Reserve throughout the year (operational transfer)	127	152
(96)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(104)	-
(645)	Closing Balance as at 30 June	(591)	(284)
Kaihu River Reserve			
61	Opening Balance as at 1 July	21	49
(11)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(11)	(11)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
50	Closing Balance as at 30 June	10	37
Whangaroa Kaeo Rivers Reserve			
125	Opening Balance as at 1 July	162	16
(14)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(108)	(17)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
111	Closing Balance as at 30 June	54	(1)
Whangarei Urban River Reserve			
(9,077)	Opening Balance as at 1 July	(8,620)	(8,708)
456	Increase /(Decrease) in Reserve throughout the year (operational transfer)	466	428
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(8,621)	Closing Balance as at 30 June	(8,154)	(8,281)
Kerikeri Waipapa Rivers Reserve			
425	Opening Balance as at 1 July	410	371
(29)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(42)	(42)
(15)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(235)	(230)
380	Closing Balance as at 30 June	133	99
Flood Infrastructure Reserve			
(1,320)	Opening Balance as at 1 July	(1,467)	(2,006)

445	Increase /(Decrease) in Reserve throughout the year (operational transfer)	375	380
(1,132)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(2,181)	(2,134)
(2,006)	Closing Balance as at 30 June	(3,273)	(3,760)
Whangarei Flood Infrastructure Reserve			
(180)	Opening Balance as at 1 July	(57)	(188)
37	Increase /(Decrease) in Reserve throughout the year (operational transfer)	33	33
(45)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(188)	Closing Balance as at 30 June	(24)	(154)
Awanui Flood Infrastructure Reserve			
(194)	Opening Balance as at 1 July	310	(149)
301	Increase /(Decrease) in Reserve throughout the year (operational transfer)	200	277
(257)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(824)	(807)
(150)	Closing Balance as at 30 June	(314)	(679)
Kaeo Flood Infrastructure Reserve			
21	Opening Balance as at 1 July	30	30
21	Increase /(Decrease) in Reserve throughout the year (operational transfer)	19	19
(12)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(110)	(108)
30	Closing Balance as at 30 June	(61)	(59)
Infrastructure Facilities Reserve			
(2,639)	Opening Balance as at 1 July	(2,357)	(2,996)
175	Increase /(Decrease) in Reserve throughout the year (operational transfer)	236	175
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(2,464)	Closing Balance as at 30 June	(2,121)	(2,821)
Property Reinvestment Fund Reserve			
15,318	Opening Balance as at 1 July	10,777	23,323
(800)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(391)	280
(12,838)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(10,386)	-
1,680	Closing Balance as at 30 June	-	23,602
Infrastructure Investment Fund Reserve			
19,603	Opening Balance as at 1 July	19,774	9,080
(278)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(250)	113
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(2,443)	-
19,324	Closing Balance as at 30 June	17,081	9,193
Equalisation Fund Reserve			
1,407	Opening Balance as at 1 July	1,048	1,001
(415)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(877)	(91)

-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
992	Closing Balance as at 30 June	171	910
Hatea River Reserve			
124	Opening Balance as at 1 July	71	64
(51)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(56)	(52)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
73	Closing Balance as at 30 June	15	12
Investment and Growth Reserve			
238	Opening Balance as at 1 July	372	534
(495)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(340)	(170)
840	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	21
582	Closing Balance as at 30 June	32	386
Whangarei Transport Reserve			
(95)	Opening Balance as at 1 July	(64)	(55)
(25)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	(2)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(120)	Closing Balance as at 30 June	(64)	(57)
Far North Transport Reserve			
40	Opening Balance as at 1 July	245	163
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
40	Closing Balance as at 30 June	241	163
Capital Subsidy Reserve : Public Transport			
67	Opening Balance as at 1 July	77	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
67	Closing Balance as at 30 June	77	-
Operating Costs Reserve			
-	Opening Balance as at 1 July	-	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	-	-
Emergency Services Reserve			
183	Opening Balance as at 1 July	78	78
43	Increase /(Decrease) in Reserve throughout the year (operational transfer)	43	(87)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-

226	Closing Balance as at 30 June	121	(9)
9,361	Total Special Reserves Closing Balance as at 30 June	3,333	18,297

Equity represents the total value of the council and its assets and is measured by the difference between total assets and liabilities. Public equity is disaggregated and classed into a number of reserves to enable clearer identification of the specified uses of accumulated surpluses.

The components of equity are:

- Retained earnings
- Council created reserves
- And asset revaluation reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves can be used to account for revenue and expenditure collected or incurred in relation to specific work programmes. Where council sets and collects a targeted rate for a specific purpose, the funds can only be applied to that purpose, keeping track of surpluses and deficits of those work programmes in a reserves ensures council is accountable and transparent.

Where reserves carry a deficit balance, they are deemed to have undertaken internal borrowing from councils consolidated funds. Conversely, where the reserves carry a surplus, they are deemed to have loaned money to councils' consolidated funds.

Purpose of each reserve fund:

Land Management Reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the land management reserve maintains a positive balance, it can be used to fund emergency events such as remedial storm expenditure on a case-by-case basis.

River and Flood Infrastructure Reserves

The Awanui, Kaihū, Kaeo-Whangaroa, Kerikeri-Waipapa and Whangārei urban river reserves and flood infrastructure reserves hold targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:

any future funding shortfalls in respect to the maintenance and operation of existing river flood management schemes (River Reserves)

any future funding shortfalls in respect to the development, maintenance and operation of new flood infrastructure schemes (Flood Infrastructure Reserves)

This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be repaid from future targeted river management and flood infrastructure rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

Infrastructure Facilities Reserve

The Infrastructure facilities reserve was created to set aside any targeted Infrastructure rates collected and not fully used in any given year for the purpose of funding the holding costs associated with the Marsden Point Rail link project, the capital costs of securing the rail corridor designation, and other activities relating to the development and/or completion of future regional infrastructure projects. The deficit balance of this reserve will be repaid from future targeted regional infrastructure rates collected from ratepayers in all three Northland districts.

Property Reinvestment Fund Reserve

This reserve was established to represent the proceeds of commercial property sales and acquisitions and includes the proceeds of a special dividend (capital) payment made by the Marsden Maritime Holdings Limited. The funds are general funds and are set aside to be reinvested in income producing assets. The fund invests monies in separate managed funds which have been earmarked to hold the funds pending the identification of approved property investments.

Equalisation Fund Reserve

This reserve was created to set aside 50% of council's forestry net income arising in any year. This reserve is intended to provide future funding of councils 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 reserve be used to fund the cost of forestry operations in non-harvesting years.

Hātea River Maintenance Reserve

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:

1. Ongoing maintenance and dredging;
2. Disposal of dredged spoil material;
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

Investment and Growth Reserve

This reserve was created to set aside the investment income redirected to be made available for activities and projects that contribute towards economic well-being. The council will allocate monies from the reserve to projects in accordance with set criteria.

Far North Transport Reserve

This reserve was created to hold any targeted Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of Far North transport services.

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. The fund invests monies which has been earmarked for the approved infrastructure and economic development investments in externally managed funds.

Whangārei Transport Reserve

This reserve was established to hold any targeted Whangārei transport rates collected and unspent in any given year to cover any future funding shortfalls of Whangārei transport service. The deficit balance of this reserve will be repaid from future targeted Whangārei transport rates collected from ratepayers in the Whangārei district.

Emergency Services Reserve

This reserve was established to hold any targeted Emergency Services rates collected and unspent in any given year to contribute to any future funding shortfalls of Emergency Services funding.

Flood Infrastructure Reserve

This reserve was created to hold any targeted flood infrastructure rates relating to new flood protection capital programmes, identified in the infrastructure strategy, that were collected and unspent in any given year. These unspent rates will cover any future funding shortfalls in the new flood protection capital programmes.

Capital Subsidy Reserve

This reserve currently holds capital subsidies received from the NZ transport agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System (RITIS).

Operating Reserve

This reserve was created to ensure the stability of council's operations in the event that investment income reduces unexpectedly.

In order to maximise returns, council maintains long-term investments in a managed fund portfolio, with the returns funding council work programmes. To safe-guard against the short-term volatility of these investment markets, an operating reserve was created to ensure funding is available in times of lower than anticipated returns.

All reserves displaying a deficit balance at 1 July 2020 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

Financial Prudence

There is an expectation that Northland Regional Council (NRC) 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	Annual Plan 2020/21
Affordability			
<i>Benchmark</i>			
Rates Benchmark*	i) Total Rates as % of Total Revenue	< 65%	62%
	ii) Total Average Rates Increase as %	< 10%	4.4%
Debt Benchmark	Net Debt as % of Total Revenue	< 175%	-29%
<i>Indicator</i>			
Rates Indicator**			\$ 376.65
Sustainability			
<i>Benchmark</i>			
a) Balanced budget benchmark***		> 1	0.95
b) Essential services benchmark****		> 1	19.59
c) Net Interest as % of Revenue		< 10%	1.0%
d) Liquidity		> 110%	249%
Predictability			
<i>Benchmark</i>			
Operations control benchmark*****			N/A
(result to be published in the annual report)			
* Rates income complies with the limits set in the council's financial strategy			
** Rates Revenue per rating unit/SUIP			
*** Due to COVID-19's impact on council's revenue, this annual plan has operating expenditure exceeding revenue, excluding income from development contributions and financial contributions, revaluations and vested assets. The budgetary hole has been funded by utilising reserves and investment funds.			

