

# Annual Plan

2013/14



Putting Northland first

**NORTHLAND  
REGIONAL  
COUNCIL**



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

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

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

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

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

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

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

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

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## Message from Chairman and Chief Executive

Our thanks to those who took the time to read and comment on our Draft Annual Plan. Submission numbers were low, reflecting the fact this plan closely mirrors the direction already consulted on during last year's Long Term Plan. However, the feedback we did receive provided us with valuable context for our decision-making.

Affordability has once again been very much at the fore during development of this Annual Plan, and this was reinforced by submitters. We're very conscious that the effects of the recession continue to be felt by many Northland households.

As proposed, we have committed to keeping costs as low as possible in this Annual Plan, without compromising on the level of service that is delivered for the region.

With careful cost management we've managed to keep general rates increases to just three percent for the coming year. This is less than half the 6.45% increase originally projected for 2013/14 in our Long Term Plan 2012-2022.

Keeping expenditure to a minimum does have some consequences. One is our decision not to allocate resources towards any new public requests for funding in the coming year (including the six we received during the submission process).

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

Since the Draft Annual Plan was developed several new budget requirements have arisen that we have now included in this final Annual Plan. By taking a fine tooth comb to our budgets across the board, we're able to fund these without further increasing rates.

The newly-budgeted activities include \$50,000 for a new floating dock to allow vessels carrying marine pests to be contained and treated; \$50,000 for participation in projects as part of our membership of the Upper North Island Strategic Alliance (UNISA) and \$58,350 for water quality improvement activities on those council properties purchased as part of our efforts to secure the Marsden Point rail link corridor.

While these new items of expenditure have been added, our final Annual Plan remains largely unchanged, particularly in terms of the strategic priorities and service levels it sets out.



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

A major area of work for the coming year – for all councils in Northland – will be local government reorganisation. An application by the Far North District Council for a unitary authority in its district has set in motion a process to look at the shape of local government in Northland.

We agree that changes need to be made to the local government structures in Northland to deliver better governance and services to you. We have always maintained that any change should be community driven.

Working within a tight timeframe set by the Local Government Commission we ran a series of community meetings to outline the various options for local government reform available to Northlanders and seek public feedback on them.

As a result of this we put forward a proposed model that would see strengthening of local democracy through a series of local boards, supported by one unitary authority for the region.

As this Annual Plan comes into effect the Local Government Commission is still working through its

process and is yet to make a determination about its preferred option

Regardless of the outcome, we will work hard to ensure our communities remain well informed and that their best interests are represented throughout the process.

This extraordinary workload around local government reorganisation will be fully funded by additional savings generated by improvements in productivity within the council and will therefore be delivered at no additional cost to ratepayers.

This year's local body elections will be of significant importance for the council, and we will see in action for the first time the new changes to how Northlanders are represented at our council table.

For many years, our eight councillors have been elected at large from three constituencies mirroring the boundaries of the three district councils.

This has now been replaced by a model that better reflects the communities in our region and ensures an improved geographic spread of community representatives elected to council.

At the October 12 elections Northlanders will vote for nine regional councillors representing seven, smaller constituencies.

We look forward to the strengthened representation Northlanders will get at our council table, which will enable our local communities to be better represented in regional decision-making.



Craig Brown  
Chairman



Malcolm Nicolson  
Chief Executive Officer

## Your councillors



**Craig Brown**  
Chairman  
*Whāngārei District constituency*  
Phone: 09 432 7575  
Email: [craigb@nrc.govt.nz](mailto:craigb@nrc.govt.nz)



**John Bain**  
Deputy Chairman  
*Whāngārei District constituency*  
Phone: 09 437 6096  
Email: [jbain@internet.co.nz](mailto:jbain@internet.co.nz)



**Bronwyn Hunt**  
*Far North District constituency*  
Phone: 09 408 3412  
Email: [bronyh@hotmail.com](mailto:bronyh@hotmail.com)



**Joe Carr**  
*Far North District constituency*  
Phone: 09 401 9197  
Email: [carr.clan@farmside.co.nz](mailto:carr.clan@farmside.co.nz)



**Tony Davies-Colley**  
*Whāngārei District constituency*  
Phone: 09 435 4090  
Email: [tony@westpoint.net.nz](mailto:tony@westpoint.net.nz)



**Graeme Ramsey**  
*Kaipara District constituency*  
Phone: 09 439 7022  
Email: [baylys@igrin.co.nz](mailto:baylys@igrin.co.nz)



**Bill Rossiter**  
*Whāngārei District constituency*  
Phone: 09 437 2807  
Email: [brossiter37@gmail.com](mailto:brossiter37@gmail.com)



**Ian Walker**  
*Far North District constituency*  
Phone: 09 408 0072  
Email: [ian@folders.co.nz](mailto:ian@folders.co.nz)

## About this Annual Plan

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

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

In this Annual Plan we highlight where a budget or proposal differs from what's in the Long Term Plan. This document summarises our activities and financial strategy rather than repeating the detailed information that is in the Long Term Plan. Copies of the Long Term Plan 2012–2022 are available from council offices or our website: [www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)

Before making our final decisions on the council's work programme and budgets for the year ahead, we wanted to hear what the community thought and consulted with you earlier this year. The outcomes of the consultation process are described on page 8.

### Charging Policy for 2013/14 & Navigation, Water Transport and Maritime Safety bylaw charges

Each year, in conjunction with our annual plan review process, we also review our charging policy. This year, council also reviewed the Navigation, Water Transport and Maritime Safety bylaw charges. As a result of this review some of the fees of the bylaw were proposed to be increased to reflect inflation-related cost increases. A new Navigation and Safety Service Fee was also proposed to contribute towards safety services provided by council.

We consulted on these proposed changes together with the Draft Annual Plan.

No submissions on the charging policy or the bylaw charges were received during the consultation and as a result council has adopted both the Charging Policy for 2013/14 and the Navigation, Water Transport and Maritime Safety Bylaw as proposed and included in the draft Annual Plan. Both documents are available separately from council, but are also included in this final Annual Plan for completeness.

## Key changes from the Long Term Plan

### Lower-than-projected general rates

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

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

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

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

savings would still be about \$386,000 (or about 3% of the general rate).

### Local Government Act amendment

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

Subsequently the Local Government Act Amendment Bill was introduced, debated and passed by Parliament.

In December 2012, as the Local Government Act Amendment Bill became law, the purpose of local government changed. While we still exist to enable democratic local decision-making and action by, and on behalf of, our regional communities the requirement to promote the four well-beings has been removed. We believe that by maintaining our focus on the activities contained in the Long Term Plan 2012–22 we have enabled and are responding to democratic local decision making. Therefore we consider this Annual Plan is consistent with the new purpose of local

government. It remains to be seen whether future guidance from government about how we should interpret the new requirement to provide cost-effective good-quality local infrastructure, local public services and regulatory functions will be provided and how this is to be reconciled with community aspirations that may be wider than this. Future draft Annual and Long Term Plans will be developed taking the new purpose into account and will incorporate any policy guidance provided by government at that time.

Not all of the eight points of the reform programme have been completed and further changes to the Local Government Act are anticipated in the near future. Council will review and incorporate any such changes into its activities and actions as required.

### Local government reform in Northland

The issue of how to best structure local government in Northland has been raised a number of times over the years. In December 2012 the Far North District Council (FNDC) applied to the Local Government Commission (LGC) to have a unitary authority, combining the functions of a district and regional council in the Far North. This application has set in motion a process that will see local government structure a key focus for all four of Northland's councils over the coming year.

When the LGC called for alternative proposals by 15 April 2013, council lodged an alternative application which recommended seven local boards with real, legally-protected powers – supported by a single unitary authority for Northland.

We did this after careful consideration of the options for local government in Northland and engaging with as many individuals and communities as time would allow. We held a series of in-depth facilitated public consultation workshops and meetings (Kaitiāia, Kerikeri, Kaikohe, Whāngārei, Dargaville and Mangawhai) over late May and early April with 167 participants. Participants favoured – by a considerable margin – either an enhanced version of the status quo or a single

local authority underpinned by strong, legally-empowered local boards.

The status quo is already one of the options the commission is legally bound to investigate. Therefore council put forward the alternative single council (unitary authority) for Northland with local democratic decision making (local boards). We also indicated the level of support for an enhanced status quo to assist the LGC in determining community support for change.

At the time of writing the LGC is still working through its process and is yet to make a determination about its preferred option. Council is committed to keeping the community informed of all steps of the process and will be talking to the community again once the LGC has made its determination.

### New rating policies for Kaipara District ratepayers

In its Draft Annual Plan the Kaipara District Council consulted on a number of proposed changes to its rating policies. The region's three district council's collect the regional council rates. To minimise the marginal costs of collection, the regional council adopts the rating policies set by each of the district councils. Following consultation, the Kaipara District Council rating policy amendments made as part of the 2013-2014 Annual Plan process, impacting on regional council rates are summarised as follows:

- Rating policy three - a reduction in rates installments from six to four installments annually. Installments dates will be the 20th of August, November, February and May.
- Rating policy twelve - changes to the remission policy, intended to allow council to act fairly and reasonably when considering the remission and enforcement of late payment penalties.

The revised rating policy is included in the Kaipara District Council's Annual Plan and is also available on their website <http://www.kaipara.govt.nz/>.



## Overview – our strategic direction

### Council's strategic direction

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

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

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

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

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

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

During 2013/14 we will continue to work within our priority catchments with collaborative stakeholder groups to establish uses and values, set new objectives with associated quality and allocation limits, incentivise and develop good management practices, and develop programmes to improve water management.

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

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

Independent Commissioners are currently considering submissions on the Proposed Regional Policy Statement, which was notified for public submissions in October 2012. They will then make their recommendations to council. This will complete the formal consultation process and represents the culmination of more than three years work which has involved input from a wide range of individuals and groups along the way.

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

- **Flood protection improvements.**

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

For more information, see the section *Our activities* from page 39 of this plan. There is also more detail in our Long Term Plan 2012–2022 which is available on our website: [www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp).

### Summary of council's financial strategy

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

The biggest driver for rate increases over the next eight years as a consequence of this financial strategy is the transition of our investment income away from funding operations. Several large river management projects also contribute to rate increases in targeted geographic areas (in Whāngārei, Kaeo, Kerikeri – Waipapa and potentially for Awanui).

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

- Last year we slowed the transition of the investment income from five years to 10 years.
- We will fund distinctive and one-off costs from the Forestry Income Equalisation Reserve to smooth rates increases.

- We will use the Investment and Growth Reserve, rather than rates, to fund our economic development activities (finding, facilitating and delivering suitable projects).

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

### Council's financial policies

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

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

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

[www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)

## Changes to the final Annual Plan

### Summary of outcomes from public consultation

Our draft Annual Plan did not propose any significant changes or variations from the direction set out for the 2013/14 year in the 2012–2022 Long Term Plan, other than the proposed lower-than-projected general rates.

This section provides a brief summary of the submission issues raised in the 18 submissions we received on our draft Annual Plan. While our submission numbers were low it is considered this reflects the fact this plan closely mirrors the direction already consulted on during last year's Long Term Plan.

#### • Rates

The submitters who commented on the proposed rate increase and were all in support of the proposed reduction, which has been retained in this final Annual Plan.

#### • Freshwater management

Over half of the submitters who commented on this issue were in support of council's programme of works for Waiora Northland Water, which is continued under this plan.

#### • Regional Policy Statement

A number of submitters commented on resource management matters that are part of the development of the new RPS. These submissions were provided to the team working on the RPS as they could not be dealt with under the Local Government Act and this plan.

#### • Flood protection improvements

There was one submission on the targeted rate for the proposed capital works for the Kaeo-Whangaroa Rivers Flood Management Scheme. Staff will raise the submission with the Kaeo-Whangaroa River Management Liaison Committee, with any further feedback informing the next draft Annual or Long Term Plan if required.

- **Economic development**

Four submitters commented on council's economic development activities. These comments were also raised and considered by council during the Long Term Plan 2012-2022 submissions process. Council has therefore decided to continue the activity as proposed in the Draft Annual Plan and 2012-2022 Long Term Plan.

- **Funding requests**

During the development of the Draft Annual Plan council decided, due to the economic climate and pressure to keep rates low, not to allocate funds towards any new public requests for funding for the 2013/14 year. Council received six submissions that contained requests for funding from various organisations throughout Northland. These have not been granted.

- **Biosecurity**

The majority of the nine submitters on biosecurity requested council increase its biosecurity funding and activity. While the pressing need for biosecurity issues to be given attention by national and regional government was acknowledged, council kept the budget for this activity as proposed in the draft Annual Plan.

- **GE/GMO**

Three submitters raised issues in relation to genetic engineering/genetically modified organisms. Council continues to support a precautionary approach to GE and provides a contingency fund of \$10,000 for assessing applications made to the Environmental Protection Agency in this plan.

### **Changes made to the final Annual Plan**

Since the Draft Annual Plan was developed several new budget requirements were identified by staff. These were presented to council for discussion during the Annual Plan deliberations meeting.

Council determined to include all of the proposed budget items in the final Annual Plan, however these have all been able to be accommodated within existing budgets without incurring any impact on rates.

These newly-budgeted activities include:

- \$50,000 for a new floating dock to allow vessels carrying marine pests to be treated.
- \$50,000 for participation in projects as part of our membership of the Upper North Island Strategic Alliance (UNISA).
- \$58,350 for water quality improvement activities on properties owned by the council to secure the Marsden Point rail link corridor.
- \$8,000 for the Bay of Islands rubbish barge service for the summer period.

There are also several smaller activities that have now been included in the final Annual Plan budgets. These are primarily administrative in nature to support governance and finance activities, such as valuation and legal services and internal audits.

## Council's objectives and vision

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

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

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

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

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

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

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

### Our vision

Creating a region of choice

### Our motto

Putting Northland first

### Our mission

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

### Our values

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

### Our values in action

#### Put our community and region first

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

#### Be a champion for our natural environment

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

#### Be forward-thinking and innovative

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

#### Be flexible and open

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

#### Be responsive and deliver value

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

#### Be professional and accountable

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

#### Work with others

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



# Financial overview

## Operational spending

Council is forecasting \$27.6 million of operational expenditure to support service delivery in 2013/14.

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

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

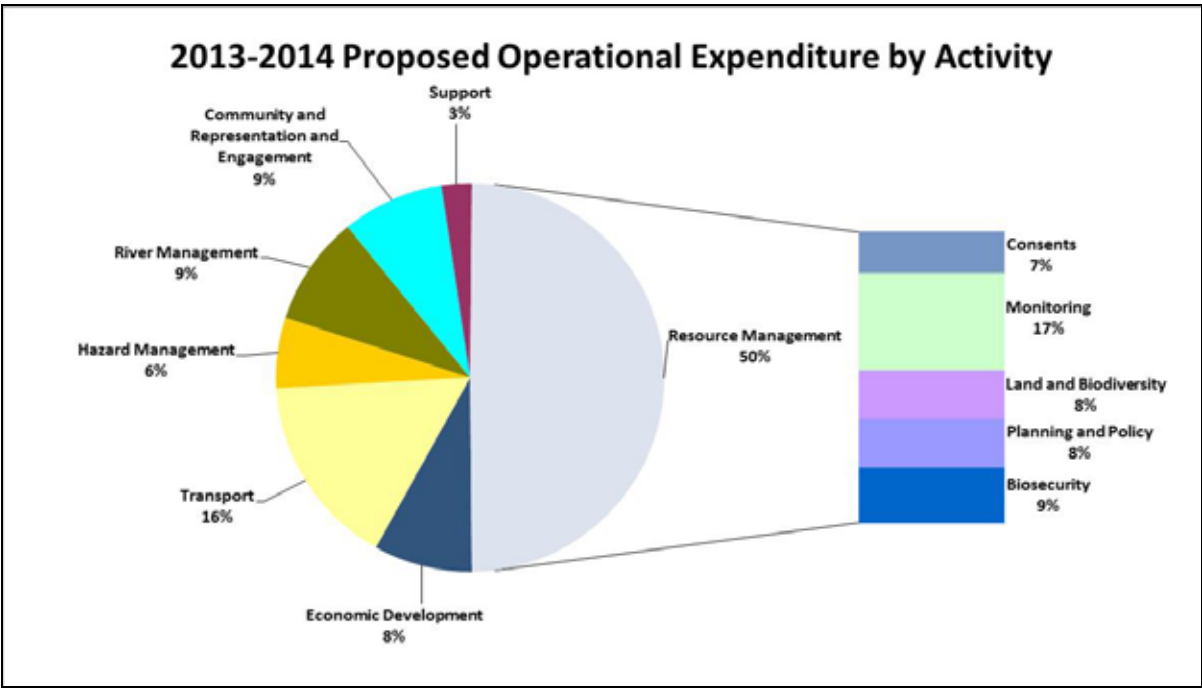
We administer the Whāngārei urban and Kaitiāia bus services and help plan the region's transport network,

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

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

In 2013/14 the Resource Management group of activities accounts for the largest portion of operating expenditure (49% of the \$27.6 million). The activities within the Resource Management group include consents, monitoring, land and biodiversity, resource management planning and biosecurity.

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



## Capital spending

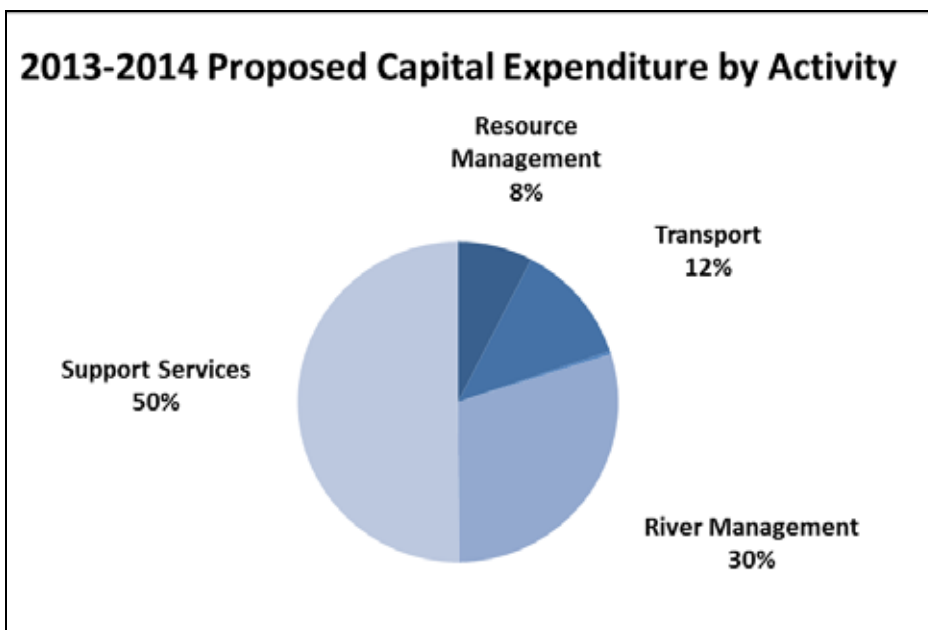
The total capital expenditure funding requirement for 2013/14 is \$1.97 million. Our capital expenditure includes \$558,000 for the cyclical replacement of plant and equipment; \$416,000 for information technology; \$310,000 for vehicle replacement; \$53,000 for the Awanui River Flood Management Scheme, \$534,000 for the Whāngārei detention dam, \$50,000 for a floating treatment dock to treat vessels infected with the Mediterranean fan worm, and \$58,000 for water quality improvement initiatives at councils Flyger Road properties. The proposed new capital expenditure does not include any proposed carry-forwards or unspent

capital expenditure from the current financial year. At the end of the 2012/13 financial year a review will be carried out of ongoing projects where capital expenditure remains unspent and where appropriate a proposal will be put to the council's Audit and Finance Committee, requesting capital funding to be carried forward into the 2013/14 financial year to enable projects to be completed.

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

## Proposed capital expenditure for 2013/14 by activity

Group of activities	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$
Resource Management	149,082	89,082
Transport	242,451	286,553
Hazard Management	6,250	2,064
River Management	587,174	6,459,968
Support	988,810	880,296
<b>Total</b>	<b>1,973,767</b>	<b>7,717,964</b>

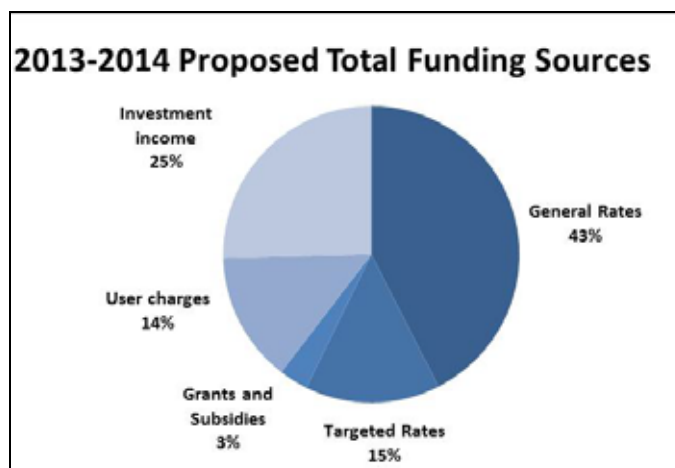


## Sources of funding for council activities

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

and charges, grants and subsidies, and investment income.

The graph below summarises council's proposed funding mix for 2013/14. For a full breakdown of our funding sources, see page 15.



## Rate requirements

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

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

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

### Proposed rates for 2013/14

	Far North (per SUIP) incl. GST	Kaipara (per RU) incl. GST	Whāngārei (per SUIP) incl. GST
<i>(Assuming Land Value is \$225,000, and excluding River Management Rates)</i>			
Council Services Rate	\$93.58	\$106.75	\$109.08
Land Management Rate	\$61.04	\$65.07	\$71.08
Regional Recreational Facilities Rate	\$5.75	\$5.75	\$28.75
Regional Infrastructure Rate	\$6.93	\$7.47	\$8.01
Rescue Helicopter Service Rate	\$8.29	\$8.29	\$8.29
Transport Rate (Whāngārei District)			\$12.78
<b>Total (incl. GST)</b>	<b>\$175.59</b>	<b>\$193.33</b>	<b>\$237.99</b>

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

The Whāngārei Urban Rivers Management Rate has been increased to the levels signalled for the 2013/14 financial year in our Long Term Plan 2012–2022. The funds collected from this targeted rate will fund the construction of the detention dam. The other River Management Rates remain largely unchanged from the 2012/13 financial year.

The Whāngārei and Kaitiāia transport rates have increased slightly to cover the costs of rates remissions and administering these two bus services. The proposed increases are \$0.66 (including GST) per annum per ratepayer for the Whāngārei bus service, and \$0.35 including GST annum per annum for ratepayers located near the Kaitiāia bus route (identified in the map on page 19).

## User fees and charges

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

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

## Proposed budget compared to Long Term Plan forecasts

### Operating revenue

Under this Annual Plan our proposed revenue take forecast is \$30,777,015.

This is about \$341,000 less than our Long Term Plan forecast of operating revenue for the 2013/14 year, which was \$31,118,492.

The main reasons for the 1.1% decrease are:

- A lower proposed annual general rate increase of 3% included in this plan (compared to a 6.45% increase forecast in the Long Term Plan). This results in general rating income reducing by \$504,000.
- Our projected income from dividends is \$664,000 higher than originally forecast in the Long Term Plan. A \$0.065 per share dividend was projected in the Long Term Plan; however the dividend was revised in this Annual Plan to \$0.095 per share.
- Grants and subsidies are \$372,000 lower than forecast in the Long Term Plan. This is mainly due to the reduction in subsidies received from the New Zealand Transport Agency and the removal of the Department of Conservation's Bio-Condition subsidy funding.
- Interest income is \$121,000 lower than forecast in the Long Term Plan. This is mainly due to the returns generated from the Community Investment Fund and Councils capital being reviewed and adjusted to reflect the interest rates prevailing in the current market.

### Operating expenditure

Under this Annual Plan our proposed spending forecast for the coming year is \$27,565,732.

This is about \$340,000 less than our Long Term Plan forecast of operating expenditure for the 2013/14 year, which was \$27,905,912.

The main reasons for the 1.2% decrease are:

- Reduced expenditure on our Transport activity work due to decreased level of New Zealand Transport Agency subsidies being received.
- Reduced expenditure on the Bio-Condition fund projects.
- Reduced operational expenditure resulting from a comprehensive review of council's operations, which has identified \$386,000 of cost reductions across a range of council activities.

- An increase of \$250,000 for the provision for doubtful debts on rates arrears, bringing the total provision to \$508,000.

### Capital expenditure

This Annual Plan forecasts our capital expenditure at \$1,973,767 for the coming 2013/14 year. This is \$5,744,197 less than originally forecast in our Long Term Plan (that is, \$7,717,964 for 2013/14), and is predominantly due to the revised estimates and scheduling of the Whāngārei detention dam capital works budget. The revised estimated capital expenditure proposed for the Whāngārei detention dam project is detailed below:

#### Whāngārei detention dam project revised estimates

	2012-2013 (\$)	2013-2014 (\$)	2014-2015 (\$)
Revised Budgets	4,563,631	534,369	2,515,000
LTP	469,565	6,407,163	0



## Rating Funding Impact Statement

The prescribed funding impact statement – required by clause 15 of schedule 10 of the Local Government Act 2002 and the Local Government (Financial Reporting) Regulations 2011 – is set out on pages 34 and 35. The following table shows total gross expenditure and lists, by rate and income type, the funding derived from each source for easy reference.

LTP Year 1 2012-2013 \$	Excluding GST	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
27,035,582	Operational expenditure	26,433,941	26,778,520	344,579
3,599,071	Capital expenditure	1,973,767	7,717,964	5,744,197
<b>30,634,652</b>	<b>Total gross expenditure</b>	<b>28,407,708</b>	<b>34,496,484</b>	<b>6,088,775</b>
	<b>Funded by</b>			
7,279,686	Council Service Rate	7,691,495	7,855,008	(163,513)
5,348,014	Land Management Rate	5,314,720	5,654,673	(339,953)
593,544	Targeted Regional Infrastructure Rate	611,353	593,602	17,751
1,226,775	Targeted Regional Recreational Facilities Rate	1,220,845	1,233,300	(12,455)
2,574,850	Other targeted rates	2,673,759	2,699,985	(26,226)
1,486,699	Grants and subsidies	971,190	1,343,573	(372,383)
4,105,264	User charges	4,172,467	4,231,484	(59,017)
3,588,448	Rental income	3,648,608	3,633,523	15,085
2,191,906	Interest income	2,020,022	2,141,330	(121,308)
1,439,289	Dividend income	2,103,577	1,439,289	664,288
122,030	Sundry income	170,846	125,935	44,911
678,147	Cash reserves from/(to)	(2,191,174)	3,544,782	(5,735,955)
<b>30,634,652</b>	<b>Total funding</b>	<b>28,407,708</b>	<b>34,496,484</b>	<b>(6,088,775)</b>

## Rates

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

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

### Uniform Annual General Charge

The council does not assess a Uniform Annual General Charge.

### Targeted general rates

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

### Council Services Rate

#### What it funds

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

#### How it is set

The Council Services Rate is a targeted rate, differentiated by location assessed on each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts and on each rating unit in the Kaipara District. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.71 (including GST) per SUIP of a rating unit is to be levied across the Whāngārei district to provide \$68,081 to fund ongoing maintenance of the Hātea River channel.

This rating policy recognises that a differentiated, fixed 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.

For efficiency, the Targeted Council Services Rate, Regional Recreational Facilities Rate, and the Targeted Rescue Helicopter Rate will be shown as a single amount on the face of the joint regional and district council rates assessments issued by the Kaipara District Council and the Far North District Council, with the amounts and description for the separate rates shown clearly on the reverse of all assessments.

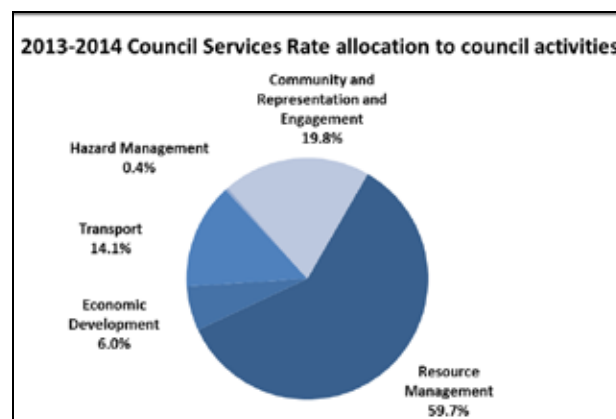
### How much is the rate?

The estimated total Council Services Rate amounts to \$8,845,219 (including GST) for the 2013/14 financial year.

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

District	Excl. GST	Incl. GST	
Far North District	\$81.37	\$93.58	per SUIP
Kaipara District	\$92.83	\$106.75	per rating unit
Whāngārei District	\$94.85	\$109.08	per SUIP

### How is the rate applied?



## Land Management Rate

### What it funds

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

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

The Land Management Rate is levied across all sectors of the Northland community and recognises that all communities benefit from the protection of forests, the prevention of soil erosion, and the minimisation of damage by floodwaters and resulting improvements in water quality.

### How it is set

The Land Management Rate is assessed on the land value of each rating unit in the region. The rate is set per dollar of the actual rateable land value. The rate per dollar of actual rateable land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. Remissions have been applied on district basis. The council does not apply a differential on this rate.

### How much is the rate?

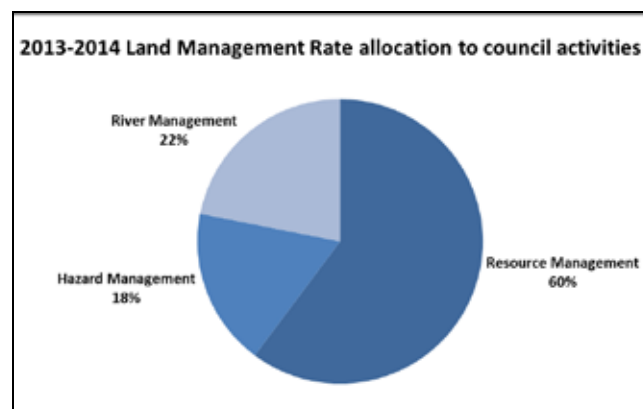
The estimated total Land Management Rate is \$6,111,928 (including GST) for the 2013/14 financial year.

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

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	8,660,240	7,490,848	\$23.59	\$27.13
Kaipara District	3,559,985	3,316,518	\$25.15	\$28.92
Whāngārei District	8,934,205	8,934,205	\$27.47	\$31.59

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

### How is the rate applied?



### Targeted rates

The following targeted rates are proposed for 2013/14:

## Regional Recreational Facilities Rate

### What it funds

This rate funds the development of the regional events centre.

### How it is set

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

### How much is the rate?

The estimated total Northland Regional Recreational Facilities Rate amounts to \$1,403,972 (including GST) for the 2013/14 financial year. The rate is to be assessed as follows.

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

### How is the rate applied?

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

## Regional Infrastructure Rate

### What it funds

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

### How it is set

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

### How much is the rate?

The estimated total Regional Infrastructure Rate is \$703,056 (including GST) for the 2013/14 financial year. The table below shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	8,660,240	7,490,848	\$2.68	\$3.08
Kaipara District	3,559,985	3,316,518	\$2.89	\$3.32
Whāngārei District	8,934,205	8,934,205	\$3.10	\$3.56

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

### How is the rate applied?

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

## Rescue Helicopter Service Rate

### What it funds

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

### How it is set

The Rescue Helicopter Service Rate is a fixed rate assessed on each rating unit in the Kaipara District, and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts.

### How much is the rate?

The estimated total Rescue Helicopter Service Rate is \$714,338 (including GST) for the 2013/14 financial year.

The fixed amount for each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of a rating unit in the Far North and Whāngārei Districts is \$8.29 (including GST) or \$7.21 (excluding GST).

### How is the rate applied?

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

## Transport Rate (Whāngārei District)

### What it funds

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

### How it is set

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

### How much is the rate?

The estimated total Transport Rate (Whāngārei District) is \$504,723 (including GST) for the 2013/14 financial year.

The fixed charge will be set at \$12.78 (including GST) or \$11.11 (excluding GST) for each separately used or inhabited part (SUIP) of a rating unit in the Whāngārei District.

### How is the rate applied?

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



## **Kaitāia Transport Rate (Far North District)**

### **What it funds**

This rate funds the Kaitāia bus passenger transport service.

### **How it is set**

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

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

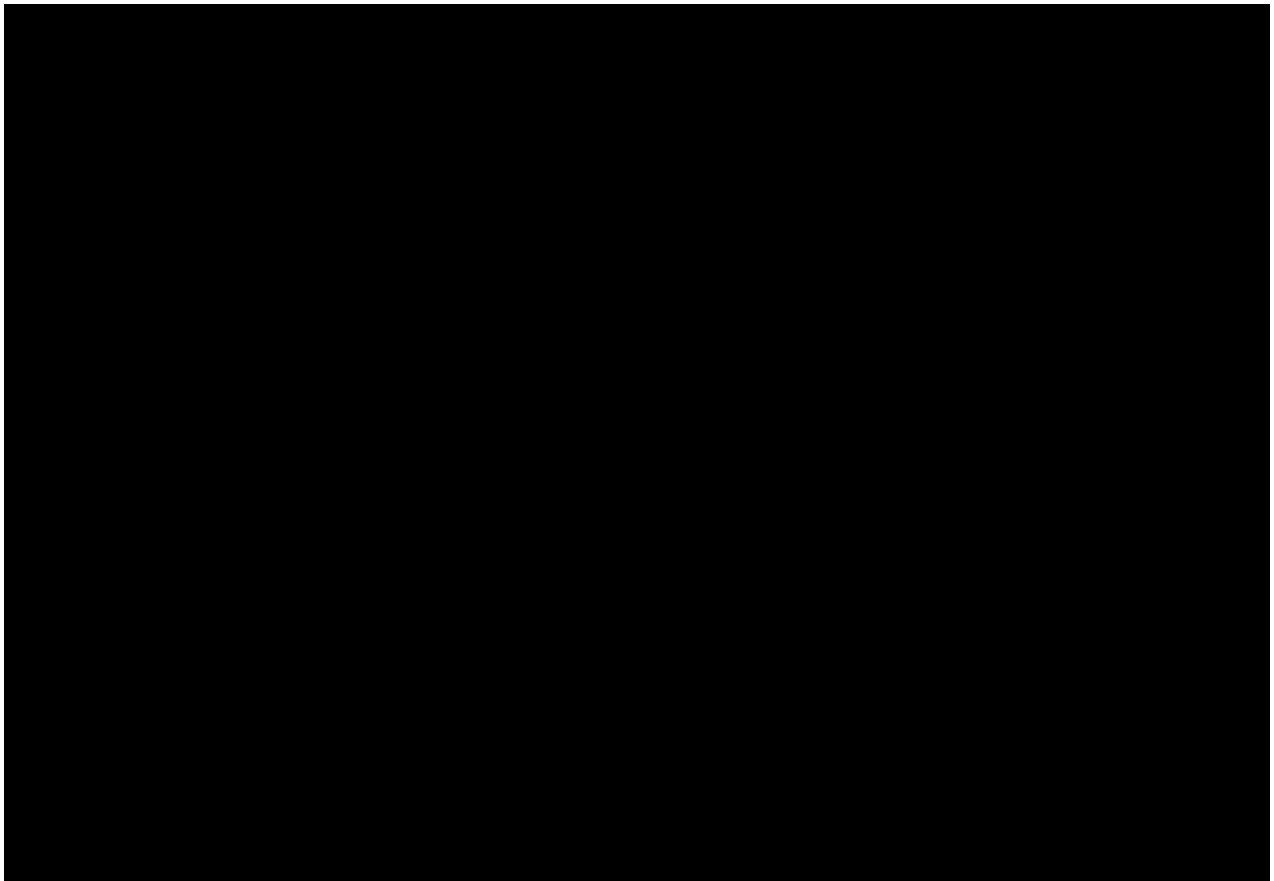
The estimated total Kaitāia Transport Rate (Far North District) is \$91,849 (GST inclusive) for the 2013/14 financial year.

The fixed amount will be set at \$15.62 (GST inclusive) or \$13.58. (GST exclusive) for each separately used or inhabited part (SUIP) of a rating unit located near the Kaitāia bus route, as illustrated in the map below.

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

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

### **Rating units for the Kaitāia Transport Rate (Far North District)**



## Awanui River Management Rate

### What it funds

To fund works on the Awanui River Flood Management Scheme.

### How it is set

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

The rate is assessed and set differentially as follows:

		Excl. GST	Incl. GST
1.	Urban rate class UA (floodplain location) \$128.11 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit per separately used or inhabited part of a rating unit:	\$122.54	\$140.92
2.	Urban rate classes UF (higher ground) \$12.81 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit per separately used or inhabited part of a rating unit:	\$22.28	\$25.62
3.	Commercial differential factor:		3.0
4.	Rural rate differentiated by class, \$7.88 (including GST) per separately used or inhabited part of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitāia flood rating district as stated in the Awanui River Asset Management Plan :	\$6.85	\$7.88

### Awanui River Management Rate: Description

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

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

### How much is the rate?

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

Class		Total revenue excl GST	Total revenue incl GST
Class A	Rural	\$41,799	\$48,069
Class B	Rural	\$32,946	\$37,888
Class C	Rural	\$11,414	\$13,126
Class F	Rural	\$11,324	\$13,023
Indirect benefit	Rural	\$11,788	\$13,556
Urban A		\$172,040	\$197,846
Urban F		\$14,482	\$16,654
Commercial differential	Majority urban	\$122,110	\$140,426
<b>Total Rate</b>		<b>\$417,902</b>	<b>\$480,588</b>

**How is the rate applied?**

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

**Kaihū River Management Rate****What it funds**

This rate funds channel maintenance works on the Kaihū River Flood Management Scheme.

**How it is set**

The Kaihū River Management Rate is targeted and set differentially by location and area of benefit to land and rating units within the Kaihū River Flood Management Scheme area.

The council will set the rate differentially as follows:

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

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

**Kaihū River Management Rate: Description**

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

**How much is the rate?**

The estimated total Kaihū River Management Rate is \$90,404 (including GST) in the 2013/2014 financial year. The revenue sought from each category of rateable land will be as follows:

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

**How is the rate applied?**

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

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

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

**How it is set**

The targeted Kaeo–Whangaroa Rivers Management Rate for the 2013/2014 year is set on a uniform basis in respect of each separately used or inhabited part of a rating unit within the former Whangaroa Ward (falling between rating roles 100–199).

**How much is the rate?**

The estimated total Kaeo–Whangaroa Rivers Management Rate is \$147,868 (including GST) in the 2013/14 financial year. The fixed amount of \$74.53 (including GST) or \$64.81 (excluding GST) will be applied to each separately used or inhabited part of a rating unit falling between rating roles 100–199.

**How is the rate applied?**

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

## Kerikeri–Waipapa Rivers Management Rate

### What it funds

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

### How it is set

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

### How much is the rate?

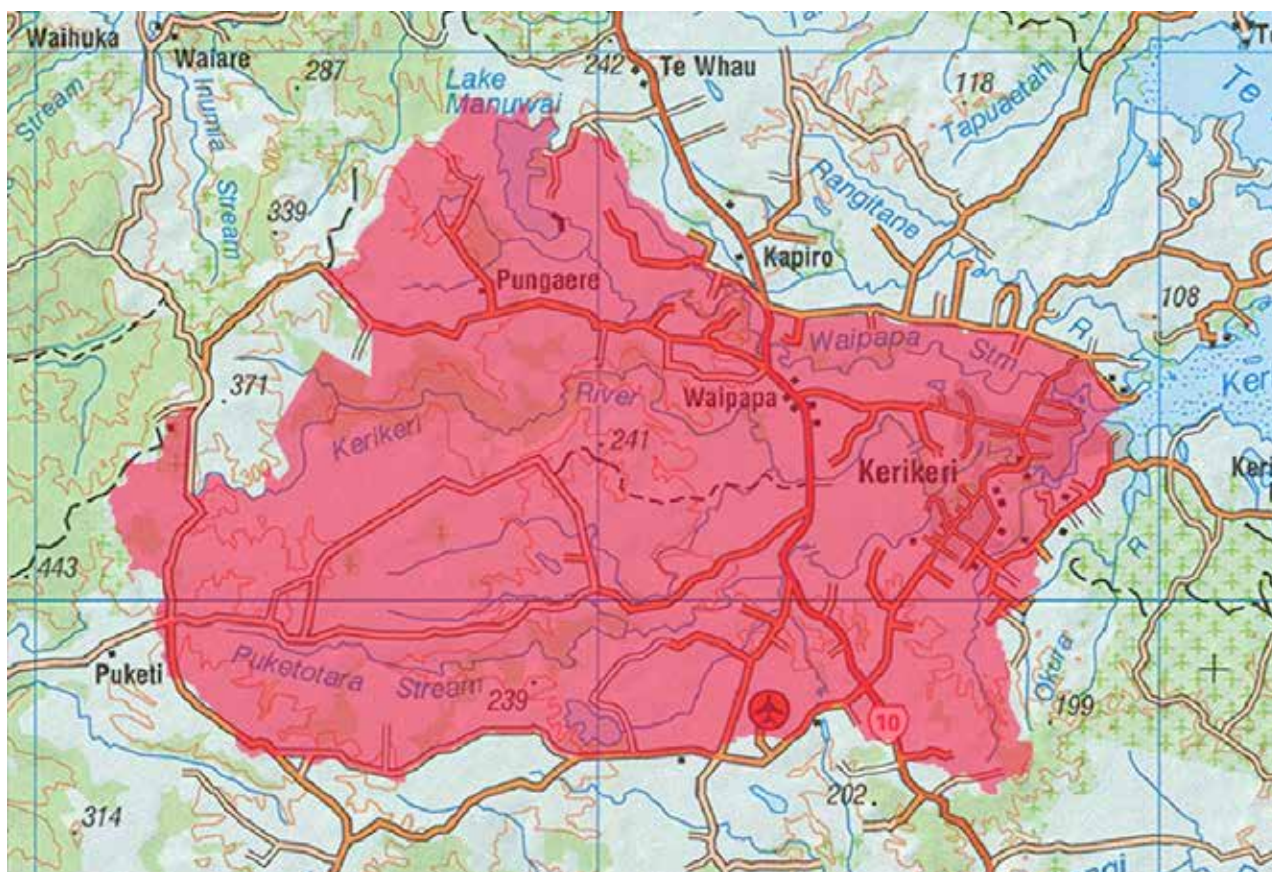
The total estimated Kerikeri–Waipapa Rivers Management Rate is \$217,626 (including GST) in the 2013/14 financial year.

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

### How is the rate applied?

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

### Kerikeri–Waipapa Rivers Management Rate area





## Whāngārei Urban Rivers Management Rate

### What it funds

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

### How it is set

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

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

### How much is the rate?

The estimated total Whāngārei Urban Rivers Management Rate is \$827,431 (including GST) in the 2013/14 financial year. The revenue sought from each category is as follows:

		Excl. GST	Incl. GST
1.	Commercial properties in the Whāngārei CBD flood area	\$181,559	\$208,793
2.	Residential properties in the Whāngārei CBD flood area	\$11,879	\$13,661
3.	Properties in the contributing water catchment area	\$526,067	\$604,977
		<b>\$719,505</b>	<b>\$827,431</b>

### How is the rate applied?

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

### Whāngārei CBD flood area



**Contributing water catchments in Whāngārei Urban Rivers Management Scheme**





### Further rating information

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

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

#### Far North District Council rating unit definition

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

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

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

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

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

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

#### Whangarei District Council rating unit definition

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

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

Examples include:

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

#### Equalisation of rates

Each district in Northland is independently revaluated by Quotable Value over a three-yearly cycle (one district per year). To ensure that property valuations in the remaining two districts are current, a registered valuer also provides us with "an estimate of projected value" of property values in those districts (as provided for in Section 131 of the Local Government (Rating) Act 2002). The Council Services Rate is set differentiated by the projected capital value of each district. The Land Management Rate and Regional Infrastructure Rate are set according to projected land values in each district – for these two rates, remember that if all the districts had the same valuation date, then each district would have the same rate per dollar of actual land value.

#### Inspection and objection to council's Rating Information Database

The Rating Information Database (RID) for each district is available at the relevant district council and on the district councils' websites. The website addresses are:  
[www.fndc.govt.nz](http://www.fndc.govt.nz)  
[www.wdc.govt.nz](http://www.wdc.govt.nz)  
[www.kaipara.govt.nz](http://www.kaipara.govt.nz)

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

#### 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 Draft Plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2013, so they may differ slightly.

### Ratepayers in the Whāngārei District

#### Whāngārei District ratepayers will be levied:

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

<b>Whāngārei urban/rural/other</b> Land Management Rate = LV rate in the \$ = 0.0003159 Infrastructure Rate = LV rate in the \$ = 0.0000356	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Residential property (non CBD)</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$120,000	\$37.91	\$33.90
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$4.27	\$3.76
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$201.08</b>	<b>\$189.98</b>
<b>Residential property (non CBD)</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$225,000	\$71.08	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$237.99</b>	<b>\$222.93</b>
<b>Residential property in CBD area</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$225,000	\$71.08	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
Whāngārei Urban Rivers Management Rate		\$104.28	\$94.19
<b>Total regional rates (including GST)</b>		<b>\$342.27</b>	<b>\$317.12</b>
<b>Residential property in Urban Rivers catchment area</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$225,000	\$71.08	\$63.56
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.01	\$7.05
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
Whāngārei Urban Rivers Management Rate		\$36.77	\$33.21
<b>Total regional rates (including GST)</b>		<b>\$274.76</b>	<b>\$256.14</b>

<b>Whāngārei urban/rural/other</b> Land Management Rate = LV rate in the \$ = 0.0003159 Infrastructure Rate = LV rate in the \$ = 0.0000356	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Farm property</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$2,750,000	\$868.74	\$776.84
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$97.93	\$86.22
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$1,125.57</b>	<b>\$1,015.38</b>
<b>Commercial property (non CBD)</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$2,000,000	\$631.80	\$564.98
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$71.23	\$62.70
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$861.93</b>	<b>\$780.00</b>
<b>Commercial property in CBD area</b>			
Council Services Rate		\$109.08	\$103.28
Land Management Rate	\$2,000,000	\$631.80	\$564.98
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$71.23	\$62.70
Transport Rate (Whāngārei District)		\$12.78	\$12.12
Rescue Helicopter Service Rate		\$8.29	\$8.17
Whāngārei Urban Rivers Management Rate		\$274.37	\$247.83
<b>Total regional rates (including GST)</b>		<b>\$1,136.30</b>	<b>\$1,027.83</b>

## Ratepayers in the Kaipara District

Kaipara District ratepayers will be levied:

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

<b>Kaipara urban/rural</b> Land Management Rate = LV rate in the \$ = 0.0002892 Infrastructure Rate = LV rate in the \$ = 0.00003318	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Residential property</b>			
Council Services Rate		\$106.75	\$103.43
Land Management Rate	\$120,000	\$34.70	\$35.29
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.98	\$3.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$159.48</b>	<b>\$156.56</b>
<b>Residential property</b>			
Council Services Rate		\$106.75	\$103.43
Land Management Rate	\$225,000	\$65.07	\$66.18
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$7.47	\$7.34
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$193.33</b>	<b>\$190.86</b>
<b>Farm property</b>			
Council Services Rate		\$106.75	\$103.43
Land Management Rate	\$2,750,000	\$795.37	\$808.81
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$91.24	\$89.77
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$1,007.40</b>	<b>\$1,015.92</b>

<b>Additional for properties in the Kaihū River catchment</b>	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>10 hectares</b>	\$120,000		
	<b>Class A</b>	\$256.22	\$256.22
	<b>Class B</b>	\$128.10	\$128.10
	<b>Class C</b>	\$19.20	\$19.20
<b>100 hectares</b>	\$600,000		
	<b>Class A</b>	\$2,562.20	\$2,562.20
	<b>Class B</b>	\$1,281.00	\$1,281.00
	<b>Class C</b>	\$192.00	\$192.00



**Ratepayers in the Far North District****Far North District ratepayers will be levied:**

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$143.87</b>	<b>\$134.09</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$175.59</b>	<b>\$165.40</b>
<b>Farm Property</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Total regional rates (including GST)</b>		<b>\$938.36</b>	<b>\$918.34</b>

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

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

<b>Far North – Awanui catchment</b> Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Residential &amp; commercial urban area of 1 hectare or less</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Plus Awanui River Management Rates applicable to:</b>			
Urban UA low land \$		\$140.92	\$140.92
Urban UF hills \$		\$25.62	\$25.62
Commercial urban UA \$		<sup>1</sup> \$422.76	<sup>1</sup> \$422.76
<b>Lifestyle – 10 hectares</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$450,000	\$122.08	\$120.78
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$13.86	\$13.40
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Plus Awanui River Management Rates applicable to:</b>			
Rural commercial A		<sup>1</sup> \$495.08	<sup>1</sup> \$495.08
Rural commercial B		<sup>1</sup> \$373.28	<sup>1</sup> \$373.28
Rural Class A		\$170.28	\$170.28
Rural Class B		\$129.68	\$129.68
Rural Class C		\$89.08	\$89.08
Rural Class E		\$7.88	\$7.88
Rural Class F		\$14.38	\$14.38
<b>Farm property – 100 hectares</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
<b>Plus Awanui River Management Rates applicable to:</b>			
Farm Class A		\$1,631.88	\$1,631.88
Farm Class B		\$1,225.88	\$1,225.88
Farm Class C		\$819.88	\$819.88
Farm Class E		\$7.88	\$7.88
Farm Class F		\$72.88	\$72.88

<sup>1</sup> Commercial properties for the Awanui River Management Rate are subject to the 3:1 commercial differential on class UA (\$140.92 including GST) for urban commercial; \$16.24 per ha for Rural Commercial A and \$12.18 per ha for Rural B. The rural commercial rate also includes a single rate of \$7.88 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

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

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	<b>Land value</b>	<b>2013/2014 Rates incl. GST</b>	<b>2012/2013 Rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$218.40</b>	<b>\$208.62</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$250.12</b>	<b>\$239.93</b>
<b>Farm Property</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$1012.89</b>	<b>\$992.87</b>

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

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

<b>Far North</b>			
Land Management Rate = LV rate in the \$ = \$0.0002713	<b>Land value</b>	<b>2013/2014</b>	<b>2012/2013</b>
Infrastructure Rate = LV rate in the \$ = \$0.0000308		<b>Rates incl.</b>	<b>Rates incl.</b>
		<b>GST</b>	<b>GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
<b>Total regional rates (including GST)</b>		<b>\$193.83</b>	<b>\$182.99</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
<b>Total regional rates (including GST)</b>		<b>\$225.55</b>	<b>\$214.30</b>
<b>Farm Property</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$48.90
<b>Total regional rates (including GST)</b>		<b>\$988.32</b>	<b>\$967.24</b>

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

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0002713 Infrastructure Rate = LV rate in the \$ = \$0.0000308	<b>Land value</b>	<b>2013/2014 rates incl. GST</b>	<b>2012/2013 rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$120,000	\$32.55	\$32.21
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.70	\$3.57
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaitiāia Transport Rate		\$15.62	\$15.27
<b>Total regional rates (including GST)</b>		<b>\$159.49</b>	<b>\$149.36</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$225,000	\$61.04	\$60.39
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.93	\$6.70
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaitiāia Transport Rate		\$15.62	\$15.27
<b>Total regional rates (including GST)</b>		<b>\$191.21</b>	<b>\$180.67</b>
<b>Farm Property</b>			
Council Services Rate		\$93.58	\$84.39
Land Management Rate	\$2,750,000	\$746.03	\$738.12
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$84.71	\$81.92
Rescue Helicopter Service Rate		\$8.29	\$8.17
Kaitiāia Transport Rate		\$15.62	\$15.27
<b>Total regional rates (including GST)</b>		<b>\$953.98</b>	<b>\$933.61</b>

## Prospective Funding Impact Statement

The prospective Funding Impact Statement is stated excluding GST. The total estimated gross expenditure for the Northland Regional Council for 2013/14 is \$28,407,708. Total expenditure will be funded from the sources listed. These funding/financing sources are consistent with the Revenue and Financing Policy within the Long Term Plan 2012–2022.

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>Sources of operating funding</b>			
12,627,700	General rates, uniform annual general charges, rates penalties	13,006,215	13,509,681	(503,466)
4,395,169	Targeted rates (other than a targeted water rates)	4,505,957	4,526,887	(20,930)
1,486,699	Subsidies and grants for operating purposes	971,190	1,343,573	(372,383)
4,105,264	Fees, charges and targeted rates for water supply	4,172,467	4,231,484	(59,017)
3,631,195	Interest and dividends from investments	4,123,599	3,580,619	542,980
3,710,478	Local authorities fuel tax, fines, infringement fees and other receipts	3,819,454	3,759,458	59,996
<b>29,956,505</b>	<b>Total operating funding</b> (see next page for breakdown)	<b>30,598,882</b>	<b>30,951,702</b>	<b>(352,820)</b>
	<b>Applications of operating funding</b>			
27,034,582	Payments to staff and suppliers	26,339,669	26,777,520	437,851
1,000	Finance costs	94,272	1,000	(93,272)
–	Other operating funding applications	–	–	–
<b>27,035,582</b>	<b>Total applications of operating funding</b> (see next page for breakdown)	<b>26,433,941</b>	<b>26,778,520</b>	<b>344,579</b>
<b>2,920,923</b>	<b>Surplus/(deficit) of operating funding</b>	<b>4,164,941</b>	<b>4,173,182</b>	<b>(8,241)</b>
	<b>Sources of capital funding</b>			
–	Subsidies and grants for capital purposes	–	–	–
–	Development and financial contributions	–	–	–
–	Increase/(decrease) in debt	–	–	–
–	Gross proceeds from sale of assets	–	–	–
–	Lump sum contributions	–	–	–
–	<b>Total sources of capital funding</b>	–	–	–
	<b>Applications of capital funding</b>			
	Capital expenditure			
–	To meet additional demand	–	–	–
3,000,766	To improve levels of service	1,069,264	6,835,253	5,765,989
598,305	To replace existing assets	904,503	882,711	(21,793)
526,800	Increase/(decrease) in reserves	2,366,532	(3,584,616)	(5,951,148)
(1,204,947)	Increase/(decrease) of investments	(175,359)	39,834	215,193
<b>2,920,923</b>	<b>Total applications of capital funding</b>	<b>4,164,941</b>	<b>4,173,182</b>	<b>8,241</b>
<b>(2920,923)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(4,164,941)</b>	<b>(4,173,182)</b>	<b>8,241</b>
<b>-</b>	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



LTP Year 1 2012-2013 \$	Reconciliation to the Prospective Statement of Comprehensive Income	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
3,599,071	Capital expenditure – included above, not in Comprehensive Income.	1,973,767	7,717,964	(5,744,196)
(1,204,947)	Investment movements – included above, not in Comprehensive Income.	(175,359)	39,834	(215,193)
71,727	Forestry Asset Revaluation – included in Comprehensive Income, not above.	147,447	91,421	56,026
-	Emission Trading Scheme income– included in Comprehensive Income, not above.	30,686	75,369	(44,683)
-	Infrastructural Asset Revaluation – included in Comprehensive Income, not above.	742,795	742,795	-
526,800	Transfers from/ (to) special reserves – included above, not in Comprehensive Income.	2,366,532	(3,584,616)	5,951,148
(1,067,449)	Depreciation expense – included in Comprehensive Income, not above.	(1,131,791)	(1,127,392)	(4,399)
<b>1,925,201</b>	<b>Total Comprehensive Income for the Years per the Statement of Comprehensive Income</b>	<b>3,954,078</b>	<b>3,955,375</b>	<b>(1,297)</b>

LTP Year 1 2012-2013 \$	Breakdown of operating funding sources	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance
7,279,686	Council Service Rate	7,691,495	7,855,008	(163,484)
5,348,014	Land Management Rate	5,314,720	5,654,673	(339,953)
593,544	Regional Infrastructure Rate	611,353	593,602	17,751
1,226,775	Regional Recreational Facilities Rate	1,220,845	1,233,300	(12,455)
2,574,850	Targeted Rates	2,673,759	2,699,985	(26,266)
1,486,699	Grants and subsidies	971,190	1,343,573	(3 72,383)
4,105,264	User charges	4,172,467	4,231,484	(59,017)
3,588,448	Rental income	3,648,608	3,633,523	15,085
2,191,906	Interest income	2,020,022	2,141,330	(121,308)
1,439,289	Dividend income	2,103,577	1,439,289	664,288
-	Forestry income	-	-	-
122,030	Sundry income	170,846	125,935	44,911
<b>29,956,505</b>	<b>Total operating funding</b>	<b>30,598,882</b>	<b>30,951,702</b>	<b>(352,820)</b>

LTP Year 1 2012-2013 \$	Breakdown of applications of operating funding sources	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance
13,992,012	Resource management	13,413,132	13,954,417	541,285
3,182,206	Economic development	2,894,340	3,134,945	240,605
4,492,360	Transport	4,274,528	4,599,094	324,565
1,721,155	Hazard management	1,597,213	1,671,570	74,537
2,136,456	River management	2,681,221	1,763,314	(917,907)
2,362,838	Community representation and engagement	2,314,426	2,581,882	267,455
5,432,541	Support services	5,818,631	5,602,370	(216,261)
(6,283,987)	Less internal charges recovered	(6,559,550)	(6,529,071)	30,479
<b>27,035,582</b>	<b>Total applications of operating funding</b>	<b>26,433,941</b>	<b>26,778,520</b>	<b>344,579</b>

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

## Summary table of rates

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

### District Valuation Roll

Estimate – 30 June 2013

	Gross no. rating units (Kaipara) or SUIP (others)	Net no. rating units (Kaipara) or SUIP (others)	Capital value \$000s	Land value \$000s	Equalised capital value \$000s	Equalised land value \$000s	Equalised capital value%	Equalised land value%
Far North District	35,214	33,687	14,640,452	8,660,240	12,918,296	7,490,848	35.91%	37.94%
Kaipara District	13,057	12,962	5,943,072	3,559,985	5,672,781	3,316,518	15.77%	16.80%
Whāngārei District	41,253	39,504	17,379,844	8,934,205	17,379,844	8,934,205	48.32%	45.26%
<b>Total valuation – Northland</b>	<b>89,524</b>	<b>86,153</b>	<b>37,963,368</b>	<b>21,154,430</b>	<b>35,970,921</b>	<b>19,740,571</b>	<b>100.00%</b>	<b>100.00%</b>

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
<b>Council Services Rate (calculated on CV)</b>									
Rate per SUIP	\$93.58			3,295,326	3,152,429	\$84.39			2,975,637
Rate per RU		\$106.75		1,393,835	1,383,694		\$103.43		1,319,762
Rate per SUIP			\$109.08	4,499,877	4,309,096			\$103.28	4,076,240
				<b>9,189,038</b>	<b>8,845,219</b>				<b>8,371,639</b>
<b>Land Management Rate (calculated on LV)</b>									
Rate per \$ of Actual LV	0.0002713			2,349,393	2,319,049	0.0002684			2,315,339
Rate per \$ of Actual LV		0.0002892		1,029,637	1,026,636		0.0002941		1,041,458
Rate per \$ of Actual LV			0.0003159	2,822,360	2,766,243			0.0002825	2,793,419
				<b>6,201,390</b>	<b>6,111,928</b>				<b>6,150,216</b>
<b>Regional Recreation Facilities (fixed)</b>									
Rate per SUIP	\$5.75			202,481	193,700	\$5.75			202,745
Rate per RU		\$5.75		75,078	74,532		\$5.75		73,370
Rate per SUIP			\$28.75	1,186,023	1,135,740			\$28.75	1,134,676
				<b>1,463,582</b>	<b>1,403,972</b>				<b>1,410,791</b>
<b>Regional Infrastructure Rate (calculated on LV)</b>									
Rate per \$ of Actual LV	0.0000308			266,769	266,769	0.0000298			256,966
Rate per \$ of Actual LV		0.0000332		118,111	118,111		0.0000326		115,585
Rate per \$ of Actual LV			0.0000356	318,176	318,176			0.0000314	310,025
				<b>703,056</b>	<b>703,056</b>				<b>682,576</b>

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
<b>Rescue Helicopter Service Rate (fixed)</b>									
Rate per SUIP	\$8.29			291,977	279,316	\$8.17			287,898
Rate per RU		\$8.29		108,262	107,474		\$8.17		104,185
Rate per SUIP			\$8.29	342,049	327,547			\$8.17	322,248
				<b>742,288</b>	<b>714,337</b>				<b>714,331</b>
<b>Whāngārei Transport Rate (fixed)</b>									
Rate per SUIP									
Rate per RU									
Rate per SUIP			\$12.78	527,069	504,723			\$12.12	478,380
				<b>527,069</b>	<b>504,723</b>				<b>478,380</b>
<b>Kaitiāia Transport Rate</b>									
Rate per SUIP	\$15.62			93,380	91,849	\$15.27			91,849
Rate per RU									
Rate per SUIP									
				<b>93,380</b>	<b>91,849</b>				<b>91,849</b>
<b>Whāngārei Urban Rivers Management Rate</b>									
Rate per SUIP									
Rate per RU									
Rate per SUIP				827,431	827,431				739,231
				<b>827,431</b>	<b>827,431</b>				<b>739,231</b>
<i>See page 23 for further details on the Whāngārei Urban Rivers Management Rate</i>									
<b>Awanui River Management Rate (on area)</b>									
Far North District – Rural				128,199	126,999				128,199
Far North District Urban				358,089	353,589				358,089
				<b>486,288</b>	<b>480,588</b>				<b>486,288</b>
<i>See pages 20 for further details on the Awanui River Management Rate</i>									
<b>Kaihū River Management Rate</b>									
Kaipara				<b>90,404</b>	<b>90,404</b>				<b>90,404</b>
<i>See page 21 for further details on the Kaihū River Management Rate</i>									
<b>Kaeo–Whangaroa Rivers Management Rate</b>									
Far North (Kaeo only)				<b>147,868</b>	<b>147,868</b>				<b>150,405</b>
<i>See page 21 for further details on the Kaeo–Whangaroa Rivers Management Rate</i>									

	Budgeted rates 2013/14 (including GST)					Budgeted rates 2012/13 (including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)
<b>Kerikeri–Waipapa Rivers Management Rate</b>									
Far North (Kerikeri–Waipapa only)				222,122	217,626				210,189
<i>See page 22 for further details on the Kerikeri–Waipapa Rivers Management Rate</i>									
<b>Total rates (including GST)</b>									
Far North District				7,355,603	7,149,194				6,977,315
Kaipara District				2,815,326	2,800,851				2,744,765
Whāngārei District				10,522,984	10,188,956				9,854,218
<b>TOTAL</b>				20,693,913	20,139,001				19,576,298

## Our activities

This section includes information on council's activities and services for the 2013/14 year and the associated budgets.

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

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

Some information is also included about the support services provided to the rest of council, which are enabling services which include financial services, human resources and communications.

The information provided about each of the six activities includes:

- The money we have budgeted for the activity group for the next year – our estimated levels of expenditure and how that expenditure is to be funded.
- The key projects and focus for each activity.
- Levels of service.
- Performance measures and targets for 2012-2022 (how we intend to deliver on our levels of service).

The performance measures and targets will be used to report on council's achievement back to the community in the 2013/14 Annual Report.

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

## Resource management

This group of activities includes:

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

**Consents** – providing consents advice and processing resource consents.

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

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

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

### Update on key projects

#### Waioira Northland Water

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

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

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

Waioira Northland Water is a significant programme of work and a council priority. The council's Environmental Management Committee will provide governance oversight for the programme. Council will continue to develop good practice management and promote it, for example, through our existing Environment Fund and

our new Regional Policy Statement for Northland. Where necessary, we will introduce regional plan changes and enforce the rules to ensure freshwater objectives are achieved.

Some key initiatives within Waioira Northland Water are as follows.

#### Collaborative Stakeholder Groups for Priority Water Bodies

The Environmental Management Committee has set up two collaborative stakeholder groups as sub-committees: one for the Whangarei Harbour and the upper Hatea river catchments and one for the Mangere river catchment. It has also set up one collaborative working group for Doubtless Bay and is working with the existing Landcare stakeholder group in the Waitangi catchment and the Integrated Kaipara Harbour Management Group. As the 2013/14 year progresses it is anticipated that for Northland's outstanding water bodies further stakeholder groups will be established (or existing ones approached) to assist council to deliver the Waioira Northland Water programme, and that the stakeholder groups established during 2012/13 will develop work programmes that deliver on the ground improvements as well as a framework for better water management in their respective catchments and water bodies.

#### Farm Water Quality Improvement Plans

We are continuing to work with pastoral farmers and key stakeholders to develop individualised farm plans that identify and prioritise actions to maintain or improve water quality and enhance profitability as part of individual farm operations. During 2013/14 work will continue to focus on Waioira Northland Water "priority one" catchments.

#### Soil conservation and sediment-erosion control

Initial planting of nursery stock at our willow and poplar nursery is scheduled for late 2013, which will provide a local source of soil conservation plants for use by land owners in conjunction with council's soil conservation and sediment-erosion control programmes.

During 2013/14 council will continue to collaborate with landowners and industry. We aim to prioritise and target clusters of erosion-prone land within catchments. Working with the identified land owners will support the implementation of soil conservation measures. The goal is to increase the amount of erosion control work undertaken to reduce sedimentation, maintain productivity and contribute to improved water quality.



## Wetlands

In 2012/13 the Top Wetlands project:

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

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

## Lakes Strategy

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

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

## New Regional Policy Statement

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

- It will guide regional and district plans which contain the rules around how people, businesses and industry use, develop and protect Northland's resources.

- It will ensure we have common objectives and consistent policies for managing Northland's resources and that they are managed in an integrated way.
- Resource consent decisions across Northland must have regard to the Regional Policy Statement, so it could directly affect what you want to do or protect in the future in Northland.

Independent Commissioners are currently hearing submissions on the Proposed Regional Policy Statement, which was notified for public submissions in October 2012. They will then make their recommendations to council. This will complete the formal consultation process and represents the culmination of more than three years work which has involved input from a wide range of individuals and groups along the way.

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

## Other projects

Council will continue to explore the potential for a marine protected area for Northland's east coast.

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

In addition to our own internal business improvement efforts, there are a number of government initiatives, reviews and reforms that council anticipates will need to be factored into our resource management thinking and practice during 2013/14. These range from potential changes to sections 6 and 7 of the Resource Management Act 1991, through to infrastructure services and the government's reaction to the Expert Advisory Group on the efficiency of local government infrastructure provision and the recommendations of the Productivity Commission's inquiry into local government regulatory performance.

## How we measure our performance

Level of service	Why it is important	Performance measure	2010/11 Baseline	Performance targets 2012-2022	
Promote Māori participation in resource management and decision-making.	Strong, effective and inclusive engagement and decision making that reflects kaitiakitanga responsibilities is likely to achieve better resource management outcomes that meet community aspirations and values.	Management and governance arrangements for resource management include Māori.	4	Maintain or increase the number of contracts, joint management agreements, joint decision making and planning arrangements, monitoring programmes, between council and iwi/hapū.	
Reduce the impact of introduced pests on environmental, economic and social values.	Reducing pests will contribute positively to the region's economy, environment and culture.	The number of community pest control areas (CPCAs) achieving their targets for pest reduction.	<i>New measure</i>	90%	
Promote community involvement in pest management.	Expanding the resources involved beyond council and government funds is necessary for successful pest management in Northland.	The number of active community pest control areas (CPCAs).	36	Increases by five annually.	
Maintain and enhance water quality for swimming and shellfish collection.	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	The water in our priority harbours, rivers and at the coast is suitable for swimming except for 2–5 days after rain.	Achieved	The compliance rates for meeting the Suitability for Recreation Grade (SFRG) is maintained or improved based on the 20 core bathing sites monitored for trends.	
		Shellfish collection is safe in open coastal areas.	<i>New measure</i>	Levels of indicator bacteria in open coastal waters at 15 popular shell fish collection sites is maintained or improved.	
Protect the life-supporting capacity of water, in-stream uses and values.	Having healthy rivers support our region's biodiversity and is a community expectation.	The water in our streams supports a healthy habitat for flora and fauna.	<i>New measure</i>	The macroinvertebrate community index (MCI) at 10 regionally representative sites show improving or maintained trends.	
Maintaining and enhancing water quality in our rivers and coastal waters.	Consented activities should operate within their consents and not lower downstream water quality to ensure the integrity of the regional plans and overall environment.	The number of annual significant non-compliance events resulting in a reduction in water quality of receiving waters.	111	2013 2014 2015–22	Less than 100 Less than 80 Less than 60
	Non-consented farms should comply with the permitted activity criteria which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	The number of annual significant non-compliance events resulting in any unauthorised/prohibited discharge to water.	60	2013 2014 2015–22	Less than 40 Less than 30 Less than 20
Efficient and effective compliance monitoring of resource consents.	To ensure compliance with conditions which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	Those consents requiring monitoring are monitored as per the council's monitoring programme.	90%	100%	

Level of service	Why it is important	Performance measure	2010/11 Baseline	Performance targets 2012-2022
Efficient and effective compliance monitoring of resource consents.	The community expect that consent conditions will be met so that the environment is protected.	The appropriate action is taken to rectify significant non-compliances.	69%	100%
Maintaining a high standard of ambient air quality.	The community expect that air quality will be maintained to acceptable levels.	Air sheds meet the national environmental standards.	100%	100%
Efficient and effective response and resolution of reported environmental incidents.	To ensure timely and appropriate response to environmental incidents that has the potential to result in significant environmental effects.	Incidents reported to the Environmental Hotline, where more than minor environmental effects have been confirmed, are resolved within 30 working days.	<i>New measure</i>	70%
Efficient and effective processing and administering of resource consents.	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	99.4%	98% + of all applications are processed within the statutory timeframes.
		All bore permits are processed in a timely manner.	<i>New measure</i>	Bore permits processed within 5 working days.

## Funding Impact Statement for Resource Management

LTP Year 1 2012-2013 \$	Draft Prospective Funding Impact Statement for period ending 30 June 2014	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
7,868,985	General rates, uniform annual general charges, rates penalties	7,791,851	8,391,688	(599,837)
-	Targeted rates (other than a targeted water rates)	-	-	-
119,400	Subsidies and grants for operating purposes	-	85,000	(85,000)
2,538,168	Fees, charges and targeted rates for water supply	2,618,222	2,619,389	(1,167)
131,921	Internal charges and overheads recovered	-	135,015	(135,015)
2,000	Local authority fuel tax, fines, infringement fees and other receipts	2,000	2,064	(64)
<b>10,660,474</b>	<b>Total operating funding</b>	<b>10,412,073</b>	<b>11,233,156</b>	<b>(821,083)</b>
-		-	-	-
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
10,366,735	Payments to staff and suppliers	9,712,062	10,240,563	528,501
-	Finance costs	-	-	-
3,625,277	Internal charges and overheads applied	3,701,070	3,713,854	12,784
-	Other operating funding applications	-	-	-
<b>13,992,012</b>	<b>Total applications of operating funding</b>	<b>13,413,132</b>	<b>13,954,417</b>	<b>541,285</b>
<b>(3,331,539)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(3,001,059)</b>	<b>(2,721,260)</b>	<b>(279,798)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
105,200	to improve levels of service	74,861	14,861	(60,000)
55,500	to replace existing assets	74,221	74,221	-
-	Increase / (decrease) in reserves	-	-	-
(3,492,239)	Increase / (decrease) of investments	(3,150,141)	(2,810,343)	339,798
<b>(3,331,539)</b>	<b>Total applications of capital funding</b>	<b>(3,001,059)</b>	<b>(2,721,260)</b>	<b>279,798</b>
<b>3,331,539</b>	<b>Surplus / (deficit) of capital funding</b>	<b>3,001,059</b>	<b>2,721,260</b>	<b>279,798</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

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

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

Internal charges and overheads recovered are less than the amount forecasted in the Long Term Plan due to the elimination of an internal transfer for a cross-departmental service performed by the hydrology department. The hydrology department was originally forecast as part of the Resource Management activity; however, due to the transfer of this department to the River Management activity there is now no requirement for the cross-department transfer.

### **Applications of operating funding**

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

## River Management

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

### Update on key projects

#### Whāngārei detention dam

The final timing of the proposed Raumanga flood detention dam construction depends on the outcome of several factors including obtaining resource and building consents, designation, and land negotiations and acquisition.

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

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

#### Kaihū River Flood Management Scheme

Maintenance of the Kaihū river channel is ongoing.

#### Kerikeri–Waipapa Rivers Flood Management Scheme

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

Work on feasibility issues, design, resource consents and land use negotiations for the proposed flood scheme works will progress during the 2013/14 year.

#### Kaeo–Whangaroa Rivers Flood Management Scheme

Preparation for the construction of Stage 1 of the proposed Kaeo flood scheme has been progressed, with design completed, resource consents obtained and land use negotiations well advanced. Construction of Stage 1 is scheduled for summer 2013/14.

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

#### Minor river works

Minor river works planned for 2013/14 will focus on the following work:

- Waima maintenance assistance.
- Panguru and Lower Waihou maintenance assistance.
- Pawarenga Streams maintenance assistance.
- Whirinaki maintenance assistance.
- Waihou maintenance assistance.
- Ngunguru gravel management.
- Works in the Kawakawa catchment near Otiria
- Waitangi maintenance assistance.
- Awapokonui maintenance assistance.
- Otaika lower river willow removal and lower floodplain overflow channel including resource consent.
- Waimamaku maintenance assistance.

### How we measure our performance

Level of service	Why it is important	Performance measure	2010/11 Baseline	Performance Targets (2012-2022)
Building flood protection schemes to protect life and property.	Well-designed flood protection systems protect human life and damage to property and infrastructure.	Number of failures of flood protection system for the Awanui, Whāngārei, and Kaeo, schemes below specified design levels.	<i>New measure</i>	Zero failures.
Maintaining flood protection schemes to protect life and property.	Implementing the minor works programme ensures the river systems work to their best ability.	Implement the programmed minor flood control works for other rivers in accordance with the approved annual budgets.	<i>New measure</i>	100% of programmed minor works completed.



## Funding Impact Statement for River Management

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement For period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
527,454	General rates, uniform annual general charges, rates penalties	1,162,884	607,556	555,327
1,457,841	Targeted rates (other than a targeted water rates)	1,533,838	1,529,220	4,618
144,195	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
-	Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
<b>2,129,490</b>	<b>Total operating funding</b>	<b>2,696,722</b>	<b>2,136,776</b>	<b>559,946</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,861,597	Payments to staff and suppliers	1,963,486	1,304,984	(658,502)
39,735	Finance costs	221,690	218,461	(3,229)
235,124	Internal charges and overheads applied	496,045	239,870	(256,176)
-	Other operating funding applications	-	-	-
<b>2,136,456</b>	<b>Total applications of operating funding</b>	<b>2,681,221</b>	<b>1,763,314</b>	<b>(917,907)</b>
<b>(6,967)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>15,500</b>	<b>373,462</b>	<b>(357,961)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
1,269,350	to improve levels of service	534,369	6,407,163	5,872,794
53,405	to replace existing assets	52,805	52,805	-
(1,222,097)	Increase / (decrease) in reserves	(133,783)	(6,001,102)	(5,867,319)
(107,625)	Increase / (decrease) of investments	(437,891)	(85,404)	352,487
<b>(6,967)</b>	<b>Total applications of capital funding</b>	<b>15,500</b>	<b>373,462</b>	<b>357,961</b>
<b>6,967</b>	<b>Surplus / (deficit) of capital funding</b>	<b>(15,500)</b>	<b>(373,462)</b>	<b>357,961</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **Variations from Long Term Plan**

#### **Sources of operating funding**

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

#### **Applications of operating funding**

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

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

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

## Economic Development

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

### Update on key projects

The council will continue to directly support economic development by:

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

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

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

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

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

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

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

### How we measure our performance

Key aspect of activity	Why it is important	Performance measure	2010/11 Baseline	Performance Targets 2012-2022
Investing in economic projects and ventures within Northland to increase Northland's economic performance.	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Employment rate – the proportion of the labour force that is in paid employment.	91.5%	Increases annually.
		Business growth – the ratio of business start-ups to business closures.	0.74	Increases annually.
		Economic growth – real GDP per usual resident population.	\$20,521	Increases annually.

## Funding Impact Statement for Economic Development

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
682,745	General rates, uniform annual general charges, rates penalties	458,270	697,574	(239,304)
2,441,477	Targeted rates (other than a targeted water rates)	2,453,361	2,449,253	4,108
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
1,020,240	Local authority fuel tax, fines, infringement fees and other receipts	1,150,355	1,127,701	22,654
<b>4,144,462</b>	<b>Total operating funding</b>	<b>4,061,986</b>	<b>4,274,528</b>	<b>(212,542)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
2,368,804	Payments to staff and suppliers	2,123,339	2,371,635	248,296
696,114	Finance costs	723,021	643,706	(79,315)
117,288	Internal charges and overheads applied	47,980	119,604	71,624
-	Other operating funding applications	-	-	-
<b>3,182,206</b>	<b>Total applications of operating funding</b>	<b>2,894,340</b>	<b>3,134,945</b>	<b>240,605</b>
<b>962,256</b>	<b>Surplus / (deficit) of operating funding</b>	<b>1,167,646</b>	<b>1,139,583</b>	<b>28,063</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	-	-	-
578,340	Increase / (decrease) in reserves	634,572	675,924	41,352
383,916	Increase / (decrease) of investments	533,075	463,659	(69,415)
<b>962,256</b>	<b>Total applications of capital funding</b>	<b>1,167,646</b>	<b>1,139,583</b>	<b>(28,063)</b>
<b>(962,256)</b>	<b>Surplus / (deficit) of capital funding</b>	<b>(1,167,646)</b>	<b>(1,139,583)</b>	<b>(28,063)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

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

### **Applications of operating funding**

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan predominantly due to staffing level changes in the council's Economic Development activity and the transfer of the interest expense relating to the Marsden Point Rail Link joint venture being transferred out of the

payments to staff and suppliers to the Finance costs line.

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

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

## Hazard Management

This group of activities includes:

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

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

### Update on key projects

Our key focusses for the coming year will be to:

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

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

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

### How we measure performance

Levels of service	Why it is important	Performance measure	2010/11 Baseline	Performance Targets 2012-2022
Maintaining a responsive and efficient civil defence emergency management system.	Providing timely information and warnings helps protect the public and property.	Nationally issued warnings are acknowledged within 30 minutes.	<i>New measure</i>	100%
Maintaining an effective civil defence emergency management system.	Maintaining effective plans and response procedures is an important way to reduce the impact of any emergency situation.	Emergencies are debriefed within one month and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100%	100%
Providing accurate and timely flood warnings.	Timely warnings are important to enable communities to take precautionary measures and safeguard property and livestock.	Accurate and timely flood warnings issued.	<i>New measure</i>	100%
Maintaining an efficient and responsive oil pollution system.	There is a high public expectation that our response will be effective and efficient.	Evaluate and respond to a report of an oil spill within one hour of the report being received.	100%	100%
Maintaining natural hazard information and assessments to protect life and property.	Identification of natural hazards and risk reduction options helps people make informed decisions about risks. Information also helps policy and land use planning which help to reduce risk where risk is deemed unacceptable.	Maintain hazard information for river flooding and beach profiles.	Achieved	Priority beach profile sites updated biennially.
			<i>New measure</i>	Flood level monitoring at priority rivers updated within 1 month following every large flood event.



## Funding Impact Statement for Hazard Management

LTP Year 2 2013-2014 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
1,273,185	General rates, uniform annual general charges, rates penalties	982,079	1,288,587	(306,507)
-	Targeted rates (other than a targeted water rates)	-	-	-
71,132	Subsidies and grants for operating purposes	73,408	73,408	-
1,000	Fees, charges and targeted rates for water supply	1,032	1,032	-
-	Internal charges and overheads recovered	-	-	-
122,230	Local authority fuel tax, fines, infringement fees and other receipts	170,732	125,757	44,975
<b>1,467,547</b>	<b>Total operating funding</b>	<b>1,227,251</b>	<b>1,488,784</b>	<b>(261,533)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,251,341	Payments to staff and suppliers	1,227,148	1,198,638	(28,510)
12,924	Finance costs	-	6,924	6,924
456,890	Internal charges and overheads applied	370,065	466,008	95,943
-	Other operating funding applications	-	-	-
<b>1,721,155</b>	<b>Total applications of operating funding</b>	<b>1,597,213</b>	<b>1,671,570</b>	<b>74,357</b>
<b>(253,608)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(369,962)</b>	<b>(182,786)</b>	<b>(187,176)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
2,000	to improve levels of service	5,000	2,064	(2,936)
-	to replace existing assets	1,250	-	(1,250)
120,000	Increase / (decrease) in reserves	20,553	138,470	117,917
(375,608)	Increase / (decrease) of investments	(396,765)	(323,320)	73,445
<b>(253,608)</b>	<b>Total applications of capital funding</b>	<b>(369,962)</b>	<b>(182,786)</b>	<b>187,176</b>
<b>253,608</b>	<b>Surplus / (deficit) of capital funding</b>	<b>369,962</b>	<b>182,786</b>	<b>187,176</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

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

### **Applications of operating funding**

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

## Transport

This group of activities includes:

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

The overall aim of transport operations and planning is to achieve an affordable, integrated, safe, responsive and sustainable land transport system for our communities. The council's regional transport management work includes strategic planning for the future transport needs of the region and the active operational involvement in regional road safety issues.

### Update on key projects

Many areas of our work are on-going programmes and activities that support our overall goals and objectives, these include continuous monitoring, review and reporting on our various activities and plans. This work,

for example includes streamlining the systems we use to support the Total Mobility Scheme as well as reviewing our regional procurement strategy.

In addition to this on-going work, our focus for the 2013/14 year will be on:

- Driving continued growth in passenger numbers on the Whangarei CityLink bus service.
- Continued operation and support of the Kaitia bus service.
- Implementing the government's Passenger Transport Operating Model.
- Commencing the compilation of the 2015-2018 draft Regional Land Transport Programme.
- The review and amendment of our Regional Public Transport Plan.

### How we measure performance

Levels of service	Why it is important	Performance measure	2010/11 Baseline	Performance Targets 2012-2022
Embed safety in the thinking of all Northland road users.	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of fatal motor vehicle crashes in Northland.	21	2012 <20 2013 <18 2014 <18 2015-22 <18
		Reducing the annual number of serious injury motor vehicle crashes in Northland.	92	2012 <90 2013 <85 2014 <80 2015-22 <80
Providing an efficient and effective public bus service.	A reliable and effective bus service will have an increasing number of patrons.	Number of passengers for the Whāngārei urban bus service.	287,006	Increases annually.
Maintaining navigation aids for safe navigation.	Safety of harbour and coastal waters. Also mitigates environmental problems of oil spills from wrecks.	Failures to navigation aids are repaired within five working days of reporting.	<i>New measure</i>	100%
Providing safe pilotage services for vessels entering the Bay of Islands.	Pilotage provides additional safety. Large ships carry large amounts of oil.	Number of incidents from providing pilotage services within BOI harbours.	0	Zero incidents related to pilotage.

## Funding Impact Statement for Transport

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
889,482	General rates, uniform annual general charges, rates penalties	1,088,149	978,299	109,850
495,851	Targeted rates (other than a targeted water rates)	518,758	548,413	(29,655)
1,091,972	Subsidies and grants for operating purposes	897,782	1,123,245	(225,463)
1,529,096	Fees, charges and targeted rates for water supply	1,500,996	1,572,878	(71,882)
-	Internal charges and overheads recovered	-	0	(0)
9,800	Local authority fuel tax, fines, infringement fees and other receipts	10,114	10,114	0
<b>4,016,200</b>	<b>Total operating funding</b>	<b>4,015,799</b>	<b>4,232,949</b>	<b>(217,150)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
3,859,899	Payments to staff and suppliers	3,621,560	3,954,855	333,295
-	Finance costs	-	-	-
632,460	Internal charges and overheads applied	652,968	644,239	(8,729)
-	Other operating funding applications	-	-	-
<b>4,492,360</b>	<b>Total applications of operating funding</b>	<b>4,274,528</b>	<b>4,599,094</b>	<b>324,565</b>
<b>(476,159)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(258,729)</b>	<b>(366,145)</b>	<b>107,415</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
47,600	to improve levels of service	20,000	34,485	14,485
40,900	to replace existing assets	222,451	252,068	29,617
(26,606)	Increase / (decrease) in reserves	48,539	17,128	(31,411)
(538,053)	Increase / (decrease) of investments	(549,719)	(669,826)	(120,107)
<b>(476,159)</b>	<b>Total applications of capital funding</b>	<b>(258,729)</b>	<b>(366,145)</b>	<b>(107,415)</b>
<b>476,159</b>	<b>Surplus / (deficit) of capital funding</b>	<b>258,729</b>	<b>366,145</b>	<b>(107,415)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Variations from Long Term Plan**

**Sources of operating funding**

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

**Applications of operating funding**

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

## Community Representation and Engagement

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

### Update on key projects

#### Local government reform in Northland

The Far North District Council's application to the Local Government Commission (LGC) to become a unitary authority set in motion a restricted timeframe that impacted on our community engagement programme on this issue.

We held a series of in-depth facilitated public consultation workshops and meetings throughout Northland with 167 participants. Participants favoured – by a considerable margin – either an enhanced version of the status quo or a single local authority underpinned by strong, legally-empowered local boards.

This feedback provided the basis for council's alternative application for a single council for Northland, but we also indicated the level of support for an enhanced status quo to the Commission.

At the time of writing the LGC is still working through its process and is yet to make a determination about its preferred option. Council is committed to keeping the community informed of all steps of the process and will be talking to the community again once the LGC has made its determination.

#### Local Government Act amendment

In 2012 the government announced its eight point reform programme for local government and the Local Government Act Amendment Bill was introduced, debated and passed by Parliament in the same year.

As part of this process the purpose of local government changed. While we still exist to enable democratic local decision-making and action by, and on behalf of, our regional communities the requirement to promote the four well-beings has been removed.

It remains to be seen whether the government will provide further guidance about how we should interpret the new requirement to provide cost-effective good-quality local infrastructure, local public services and regulatory functions and how this is to be reconciled with community aspirations that may be wider than this. Our future Annual Plans and Long Term Plans will be developed taking the new purpose into account and will incorporate any policy guidance provided by government at that time.

Not all of the eight points of the reform programme have been completed and further changes to the Local Government Act are anticipated in the near future. Council will review and incorporate any such changes into its activities and actions as required.

### How we measure performance

Levels of service	Why it is important	Performance measure	2010/11 Baseline	Performance Targets 2012-2022
Maintaining effective, open and transparent democratic processes. Maintain effective, open and transparent democratic processes.	This is council in action – facilitating community participation in decision making.	Submissions received on council's Long Term Plan and Annual Plan.	2011/12 Annual Plan 222 submissions. 2009-2019 Long Term Plan 612 submissions.	Increasing number of submissions for Annual Plans and Long Term Plans.
	Providing responses to submitter feedback enhances the experience of submitters and encourages their ongoing participation in local government decision making processes.	Time to respond to submitters post adoption of Annual Plan and Long Term Plan.	Achieved.	Within one month of adoption.
Providing effective advocacy on behalf of Northlanders on matters of regional significance.	This is council in action – advocating for Northlanders on issues of importance to them.	Level of advocacy undertaken on issues of importance to Northland over and above government submission processes.	New measure	10 submissions made annually.



## Funding Impact Statement for Community Representation and Engagement

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
1,385,850	General rates, uniform annual general charges, rates penalties	1,522,982	1,545,979	(22,996)
-	Targeted rates (other than a targeted water rates)	-	-	-
60,000	Subsidies and grants for operating purposes	-	61,920	(61,920)
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
-	Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
<b>1,445,850</b>	<b>Total operating funding</b>	<b>1,522,982</b>	<b>1,607,899</b>	<b>(84,916)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,910,913	Payments to staff and suppliers	1,891,164	2,121,976	230,812
-	Finance Costs	-	-	-
451,925	Internal charges and overheads applied	423,262	459,906	36,643
-	Other operating funding applications	-	-	-
<b>2,362,838</b>	<b>Total applications of operating funding</b>	<b>2,314,426</b>	<b>2,581,882</b>	<b>267,455</b>
<b>(916,989)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(791,444)</b>	<b>(973,983)</b>	<b>182,539</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	-	-	-
-	Increase / (decrease) in reserves	(165,000)	(144,480)	20,520
(916,989)	Increase / (decrease) of investments	(626,444)	(829,503)	(203,059)
<b>(916,989)</b>	<b>Total applications of capital funding</b>	<b>(791,444)</b>	<b>(973,983)</b>	<b>(182,539)</b>
<b>916,989</b>	<b>Surplus / (deficit) of capital funding</b>	<b>791,444</b>	<b>973,983</b>	<b>(182,539)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **Variations from Long Term Plan**

#### **Sources of operating funding**

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

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

#### **Applications of operating funding**

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

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

## Support Services

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

LTP Year 1 2012-2013 \$	Prospective Funding Impact Statement for period ending 30 June:	Annual Plan 2013-2014 \$	LTP Year 2 2013-2014 \$	Variance \$
	<b>SOURCES OF OPERATING FUNDING</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
-	Targeted rates (other than a targeted water rates)	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
37,000	Fees, charges and targeted rates for water supply	52,217	38,184	14,033
6,152,066	Internal charges and overheads recovered	6,559,550	6,394,056	165,494
6,187,403	Local authority fuel tax, fines, infringement fees and other receipts	6,609,852	6,074,441	535,411
<b>12,376,469</b>	<b>Total operating funding</b>	<b>13,221,619</b>	<b>12,506,681</b>	<b>714,938</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
5,415,291	Payments to staff and suppliers	5,800,911	5,584,870	(216,042)
1,000	Finance Costs	1,000	1,000	-
16,249	Internal charges and overheads applied	16,720	16,500	(220)
-	Other operating funding applications	-	-	-
<b>5,432,541</b>	<b>Total applications of operating funding</b>	<b>5,818,631</b>	<b>5,602,370</b>	<b>(216,261)</b>
<b>6,943,929</b>	<b>Surplus / (deficit) of operating funding</b>	<b>7,402,988</b>	<b>6,904,311</b>	<b>498,677</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
1,576,616	to improve levels of service	435,034	376,680	(58,354)
448,500	to replace existing assets	553,776	503,616	(50,160)
1,077,310	Increase / (decrease) in reserves	1,961,651	1,729,888	(231,763)
3,841,503	Increase / (decrease) of investments	4,452,527	4,294,127	(158,400)
<b>6,943,929</b>	<b>Total applications of capital funding</b>	<b>7,402,988</b>	<b>6,904,311</b>	<b>(498,677)</b>
<b>(6,943,929)</b>	<b>Surplus / (deficit) of capital funding</b>	<b>(7,402,988)</b>	<b>(6,904,311)</b>	<b>(498,677)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

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

Local authorities' fuel tax, fines, infringement fees and other receipts are greater than the Long Term Plan forecast predominantly due to the Northland Port Corporation dividend being greater than originally forecast. Originally a \$0.065 per share dividend was incorporated into the Long Term Plan; however, the dividend was revised in this Annual Plan to \$0.095 per

share. The additional dividend equates to \$664,000 and is slightly offset by lower than originally forecast interest rates prevailing in the current market.

### **Applications of operating funding**

Payments to staff and suppliers are greater than forecast in the Long Term Plan, mainly due to an increase of \$250,000 in the Doubtful Debt provision, the introduction of \$20,000 for an internal audit program, and an increased provision of \$30,00 for valuation fees and \$15,000 for repairs and maintenance. These increases are partially offset by a number of operational savings made in the Information Technology, Communications and Human Resources Departments.