

Annual Plan 2010-2011



**What your Regional Council
plans to do for you over
the next year.**

Putting Northland first

**NORTHLAND
REGIONAL
COUNCIL**



your regional council

our vision

Creating a Region of choice.

our mission

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

our motto

Putting Northland first.

our values

To achieve our vision and mission the Council will:

- Put our community and Region first
- 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 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 everything we do.

Be responsive and deliver value

We are committed to understanding what is important to Northlanders and take 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.

Northland Regional Council Annual Plan 2010-2011

Adopted by the Northland Regional Council at a meeting held on 16 June 2010.

You can also view this Annual Plan on the Council's website: www.nrc.govt.nz/annualplan

Whatungarongaro he tāngata 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.

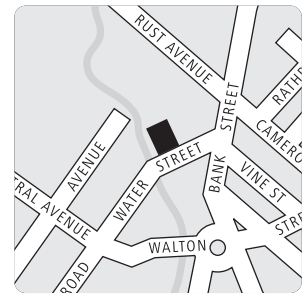
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directory

Main Office

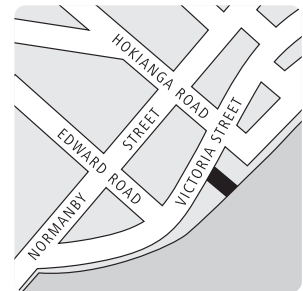
Street Address: 36 Water Street, Whāngārei 0110.
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WHĀNGĀREI

Dargaville Office

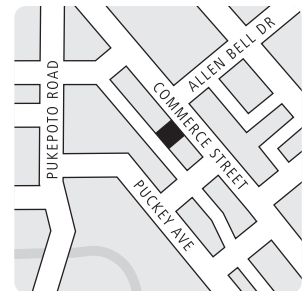
Address: 61B Victoria Street, Dargaville 0310.
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DARGAVILLE

Kaitiāia Office

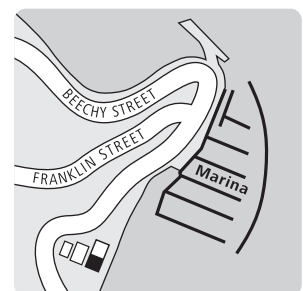
Address: 192 Commerce Street, Kaitiāia 0410.
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KAITĀIA

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ŌPUA

welcome

Welcome to Northland Regional Council's Annual Plan 2010-2011.

The main purpose of the Annual Plan is to provide updated financial information on the budget and rates for the 2010-2011 year.

The Annual Plan 2010-2011 supports the Council's Long Term Council Community Plan (known as the Northland Community Plan 2009-2019) and focuses on identifying any changes or additions, rather than repeating the detailed information contained in the Community Plan. The next Long Term Council Community Plan will be released in April 2012 and will cover the period 2012-2022.

Except where noted, the plans and activities established in the Northland Community Plan 2009-2019 apply to this Annual Plan and the 2010-2011 operations of the Council. Therefore, it is important that this Annual Plan is read in conjunction with the Northland Community Plan 2009-2019. *Copies of the Community Plan are available from the Council or from the Council's website www.nrc.govt.nz/lccp*

Excluding the variations to the Northland Community Plan 2009-2019 detailed throughout this Plan, the changes from what the Council had expected to happen in 2011-2012 are relatively minor, with some additional initiatives and refinement of costs as more information has become available. *Full details of these variations affecting the Council's groups of activities are referred to on pages 33 to 76 of this Plan.*

N.B. Where applicable, GST has been included at a rate of 12.5%. GST will increase to 15% on 1 October 2010.

foreword

A word from the Chairman and Chief Executive Officer

Firstly, our thanks to the thousands of Northlanders who took the time to read about Council's plans for the next 12 months and the more than 500 submitters who went on to make formal suggestions on our Draft Annual Plan.

As a result of these submissions, your Council has agreed to make a number of changes to some of the initiatives originally suggested in our Draft Plan.

Many of you did not want to see Council contribute \$135,000 to help fund Rugby World Cup regional coordination and as a result this proposal will no longer be funded from this year's rates. (Council will now refer this matter to Regional Economic Development Agency Enterprise Northland for its consideration instead.)

Similarly, the proposed budget for Council's Regional Growth Programme will be cut by \$100,000 (from \$450,795 to \$350,795).

Water Quality

Plans to spend \$113,000 on water quality initiatives and \$135,000 on a mangrove removal and sediment management programme will go ahead after strong support from the public.

Following submissions, Council will also contribute \$113,000 from its reserves towards a joint study looking at the possibility of unlocking some of the region's mineral wealth.

On the subject of Genetic Engineering (GE) - a subject raised by several submitters - Councillors decided that a \$10,000 contingency fund set aside previously for making applications to the Environmental Risk Management Authority would be carried forward to 2010-2011.

Councillors also agreed that the Regional Council's precautionary policy in respect to GE will be referred to the Working Party on the review of the Council's Regional Policy Statement for potential inclusion in that document, but reiterated strongly that Council's current position on GE has not changed (and has certainly not weakened as some submitters claimed).

Paying for the various initiatives set out in the Annual Plan over the next 12 months will see the average Regional Council rates bill increase by about \$13.90 (plus GST at the prevailing rate) this year.

Project Promise

Submitters to the Annual Plan also raised the possibility of Council involvement in a proposed multimillion dollar cancer treatment unit to be located in Whangarei. Known as 'Project Promise' fundraising for this unit is already underway and is being co-ordinated by the Northland Community Foundation.



While the Northland Regional Council will not contribute any funding in this Annual Plan, Council and staff will be looking at how - and to what extent - the Council could potentially support this worthy project.

We will prepare a Statement of Proposal in the next few months to submit to the community as a separate consultation exercise to gauge public support for the Council's possible future involvement.

In a similar vein, the Council recognises that a National Conference Centre in Waitangi is a potentially important infrastructure project for Northland. However, any decision on whether or not Council might contribute to the proposed centre will be delayed until a prioritised list of regional infrastructure projects is developed against which the project can be judged.

By and large however, our Annual Plan will largely follow a path set out last year when the Council adopted its Northland Community Plan for 2009-2019.

As suggested previously in our foreword to the Draft Annual Plan 2010-2011, the next 12 months will be busy ones for your Regional Council, especially as Northland continues to work to recover from the aftermath of a significant drought and the global economic recession.

Regional Growth Programme

The \$350,000 to be spent on the proposed Regional Growth Programme will provide a framework for prioritising regional economic and environmental infrastructure enabling more effective targeting of Council resources.

It will also provide a structure to manage the complex relationship between environmental protection, economic growth and the provision of necessary infrastructure for Northland.

In addition, the Regional Council will also examine whether the current balance is right between the use, development and protection of Northland's natural and physical resources. It will do this through development of a new Regional Policy Statement (RPS).

An RPS provides a broad direction and framework for managing Northland's natural and physical resources but our existing RPS is now 10 years old.

Recognising that a lot can change over a decade, we hope to take a fresh look at the situation and with your help, develop a new generation RPS. It's likely to quite different from the one we have now and will greatly influence future Regional and District Plans.

The coming year will also see the Regional Council continue work on the development, or updating, of flood risk reduction plans for the 27 rivers in Northland carrying the highest levels of flood risk.

Work with Flood Management Community Liaison Committees – including at Awanui and in Whāngārei's Central Business District – will continue. These Committees enable communication with stakeholders and affected residents when investigating and implementing flood risk reduction measures.

We'll also continue plans to implement a more rigorous regional water allocation regime to ensure Northland's water resources are managed in a sustainable way and not over allocated.

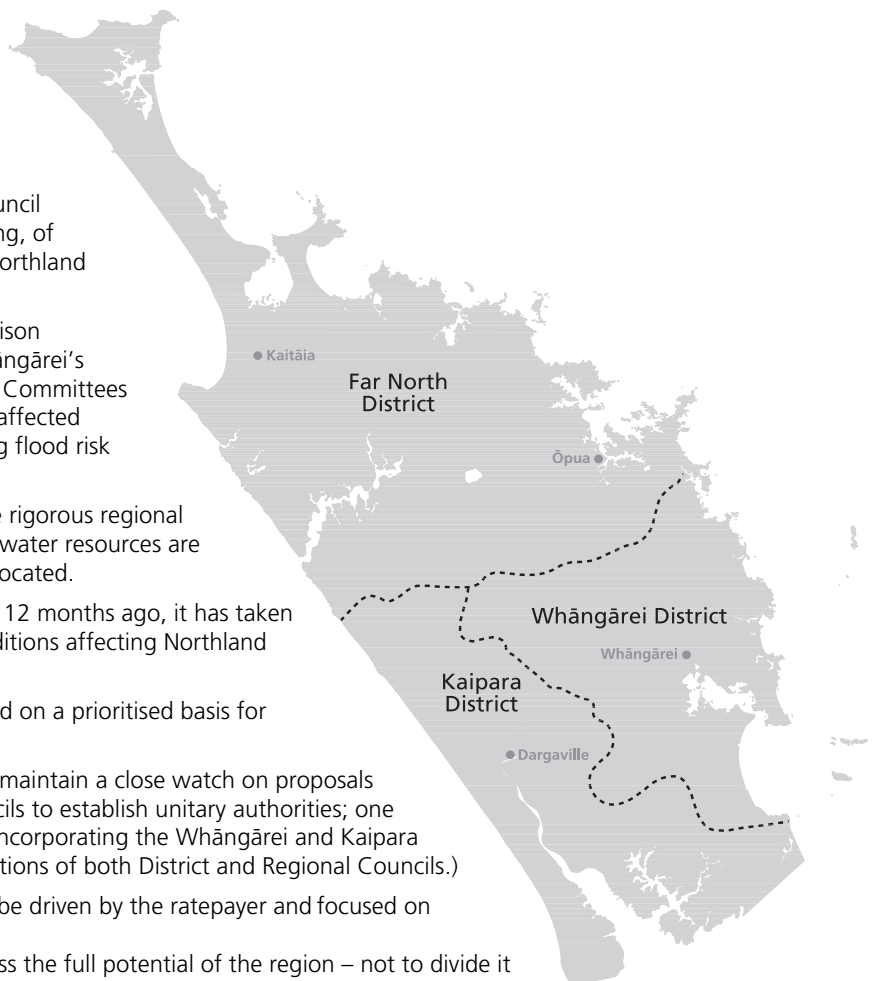
While this work was foreshadowed more than 12 months ago, it has taken on an added relevance given the drought conditions affecting Northland until recently.

It will see water management zones established on a prioritised basis for allocation of freshwater resources.

The next 12 months will also see your Council maintain a close watch on proposals by the Far North and Whāngārei District Councils to establish unitary authorities; one based on the Far North District and the other incorporating the Whāngārei and Kaipara Districts. (Unitary authorities combine the functions of both District and Regional Councils.)

We believe any reorganisation process should be driven by the ratepayer and focused on what is

best for Northland – ideally to unite and harness the full potential of the region – not to divide it at the ratepayers' expense.



Mark Farnsworth
Chairman

Ken Paterson
Chief Executive Officer

your regional councillors



Mark Farnsworth - Chairman

Represents Kaipara District

Phone: 09 431 5438

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Mark Farnsworth has represented Kaipara since 1992 and was elected Council Chairman in October 2001. Cr Farnsworth has a Masters Degree in Geography and a forestry and farming

background. He is a past National President of the New Zealand School Trustees Association and operates a small management partnership. He is also a Justice of the Peace.



Ian Walker - Deputy Chairman

Represents Far North District

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Ian Walker is a farmer, retailer and has business interests in IT. He has held a number of directorships and is currently President of Farmers of New Zealand and a Director of Northland

Port Corporation NZ Limited. This is his third term as a Regional Councillor and he was appointed Deputy Chairman in June 2008.



John Bain

Represents Whāngārei District

Phone: 09 437 6096

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John Bain is best-known to most as Chairman of the high-profile air ambulance provider, the Northland Emergency Services Trust (NEST).

A former member of the Northland

District Health Board, Cr Bain has had a 35-year involvement with the Northland Ambulance Service, including many years as its chairman. Cr Bain has been self-employed since his early twenties and is currently in the importing business.



Craig Brown

Represents Whāngārei District

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Craig Brown is the former Mayor of the Whāngārei District Council and is serving his second term on the Regional Council. He is a former policeman, and has been involved in

farming and real estate. He has been heavily involved on school boards of trustees since their instigation, for which he received an award for services to education from the New Zealand School Trustees Association. Cr Brown was on the Whāngārei District Council for 12 years, six of them as Mayor.



Joe Carr

Represents Far North District

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Okaihau-based Joe Carr has local business, farm and forest interests and is also a Justice of the Peace. He is a trustee of the Far North Life Education Trust and a former Far North District

Councillor. Cr Carr has served on a number of Regional Council committees over the past nine years including Civil Defence and Emergency Management, Regional Land Transport and Landcare. He has previously been a Hearing Commissioner and Appeal Negotiator for the Far North District Council.



Lorraine Hill

Represents Far North District

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Lorraine Hill, QSM, has been active in local government in the Far North for more than 20 years and is now serving her fourth term on the Regional Council. Cr Hill has also been involved

in tourism organisations in Northland for more than 25 years. She is a member of several organisations involved in Māori development in Northland.



Peter Jensen

Represents Whāngārei District

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Peter Jensen has represented the Whāngārei constituency since 1992. He is a retired businessman who was involved in the clothing industry for most of his working life. A former

member of the Whāngārei City Council, he has served on a number of commercial and community organisations. Cr Jensen is also a member of the Northland District Health Board.



Bill Rossiter

Represents Whāngārei District

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Email: billr@igrin.co.nz

Bill Rossiter is serving his fourth term on the Regional Council. He previously served as a Whāngārei District Councillor. He is a Northpower trustee and was previously the Road Safety

Co-ordinator for RoadSafe Northland. He is active in community organisations, including Rotary and an appointed Whāngārei RSA Trustee. Cr Rossiter is a retired businessman involved in the printing and stationery business.

focus for the year 2010-2011

This section highlights the key issues, actions and projects identified as priorities for the Northland Region for the coming year.

Northland Regional Growth Programme

Northland's Regional Growth Programme is an integral part of the Council's core business – essential to the future growth and development of the region. It will provide a framework for prioritising economic and environmental infrastructure enabling more effective targeting of Council resources. It will also provide a structure to manage the complex relationship between environmental protection, economic growth and the provision of necessary infrastructure for Northland. Actions resulting from the programme will provide an opportunity to enhance Northland as a Region of choice; a place to live, work, invest and play. The preliminary work already completed has been funded from Council reserves. The next stage is to consult with key stakeholders on the priorities for the Region and the various options available for Northlanders to achieve their goals and aspirations.

In the Northland Community Plan 2009-2019, the Council indicated its intention to establish a rate in 2010-2011 to continue to fund the ongoing activities surrounding the development and implementation of the Regional Growth Programme.

More information on the Regional Growth Programme can be found on page 18 of this Plan.

Following public consultation, the Council has reduced the proposed rates increase to continue funding this work by \$100,000 from \$450,795 to \$350,795 (including GST). Ratepayers in the Far North will pay an extra \$3.87, Kaipara \$4.51 and Whangarei \$4.18 per annum. N.B. These figures include GST at the rate of 12.5%. GST will increase to 15% on 1 October 2010.

New Regional Policy Statement – shaping Northland's future

The Regional Council is responsible for developing and implementing a document called a "Regional Policy Statement" (RPS). Northland's RPS provides the broad direction and framework for managing Northland's natural and physical resources. This includes the land, water, air, soil, minerals, energy, all plants and animals, and physical structures.

Preparing a new RPS provides an opportunity to review the current balance between use, development and protection of Northland's natural and physical resources. There will be many opportunities for Northlanders to have their say and help shape the content and approach of the next RPS. The first chance will be between July and November 2010 when an "Issues and Options" document will be released seeking views on the significant regional issues and the options available to the Council (and others) for sustainably managing them. Visit the Council's website www.nrc.govt.nz/newRPS for updates.

More information on the RPS including an overview of the consultation process and timeline can be found on page 46 of this Plan.

A questionnaire is available on the Council website - www.nrc.govt.nz/newRPS - and all Regional Council offices. The questionnaire asks what you think are the major natural and physical resource issues facing Northland and how you think these issues could be dealt with in the future.

Preparing an RPS is a statutory requirement for the Council that has already been budgeted for as part of the Northland Community Plan 2009-2019.

Priority Rivers – Whāngārei Central Business District Flood Risk Reduction

As with the Awanui/Kaitiāia, Kaeo/Whangaroa and Kaihū catchments, an active flood management community liaison committee is now in place for the Whāngārei urban catchments, including the Central Business District (CBD). The committee will enable communication with stakeholders and affected residents when investigating and implementing flood risk reduction measures.

Investigation has been undertaken previously by the Whāngārei District Council (WDC) to assess flood risk and risk reduction measures for the Whāngārei CBD, for which the Hātea, Raumanga and Waiarohia streams/rivers contribute to flooding. The CBD Floodplain Management Strategy provided a detailed conceptual analysis of flood hazard, risk, mitigation and benefit costs.

Results from the strategy estimate an annualised unmitigated flood risk cost of \$5.57M to the Whāngārei CBD. Seven flood management options were presented in the strategy, ranging in cost from \$22M to \$56M.

The strategy was completed in 2007 and public consultation undertaken regarding potential flood management schemes. Little public feedback was received during the consultation process. WDC did not finalise a preferred option. The Northland Regional Council (NRC) commissioned a peer review of the CBD Floodplain Management Strategy to assess limitations and areas for further refinement.

The liaison committees are not intended as a means to replace the Local Government Act (LGA) consultation process. Consultation with affected communities under the LGA process will still be required prior to making decisions on the establishment of flood control schemes and the setting of targeted rates to cover the funding of schemes.

It is proposed to have costed works and targeted rates funding options ready for public consultation in conjunction with the next 2011-2012 Annual Plan process (if not before). Consequently, there is no budget adjustment in this Annual Plan over and above what has already been budgeted for in the Northland Community Plan 2009-2019.

focus for the year 2010-2011 continued

Water Quality Initiatives

The Council has already recognised that improvement of water quality in Northland is a top priority. In order to bring about more progress in this important area, the Council proposes to increase funding for water quality initiatives in the 2010-2011 year, over and above what was budgeted for in the Northland Community Plan.

Strong public support was received on this proposal during the submission process on the Draft Annual Plan.

Following public submissions, the Council has decided to budget an additional \$112,500 (including GST) for new initiatives aimed at improving Northland's water quality. N.B. GST will increase from 12.5% to 15% on 1 October 2010. This funding is in addition to the substantial programme of current work already underway, including the Dairy Farm Effluent Improvement Project and the Northland Sewage Accord. This extra funding will be directed towards the support of community-led initiatives such as those in the Wairoa Hokianga, BOI Baycare, Doubtless Bay Community Care and Whangaroa Harbour Group Projects. Work in problem bathing water catchments will also be increased.

More information on the Council's planned activities in relation to water quality can be found in the environmental monitoring section on pages 161 to 176 of Volume 1 of the Northland Community Plan 2009-2019 and in the Land and Biodiversity activity on page 188.

Mangrove Removal and Sediment Management

Strong public support was received on this proposal during the submission process on the Draft Annual Plan.

Consequently, the Council has decided to introduce a programme of work to actively manage mangroves in areas where they are negatively impacting on flooding, drainage and amenity values. To this end, changes have recently

been made to the Regional Coastal Plan to allow resource consent to be obtained for removal of mangroves under certain conditions.

The Council is now considering options that would enable community-led initiatives to fund the removal of mangroves. These options may include Regional Council support for resource consent, rates funded removal of specific areas of mangroves, or applications to the Council's Environment Fund to pay for such work. It is anticipated that a call for expressions of interest from community groups interested in partnering with the Council in this project be made. A process including assessment of the impacts of any mangrove removals will be undertaken. It is expected that communities will pay for the physical removal of mangroves in their area.

\$135,000 (including GST) has been included in the 2010-2011 financial year to fund resource consent applications and the other work required to implement mangrove removal and sediment management projects including impact assessments and community liaison. N.B. GST will increase from 12.5% to 15% on 1 October 2010.

Co-governance with Māori

Co-governance is a concept ranging in meaning from minimum involvement in a decision making process through to devolution of power to an entity. Co-governance, as a tool for managing resources, has had an increasingly high profile as part of Government Treaty settlement processes. Formal co-governance structures have been set up by separate legislation, for example for the Waikato River Settlement, often over specific resources, and a range of organisations have been represented on the co-governance bodies including; Iwi, Regional Councils, District Councils and the Crown. Not all co-governance has been legislated for. Non-statutory arrangements for specific resources (for example in New Plymouth where it is used for selected New Plymouth Port assets) have also been used.

As the iwi and hapū of Tai Tokerau further engage with the Crown over Treaty settlements in Northland, the role of the Council in co-governance and/or other decision making and resource management processes will be developed.

Broadband

The Regional Council remains actively interested in the provision of world class broadband infrastructure throughout Northland.

As detailed in the Northland Community Plan 2009-2019, the Council to date has assumed the lead role in working with central government and other groups including Iwi, Kordia, FX Net, Northpower and Top Energy to progress broadband services and other communication technologies in Northland.

The Council has now passed this lead role on to other groups who are currently driving this initiative. However, the Council remains ready to assist in any way appropriate for a public sector entity that benefits the economy and future well-being of the people of Northland.





Aquaculture

Aquaculture is an industry with significant growth opportunities for Northland and has the potential to provide a positive economic impact to the more rural areas of the region. As part of its role as a leader of economic strategy in Northland, the Regional Council wishes to fully investigate and evaluate the potential and effects of aquaculture in the region before any decisions as to the industry's future are made.

In conjunction with Enterprise Northland, the Council will work with central government agencies, the aquaculture industry and other key stakeholders to determine how it can assist with the sustainable development of aquaculture in a way that best meets the needs of Northlanders. The Council will provide updates in future Annual Plans or Long Term Council Community Plans as more information becomes available and public comment will be sought on the preferred way forward for Northland.

Minerals

The Northland Region contains a wide range of mineral commodities and currently produces cement, high quality ceramic clays, limestone for agriculture, and rock and sand aggregates. In addition, there are prospects for aluminium, bentonite, coal, copper, diatomite, feldspar sand, gold, kauri gum, lead, mercury, nickel, peat, phosphate, serpentinite, silica sand, zeolite and zinc. The potential economic benefits of discovering and developing Northland's mineral resources have been quantified in a study by the NZ Institute of Economic Research. The total potential value of Northland's mineral resources (excluding aggregate, limestone and sand) are estimated at \$47 billion.

Before any decisions are made, it is important that the Regional Council and the communities of Northland understand the nature and the extent of the natural resources within the region. Only with this understanding, will the Council and others be best placed to manage those resources for generations to come.

The Regional Council is working with central government, industry and other local authorities to identify how we might best achieve full knowledge of what mineral resources are in Northland.

As a result of public submissions, the Council has decided to contribute \$112,500 (including GST) to mineral investigations and/or assessments carried out jointly with other parties. This will be funded from the Forest Equalisation Reserve and therefore will not impact on rates. Any further proposals on mineral investigations or projects will be outlined in future annual plans or community plans, with public comment sought before any decisions to fund are made.

Rugby World Cup Pre-Planning

Northland's Rugby World Cup 2011 (RWC) planning is well underway and details of team hosting and game dates have now been confirmed. The teams from Canada, Tonga and Japan will be based in Whāngārei and the Bay of Islands during September 2011. Games include Tonga vs Canada on 14 September 2011 and Tonga vs Japan on 21 September 2011.

Governance and Working Party groups have been established comprising all key stakeholders and funders. A Charter has also been signed by all Council mayors, chairs and chief executives committing to delivering a high quality RWC festival that benefits all of Northland. Task teams to handle the myriad of detailed planning required have been put in place covering everything from traffic management, security and safety, to festivals and celebrations.

The Council had proposed, in the Draft Annual Plan, to budget \$135,000 (including GST) as a contribution towards the personnel costs of a RWC project manager, a share of visitor programme costs for Destination Northland to undertake off-shore promotional activity, and a share of the costs of Enterprise Northland hosting inward investment events and business to business forums.

Following public consultation, the Council has decided that Rugby World Cup pre-planning will be funded through Enterprise Northland and not from general rates. This decision therefore does not impact on rates for the 2010-2011 financial year.

A website has been established to highlight the Northland RWC 2011 activity and to provide key information. Go to www.northland2011.com for more information.

Possible future development of a National Conference and Events Centre at Waitangi

The Regional Council has been approached by Enterprise Northland, the Waitangi Trust Board and Far North Holdings Ltd to support the development of a National Conference and Events Centre at Waitangi in the Bay of Islands.

The Council recognises this as a potentially important infrastructure project for Northland. However, the Council has decided not to contribute any funding to this project until after the development of a list of prioritised infrastructure for Northland. Such a list will be used to help guide the Council and others in making economic and infrastructure development decisions for Northland.

update on major existing council projects

Since the Long Term Council Community Plan published in June last year, the Council has successfully completed a wide range of projects and day to day operational activities. Full details of progress made on all Council activities can be found in the 2009 Annual Report on the Council's website www.nrc.govt.nz/annualreport

In terms of major projects only, the following is a brief update of achievements during the past year.

Northland Events Centre

During the last year, the Regional Council has led the construction of the Northland Events Centre at Okara Park in Whāngārei. The project is on target to be completed on time and within budget. Core funding for the events centre consists of \$13M from the Regional Council and \$3M from the Whāngārei District Council. An additional central government grant of \$2.5M has been secured to enable the events centre to meet the standards necessary to host Rugby World Cup games and to provide a lasting legacy for the Region.

The Council is on schedule to deliver on its promise to Northlanders to provide a multi events centre that will pose no further financial burden on ratepayers either in construction or operation.

The Regional Council is working jointly with the Whāngārei District Council on the formal opening of this premier community facility which will be managed and operated by the District Council. The Regional Council is committed to continue working with the Whāngārei District Council to ensure that the facility will be managed by an independent Trust. *For more information on the events centre project, visit the Council's website www.nrc.govt.nz/eventscentre or www.northlandeventscentre.co.nz*



Priority Rivers

The Council has continued work on the development, or updating of, flood risk reduction plans for the 27 rivers in Northland that carry the highest levels of flood risk. Detailed surveys of the floodplains in catchments have been undertaken to help develop computer flood models and produce flood hazard maps. In addition, a series of public meetings were held to gather more information about flood levels and who is affected.

Flood work in the Kaihū, Kaeo and Awanui catchments is also continuing. Extensive flood protection work was completed in Kaeo, including repairing and extending the existing stop bank. A detailed hydraulic river model was also developed to assess the best way to further reduce flood risks.

Water was drained from Bell's Hill near Kaitiāia to reduce the risk of the hill collapsing and threatening the town. Meanwhile, on the Kaihū River catchment, residents were asked for input on future plans for the Kaihū River scheme, while flood hazard maps were completed and flood modelling started. *More information on the Council's Land and Rivers group of activities can be found on pages 181 to 188 of Volume 1 of the Northland Community Plan 2009-2019.*

Sustainable Water Allocation Plan

In the Northland Community Plan 2009-2019, the Council indicated its intention to implement a more rigorous water allocation regime, to ensure Northland's water resources are managed in a sustainable way and not over allocated. Work is currently underway to establish water management zones on a prioritised basis for allocation of freshwater resources. *More information on the Sustainable Water Allocation Plan can be found on Page 13 of Volume 1 of the Northland Community Plan 2009-2019.*

Hātea River Channel Upgrade

Around 4.5km of Whāngārei's Hātea River channel, including part of the Town Basin Marina channel, has been dredged to remove thousands of tonnes of built-up silt. New buoys and markers were installed on completion of the dredging and the associated mooring systems and lights were upgraded. Due to the Hātea River dredging project being completed under budget, the Navigation, Water Transport and Maritime Safety Bylaw Charges 2009 was amended as part of this Annual Plan to remove user charges introduced to fund this work. *More information on the amendment of this bylaw can be found on page 99 of this Plan.*

Marsden Point Rail Link Designation

In October 2009, a panel of independent Commissioners recommended that national rail operator KiwiRail be allowed to formally designate the corridor of land it would use for the proposed rail link from Oakleigh to Marsden Point. Although KiwiRail has yet to make a decision on when the proposed 20km long link might be built, it has been seeking a "legal notice of requirement" for the proposed corridor. This effectively protects the route from other future development or uses that would be incompatible with a railway line. KiwiRail has also applied to the Northland Regional Council and the Whāngārei District Council for various resource consents needed to construct, operate and maintain the proposed rail link. These consent applications have resulted in a number of appeals which the various parties (including the Regional Council) are currently working to resolve.

The proposed line would link the Marsden Point deepwater port to the national rail network. The rail link is considered to be an invaluable piece of infrastructure poised to deliver significant, long lasting economic benefits to Northland. *More information on the Marsden Point Rail Link Designation can be found in the projects section of the Council's website www.nrc.govt.nz/marsdenrail*

Stock truck effluent disposal facilities

In order to reduce the amount of stock effluent spillage on the Region's roads, the Council included in its last LTCCP, \$101,250 (including GST) to provide two additional stock truck effluent disposal sites. These sites will not only reduce the incidence of illegal discharges, but will also improve road safety and promote public and environmental health.

Agreement has been reached with a private effluent disposal site operator in the Kaipara District to further develop his site to allow all other stock carriers to use this existing facility. This development is currently in the consents process to allow for the enlargement of the settlement ponds needed for the larger amount of effluent expected at the site. This new site is located on the premises of Kaipara Livestock Dargaville Ltd, on Beach Road, off State Highway 12. The new Kaipara stock truck effluent site is expected to be operational by 1 August 2010.

Whāngārei District Council is currently in the process of purchasing a disposal facility site in the Whāngārei District. The proposed new site is located on Southend Avenue, Whāngārei. In the Far North District, a scoping report recommended a site on State Highway 1, approximately 3.6km south of Pakaraka Junction. It is not expected to be functional until the 2012-2013 financial year.

Multi-Council Controlled Organisation – Integrated Regional Information Software

In the Northland Community Plan 2009-2019, the Council resolved to establish a new Council Controlled Organisation (CCO) with a number of other regional councils. The purpose of this new CCO was to allow for the group of councils to collaboratively develop and maintain a software suite for use by regional councils to deliver their groups of activities. The application suite being developed is called IRIS – Integrated Regional Information Software.

Since the decision to establish this new CCO was made in 2009, plans with the partnering councils have progressed and more details have been finalised. The IRIS CCO will be a limited liability company, and its shareholders will be the six regional councils that are developing the IRIS software.

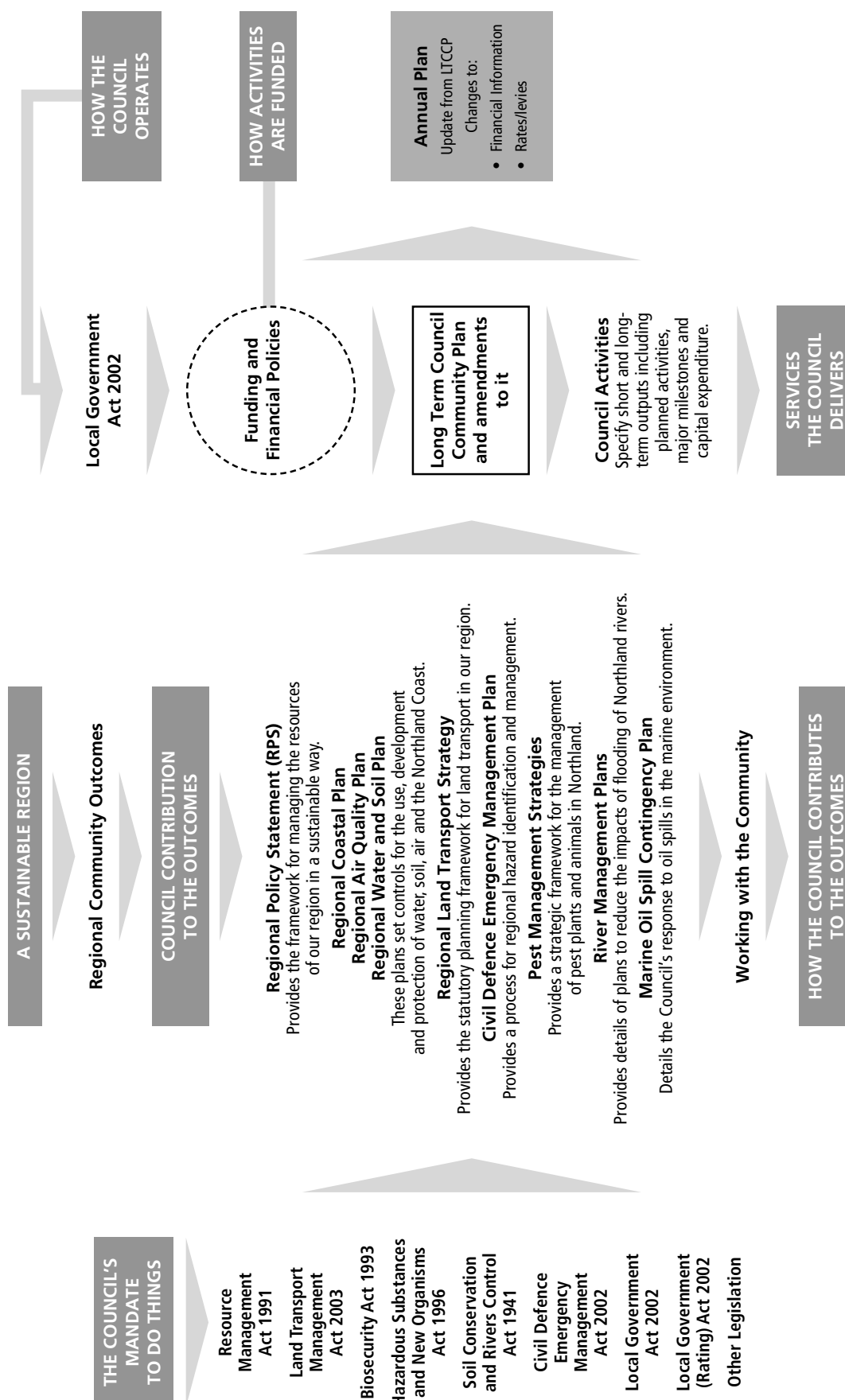
It is anticipated that the new IRIS CCO will be legally formed and become operative after 1 July 2010. *More details on the IRIS project can be found on page 219 of Volume 1 of the Northland Community Plan 2009-2019.*

Transfer of Northland Port Corporation Shares to the Infrastructure Development Authority

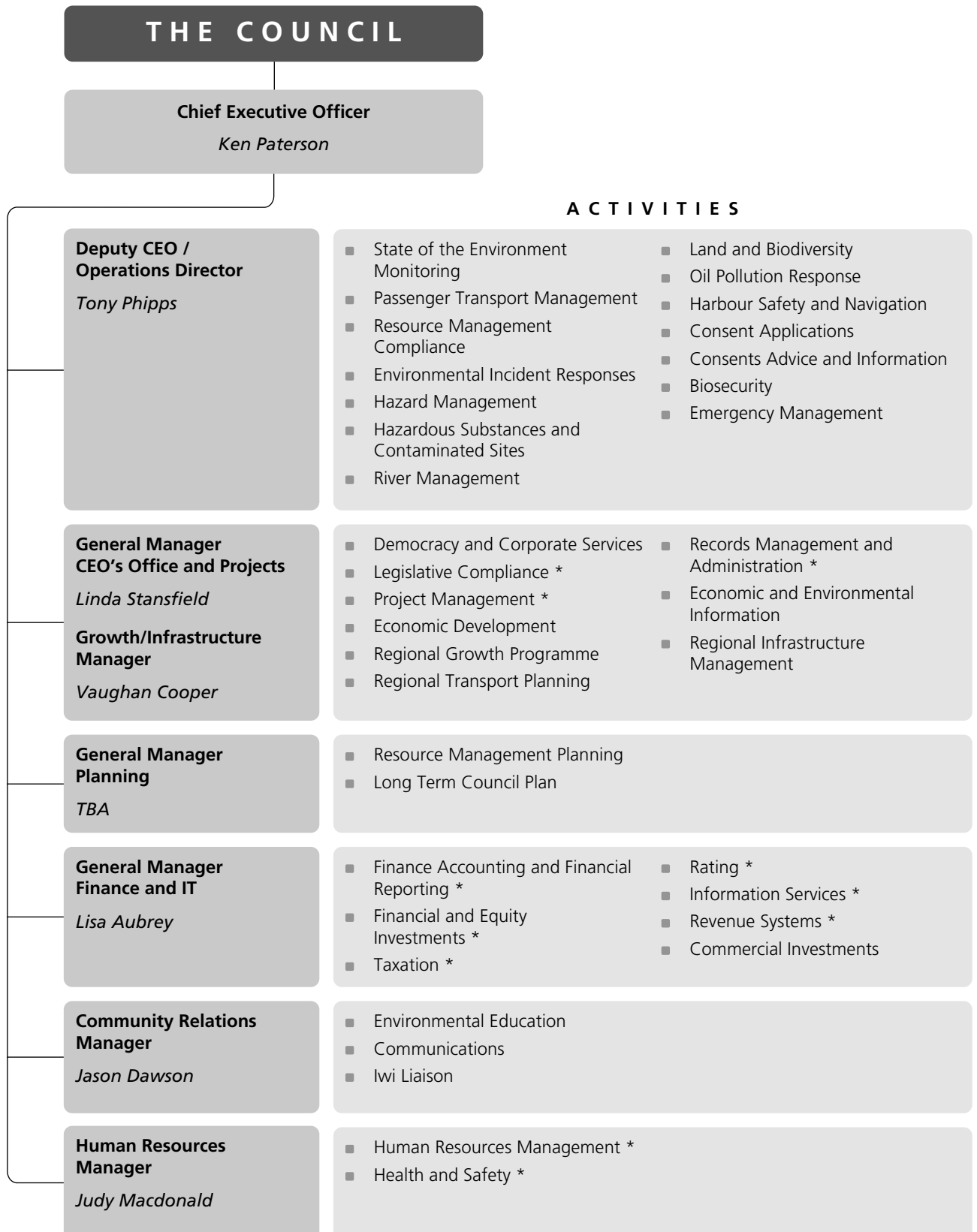
In the Northland Community Plan 2009-2019, the Council reserved the option of transferring its majority shareholding in the Northland Port Corporation (NPC) to a 100% Council owned and operated Infrastructure Development Agency (IDA). This decision was made following an operational efficiency and effectiveness review, with the transfer expected to provide financial benefits to the Council, including accessing the imputation credits attached to dividends that the Council receives from NPC. Due largely to the recent dividends received, the Council has not yet considered it financially worthwhile to transfer its shareholding to the IDA although it may elect to do so at some stage in the future.



council planning process



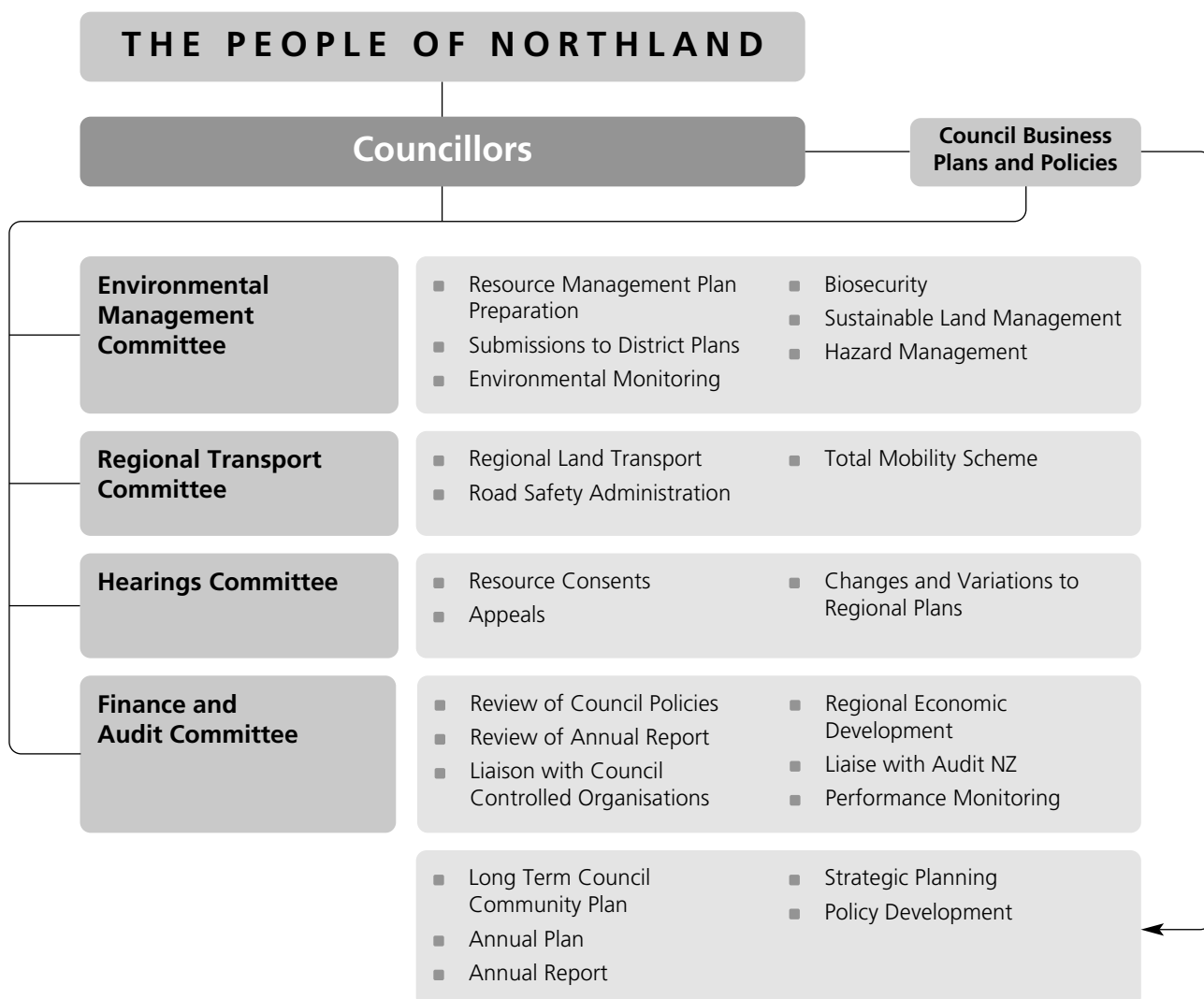
council management structure



TBA = To be appointed.

* Activity Support Services

governance structure



Full details of all Council's Governance arrangements and processes are contained in its Governance Statement. A copy of Northland Regional Council's Governance Statement is available on request, or by visiting the website: www.nrc.govt.nz

council committees

The Chairman, Mark Farnsworth, is an ex-officio member of all committees.

Environmental Management Committee

Councillors Craig Brown (Chairman), Joe Carr (Deputy Chairman), Mark Farnsworth (ex officio), John Bain, Lorraine Hill, Peter Jensen and Bill Rossiter.

- Mrs Fiona King representing the Far North District Council.
- Cr Crichton Christie representing the Whāngārei District Council.
- Cr Brian McEwing representing the Kaipara District Council.
- Mr Gerry Brackenbury representing environmental interest groups (nominated by Northland Regional Council).
- Mr Wayne Ward representing the farming community (nominated by Farmers of New Zealand).
- Mr Chris Jenkins representing the Department of Conservation.
- Mr Andrew Warren – NZ Forest Owners Association representing the forest industry.
- Mr Mike Kake representing cultural interests.

Regional Transport Committee

Councillors John Bain (Chairman), Joe Carr (Deputy Chairman), Mark Farnsworth (ex officio).

- Mr David Edmunds representing the Far North District Council.
- Mr Mark Simpson representing the Whāngārei District Council.
- Cr Richard Alspach representing the Kaipara District Council.
- Mr Wayne McDonald representing the NZ Transport Agency.
- Mr Tony Norman representing public health.
- Ms Jo Douglas representing economic development.
- Mr Steve Westgate representing environmental sustainability.
- Mr Mike Kake representing cultural interests.
- Inspector Clifford Paxton representing New Zealand Police, safety and security.
- Mr John Williamson representing access and mobility.

Audit and Finance Committee

Councillors Peter Jensen (Chairman), John Bain (Deputy Chairman) Mark Farnsworth (ex officio), Ian Walker, Craig Brown and Bill Rossiter.

Hearings Committee

Councillors Lorraine Hill (Chairperson), Mark Farnsworth (ex officio), Peter Jensen, Craig Brown, Joe Carr and Ian Walker.

Any two (or more) of the above Councillors may be appointed by the Committee (or the Council), to conduct hearings and make decisions on behalf of the Council under the Resource Management Act 1991 (RMA). The Committee (or the Council) similarly may appoint any individual member/s or other independent person/s as Commissioner/s pursuant to section 34(1) of the RMA, to conduct a hearing in any particular case. The Committee (or the Council) may also revoke such a delegation at any time, by notice to the delegate.

Northland Regional Council Community Trust

The Northland Regional Council Community Trust was established in March 1996 using the proceeds from the sale of some of the Northland Regional Council's majority shareholding in the Northland Port Corporation.

The current trustees are Andrew Britton, Rawson Wright, Irene Durham and Bill Shepherd.

Representation – Other Organisations

- Zone 1 National Council of Local Government New Zealand – Cr Mark Farnsworth.
- Northland Civil Defence Emergency Management Group – Cr Bill Rossiter.
- Northland Regional Animal Health Committee – Cr Mark Farnsworth.
- Zone 1 Local Government New Zealand – Cr Bill Rossiter.
- Northland Conservation Board – Cr Craig Brown (observer).
- Northland Tourism Development Group – Cr Lorraine Hill.
- Ruakaka Sewerage Working Party – Cr Craig Brown.
- Advisory Board Member, Ministry for Environment: Making Good Decisions Advisory Board – Cr Mark Farnsworth.
- Northland Chamber of Commerce – Cr Bill Rossiter.

The Chief Executive Officer is responsible for setting the direction of the Council within the policy framework provided by Councillors. The Management Team is accountable to him and he is accountable to the Council.

northland regional growth programme

Northland's Regional Growth Programme is an integral part of the Council's core business – essential to the future growth and development of the region.

Background

In the Northland Community Plan 2009-2019, the Council indicated its intention to establish a new targeted rate from 1 July 2010 and to consult on its introduction as part of this year's Annual Plan process. In order to avoid the increased administrative costs needed to establish an entirely new and separate rate, the Council is now proposing to increase the targeted council services rate instead to fund the ongoing development and implementation of the Growth Programme in order to avoid unnecessary costs being passed on to Northland ratepayers.

The Growth Programme is an integral part of the Council's core business. It will provide a framework for linking local aspirations with regionally and nationally significant investment and intervention programmes, enabling Northland to reach its full potential. The programme will provide clear direction and prioritise opportunities for improvement, enabling more effective targeting of Council resources. The end result will be used as a means of managing the relationship between economic growth, improved infrastructure, environmental management and regional leadership for the long term benefit of the Region and the people who live here.

Details of the rate increase

Following public consultation, the Council has reduced the proposed rates increase to continue funding this work by \$100,000 from \$450,795 to \$350,795 (including GST). This rate increase will be applied to all ratepayers in Northland. This will result in an annual increase of \$4.18 (including GST) for ratepayers in Whāngārei District and \$3.87 (including GST) in the Far North District, for each separately used and inhabited part of each rating unit. The increase for each rating unit in the Kaipara District will amount to \$4.51 (including GST). N.B. These figures include GST at the rate of 12.5%. GST will increase to 15% on 1 October 2010.

Initial work on the growth programme during the past year has been funded from Council's reserves. Progress to date includes documentation of a benchmark of where Northland is now; specifically from an environmental and economic perspective, but also gaining an understanding of the Region's infrastructure baseline. This was an essential first step to building a clear picture of Northland's future potential.



Focus for the year ahead

During the next year, the Council's growth programme activity will focus on communication and collaboration. There will be a schedule of consultation with key stakeholders and communities to better understand the aspirations for Northland from a variety of viewpoints. This will involve the Council working in partnership with key stakeholders including the Northland Intersectoral Forum (NIF), District Councils, Iwi, industry sectors, communities, the Chamber of Commerce, the Northland Regional Council Community Trust (trading as Enterprise Northland), central government and other key regional organisations. The objective of this process will be to develop a shared understanding of Northland's strengths and weaknesses and to develop an agreed pathway forward to increase the Region's prosperity.

Another key deliverable for the 2010-2011 year will be the development of an action plan outlining the steps necessary to develop the Region to its full potential using a sustainable development approach. In addition, it is anticipated that a regional forum made up of key stakeholders will be created to support the ongoing implementation of the Growth Programme.

Local Government Act 2002 considerations

The Regional Growth Programme contributes to the economic well-being of Northlanders because it will be a catalyst to increase productivity for economic growth and explore ways to add value to existing businesses. It will also have a positive impact on environmental well-being by providing a clear vision and proactively planning for the present and future. The ability to converge economic growth, enhanced infrastructure and environmental protection will determine whether Northland has a prosperous future or continues with poor productivity and a low wage economy.

In addition, the Regional Growth Programme will contribute to the achievement of a number of regional community outcomes including:

“Northland’s infrastructure is developed in a sustainable way”

- By identifying infrastructure improvements that will support sustainable economic growth and development.

“Northland’s natural environment is sustainably managed”

- By providing a clear vision and proactively planning for the present and future environmental well-being of the Region and giving due cognisance to the potential impacts of climate variation.

“Northland is prosperous”

- By supporting initiatives that attract investment, new businesses and skilled people into Northland; and
- Helping to identify Northland’s unique characteristics and develop the Region’s competitiveness through the Regional Growth Programme.

“Northland residents are educated and skilled”

- By supporting access to, and participation in, formal education and targeted industry training contributing to Northland’s competitiveness.

“Northland has cohesive communities”

- By ensuring that economic growth is balanced with social and environmental responsibilities through the Regional Growth Programme; and
- Working effectively and co-ordinating efforts with business, central and local government to ensure the best outcomes for Northlanders on issues of regional importance.

More information on community outcomes can be found starting on page 41 of the Northland Community Plan 2009-2019. This plan can be viewed on the Council’s website www.nrc.govt.nz/ltccp



financial overview

Changes to the rate of GST in the 2010-2011 financial year.

The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. Where GST inclusive figures are provided throughout this Annual Plan, they are calculated using the current rate of 12.5%, unless otherwise stated.

Operational spending

We are forecasting total operational spending of \$24.3 million during 2010-2011.

Operational spending provides for the Council's day-to-day operations and services; things like working with the community to care for Northland's environment – air, land, water and coast.

The Council is also responsible for flood management, looking after the navigational safety of all vessels in our region's harbours and working with regional and national agencies to help ensure the provision and security of core regional infrastructure like transport, energy and telecommunications.

The Council also administers Whāngārei's urban bus service and helps plan the region's transport network, ensuring there is enough water for everyone. It protects our environment from the harmful impacts of pest animals, pest plants and diseases and co-ordinates Northland's Civil Defence Emergency Management Group.

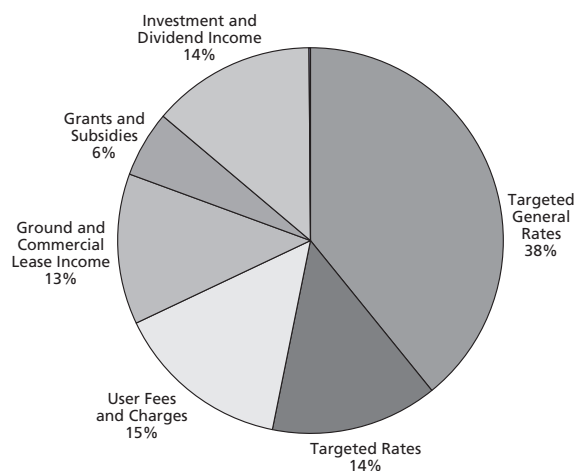
Where will the money come from?

Operating expenses are funded through rates, fees and charges, grants and subsidies and other income.

Rating currently provides 52% of the Council's income, user fees another 15% and grants and subsidies 6%. The balance comes from investment income (14%) and ground and commercial lease income (13%).

The graph below shows these funding sources for the next 12 months.

2010-2011 Proposed sources of Operational Funding and Revenue



Our proposed funding for 2010-2011 is \$25 million.

Rates

The Annual Plan calls for a 10.5% increase in general rates generating an extra roughly \$1.3 million (including GST) in rates. This follows a comprehensive review of Council operating budgets and is equivalent to a rates increase of about \$15.64 per ratepayer. It will cover the inflationary increases and minor adjustments across a number of regional Council activities and the introduction of the following new initiatives:

- A Regional Growth Programme (\$351,000).
- Water quality initiatives (\$113,000).
- A mangrove removal programme (\$135,000).

The fixed charges for the Targeted Regional Recreational Services Rate, the Targeted Transport Rate (Whangārei only) and the Targeted Rescue Helicopter Services Rate have not been increased.

Rates collected for river management schemes are excluded from the above calculations. Council is proposing to increase the river management scheme rates by 3.3% in 2010-2011 financial year.

What level of rates can you expect to pay?

2010-2011 Financial Year Rates (assuming Land Value is \$200,000)	Far North (per SUIP)	Kaipara (per RU)	Whāngārei (per SUIP)
	Excl. GST *	Excl. GST *	Excl. GST *
Targeted Council Services Rate	\$60.00	\$69.94	\$66.30
Targeted Land Management Rate	\$31.70	\$31.09	\$35.22
Regional Recreational Facilities Rate	\$5.00	\$5.00	\$25.00
Regional Infrastructure Rate	\$4.32	\$4.23	\$4.80
Rescue Helicopter Services Rate	\$7.36	\$7.36	\$7.36
Transport Rate	–	–	\$10.65
TOTAL (excluding GST)	\$108.38	\$117.63	\$149.33
Total including GST @ 12.5%	\$121.93	\$132.33	\$168.00
Total including GST @ 15%	\$124.64	\$135.27	\$171.73

* Plus GST at the prevailing rate at the time of supply.

The above table identifies what your rates will be if your property has a land value of \$200,000. It should be noted the Targeted Land Management 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 provided by Quotable Value, to effectively align the three Districts valuation dates. If the valuation dates were aligned, the Land Management and Regional Infrastructure Rate would be set as the same rate in the dollar across all three Districts.

Rate Movement from 2009-2010 to 2010-2011**Excluding GST ***

Targeted Council Services Rate
Targeted Land Management Rate
Regional Infrastructure Rate
Regional Recreational Facilities Rate
Rescue Helicopter Services Rate
Transport Rate (Whangarei District)
Total Rates (excluding GST)

* Plus GST at the prevailing rate at the time of supply.

2009-2010 (Community Plan) \$	2010-2011 (Annual Plan) \$	Movement \$
4,632,283	5,494,979	862,696
3,915,725	4,165,158	249,433
566,619	567,521	902
1,128,521	1,198,620	70,099
625,412	629,192	3,780
408,850	410,408	1,558
\$11,277,410	\$12,465,878	\$1,188,468

User fees and charges

We also impose fees and charges for some of our services.

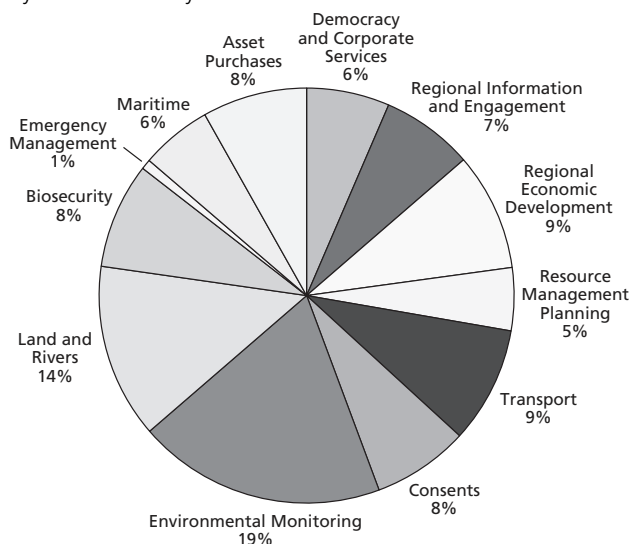
Fees and Charges are applied in accordance with Council's Fees and Charges Policy.

Council's user fees and charges are largely unchanged compared with the 2009-2010 financial year. Refer to Council's Charging Policy for further information, this can be found on Council's website: www.nrc.govt.nz/Resource-Library-Summary/Plans-and-Policies/Annual-plan-and-policies/

Expenditure

We are forecasting total gross spending of \$26.6 million during 2010-2011.

This graph shows the allocation of our proposed spending by Council activity.



The cost of all activities includes a component of support services costs (Finance, Information Services, Human Resources and Records Management and Administration).

Capital spending

Capital expenditure pays for property, plant and equipment.

The proposed 2010-2011 capital expenditure for Council operational assets totals \$2,225,580. This does not include any proposed carry forwards of unspent capital expenditure from the 2009-2010 financial year. It is anticipated that for ongoing projects where capital expenditure remains unspent at the end of the current financial year, this will be assessed and with approval of the Audit and Finance Committee, will be carried forward into the following year to enable projects to be completed. This proposed 2010-2011 capital expenditure includes the cyclical replacement of plant and equipment; \$128,264 information technology; \$1,370,465, vehicle replacement; \$310,000, operational equipment; \$416,851.

The Council funds its capital expenditure consistent with the Revenue and Financing policy. The Revenue and Financing Policy is set out on pages 62 to 89 in Volume Two of the 2009-2019 Northland Community Plan.

Grants and subsidies

Council receives Government subsidies for some activities including transport planning and oil spill planning, state of the environment and biosecurity activities.

2010-2011 projected LTCCP budget compared to forecast Annual Plan budget

Understanding the reason for the variance between the LTCCP forecast 2010-2011 budget and 2010-2011 Annual Plan.

The Council's Community Plan estimates the Council's total estimated operating expenditure for the 2010-2011 financial year at \$24,859,337.

This compares to a lower \$24,347,389 spend forecast in the Annual Plan 2010-2011.

The \$511,948 decrease is due to a combination of a reduction in spending in some areas and extra spending in others. These proposed changes are projects were explained above. Proposed reductions in spending include \$251,000 in bus transport, 89,000 in Regional Growth Programme and \$131,000 in Awanui River Management due to expenditure being brought forward in the current year. There are a number of other minor variances across a number of activities.

financial overview continued

Prospective Funding Impact Statement

for the period ending 30 June 2011

	LTCGP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
Operating Expenditure	24,859,337	24,347,389	511,948
Internal Finance Costs	632,080	602,766	29,314
Capital Expenditure	2,586,565	2,225,580	360,985
Less Non Cash expenditure	1,097,872	1,097,872	–
Net Operating and Capital Expenditure to be funded	\$26,980,110	\$26,077,863	\$902,247
Funded by:			
Targeted Council Service Rate	4,873,947	5,494,979	621,032
Targeted Land Management Rate	4,045,786	4,165,158	119,372
Regional Infrastructure Rate	585,324	567,521	(17,803)
Northland Regional Recreational Facilities Rate	1,137,987	1,198,620	60,632
Targeted Rates	2,225,100	1,761,517	(463,583)
User Charges	3,944,778	3,727,867	(216,911)
Rental Income	3,214,696	3,184,585	(30,111)
Dividends	1,367,712	1,367,712	–
Interest	2,737,846	2,088,758	(649,088)
Internal Interest Income	632,080	602,766	(29,314)
Subsidies and Grants	1,206,103	1,399,363	193,259
Other Income	33,056	31,330	(1,726)
Transfers from/(to) Cash Reserves	975,693	487,687	(488,006)
Total Funding	\$26,980,110	\$26,077,863	\$(902,247)

All figures are GST exclusive, unless stated otherwise. The total estimated expenditure for the Northland Regional Council for 2010-2011 is \$26,077,863. Total expenditure will be funded from the sources listed (GST exclusive). These funding/financing sources are consistent with the Revenue and Financing Policy. The Revenue and Financing Policy is set out on pages 62 to 89 in Volume Two of the 2009-2019 Northland Community Plan.

Changes to the rate of GST and the impact on rates

The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate.

GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.

Targeted General Rates

The Northland Regional Council levies two rates which are applied as targeted general rates, these being the Targeted Council Services Rate and the Targeted Land Management Rate. Targeted General Rates are paid on all rateable properties in the Northland region.

Targeted Council Services Rate

What it funds

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

How it is set

The Targeted Council Services Rate is a fixed rate, differentiated by location. 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 \$1.50 (excluding GST) per separately used and inhabited parts (SUIP) of rating units is to be levied across the Whangarei Constituency to provide \$57,896 to fund the ongoing maintenance needs of the Hātea River channel. This rating policy recognises that a differentiated fixed charge on separately used or inhabited parts (SUIP) of each rating unit or per rating unit (property) links better to

environmental 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. From the 2010-2011 financial year, the Regional Growth programme will be funded from this rate.

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

How much is the rate?

The estimated total general rate amounts to \$5,494,979 for the 2010-2011 financial year.

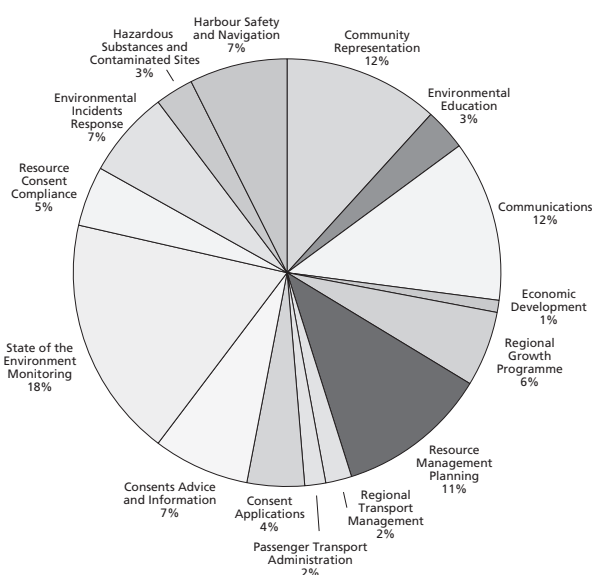
The general rate payable in respect of each rating unit in the Kaipara District, and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whangarei Districts of the Northland region, will be levied as follows:

	Excl. GST *	
Far North constituency	\$60.00	per SUIP
Kaipara constituency	\$69.94	per rating unit
Whāngārei constituency	\$66.30	per SUIP

* Plus GST at the prevailing rate at the time of supply.

How is the rate applied

Targeted Council Service Rate allocation % to activities



Targeted Land Management Rate

What it funds

The Council will fund activities that are carried out pursuant to the Biosecurity Act 1993, the Soil Conservation and Rivers Control Act 1941 and the Civil Defence Emergency Management Act 2002 and the implementation of the Resource Management Act, by a land value based targeted rate.

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 value rates to be levied across all sectors of the Northland community 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 the quality of natural water.

How it is set

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value. The Council does not apply a differential on this rate.

How much is the rate?

The estimated total Targeted Land Management Rate amounts to \$4,165,158 for the 2010-2011 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.

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.

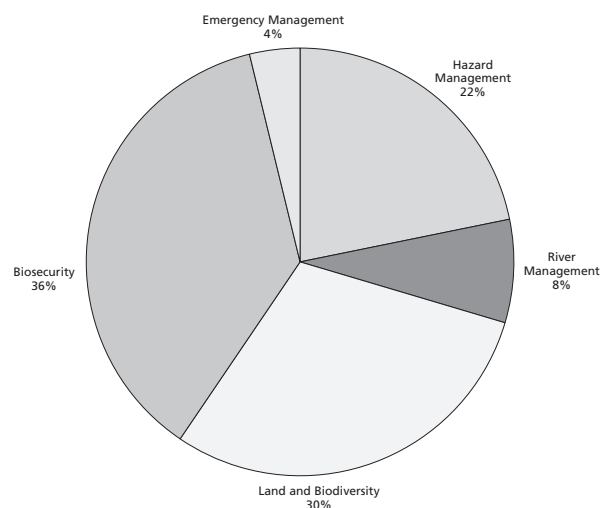
District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land Value Excl. GST *
Far North District	10,515,652	9,463,666	\$15.85
Kaipara District	4,612,182	4,072,925	\$15.55
Whāngārei District	10,117,069	10,117,069	\$17.61

* Plus GST at the prevailing rate at the time of supply.

It is important to note that if all districts had the same valuation date each district would have the same rate per dollar each \$100,000 of actual land value.

How is the rate applied?

Targeted Land Management Rate allocated % to activities



financial overview continued

Targeted Rates

The following targeted rates are intended for 2010-2011:

Targeted Rate – Northland Regional Recreational Facilities Rate

What it funds

It is intended to fund the development of the regional events centre.

How it is set

The Northland Regional Recreational Facilities Rate will be a targeted and differentiated rate of \$25.00 (excluding GST) to each separately used or inhabited part (SUIP) of rating units in the Whāngārei District constituency and \$5.00 (excluding GST) separately used or inhabited part (SUIP) of rating units in the Far North District constituency and \$5.00 (excluding GST) per rating unit in the Kaipara District constituency.

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

How much is the rate?

The estimated total Northland Regional Recreational Facilities Rate amounts to \$1,198,620 for the 2010-2011 financial year. The rate is to be levied as follows:

	Excl. GST *	
Far North constituency	\$5.00	per SUIP
Kaipara constituency	\$5.00	per rating unit
Whāngārei constituency	\$25.00	per SUIP

* Plus GST at the prevailing rate at the time of supply.

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.

Targeted Rate – 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

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actually rateable land value. This varies by district, as it is set and allocated on the basis of projected land value. The Council does not apply a differential on this rate.

How much is the rate?

The estimated total Regional Infrastructure Rate amounts to \$567,521 for the 2010-2011 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 *
Far North District	10,515,652	9,463,666	\$2.16
Kaipara District	4,612,182	4,072,925	\$2.12
Whāngārei District	10,117,069	10,117,069	\$2.40

* Plus GST at the prevailing rate at the time of supply.

It is important to note that if all districts had the same valuation date each district would have the same rate per dollar each \$100,000 of actual land value.

How is the rate applied?

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

Targeted Rate – Rescue Helicopter Services Rate

What it funds

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

How it is set

The Rescue Helicopter Services Rate is to be levied as a targeted fixed rate set on a uniform basis. The fixed charge is to be levied on each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland Region.

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

How much is the rate?

The estimated total Rescue Helicopter Services Rate amounts to \$629,192 for the 2010-2011 financial year.

The fixed charge is set for on each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region being \$7.36 (excluding GST).

How is the rate applied?

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

Targeted Rate – Transport Rate (Whāngārei District)**What it funds**

To fund the local contribution required to fund the Whāngārei bus passenger transport service.

How it is set

The rate is to be set by way of a set fixed charged levied on each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District.

The rate is set for on each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District. The rate is calculated as a rate in the dollar of the rateable capital value of each rating unit.

How much is the rate?

The estimated total Transport Rate amounts to \$410,408 for the 2010-2011 financial year.

The fixed charge will be set at \$10.65 (excluding GST) for each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District.

How is the rate applied?

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

Targeted Rate – Awanui River Flood Management Rate**What it funds**

To fund works on the Awanui Flood Management Scheme.

How it is set

The Awanui River Management Scheme is funded by 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 that Management Plan and its Rating District for the Awanui River Catchment and tributaries as described in the Awanui River Flood Management Scheme.

The rate is set differentially as follows:

	Excl. GST *
1. Urban rate class UA (floodplain location) \$111.40 direct benefit plus \$11.14 indirect benefit, total per each separately used or inhabited parts of a rating unit:	\$122.54
2. Urban rate classes UF (higher ground) \$11.14 direct benefit plus \$11.14 indirect benefit, total per rating each separately used or inhabited parts of a rating unit:	\$22.28

3. Commercial differential factor: 3.0

4. Rural rate differentiated by class, \$11.14 per each separately used or inhabited parts 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.

* * Plus GST at the prevailing rate at the time of supply.

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

Awanui River Flood Management Rate		Rate per Ha Excl. GST *
Class	Description	
A1 / A2	Maximum benefit; peat basins, low-lying reclaimed tidal land; alluvial land at risk from frequent ponding and flooding.	\$27.85
B1 / B2	High benefit land subject to floodwater flows but not ponding as floods recede.	\$20.88
C	Moderate benefit; land floods less frequently and water clears quickly.	\$13.92
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.	\$1.11

* Plus GST at the prevailing rate at the time of supply.

How much is the rate?

The estimated total Awanui River Flood Management Rate amounts to \$524,566 for the 2010-2011 financial year. The revenue sought from each category of rateable land will be as follows:

	Total Revenue Excl. GST
Class A Rural	83,410
Class B Rural	65,983
Class C Rural	22,502
Class F Rural	22,360
Indirect benefit Rural	19,164
Urban A	175,715
Urban F	14,484
Commercial differential Majority Urban	120,948
Total Rate (excluding GST)	\$524,566

How is the rate applied?

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

financial overview continued

Targeted Rate – Kaihū River Flood Management Rate

What it funds

To fund works on the Kaihū River Management Scheme.

How it is set

To fund channel maintenance work carried out in accordance with the Kaihū River Flood Management Plan by way of a targeted and differentiated rate based on the level of benefit to land and rating units, falling within the Kaihū River Management area. The Council will set the rate differently as follows:

1. Class A - land on the floodplain and side valleys downstream of the Rotu Bottleneck, rate is applied per hectare of land.
2. Class B - land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck, rate is applied per hectare of land.
3. 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.
4. 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 Flood Management Rate		Rate per Ha Excl. GST *
Class	Description	
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$22.28
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.14
Catchment Rate	Balance of rateable land within the Kaihū River rating area.	\$1.67
Urban Contribution	A contribution from Kaipara District Council instead of a separate rate per property.	\$4,951 per annum

* Plus GST at the prevailing rate at the time of supply.

How much is the rate?

The estimated Kaihū River Flood Management Rate amounts to \$78,612 in the 2010-2011 financial year. The revenue sought from each category of rateable land will be as follows:

	Total Revenue Excl. GST
Class A	25,022
Class B	17,215
Catchment Rate	31,424
Urban Contribution	4,951
Total Rate (excluding GST)	\$78,612

How is the rate applied?

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

Targeted Rate – Kaeo River Flood Management Rate

What it funds

This rate will be used to provide funding for remedial works to clear flood debris and gravel from streams from Taupo Bay to Te Ngairi. This work will increase the current level of protection while more comprehensive, catchment-wide and long-term measures are investigated.

How it is set

A fixed Kaeo River Flood Management Rate for the 2010-2011 year, set on a uniform basis across all rateable properties within the former Whangaroa Ward (falling between rating roles 100 -199). The fixed Kaeo River Flood Management Rate is payable in respect of each separately used or inhabited parts of rating units falling between rating roles 100 -199.

How much is the rate?

The estimated Kaeo River Flood Management Rate amounts to \$118,738 in the 2010-2011 financial year. The fixed levy of \$58.84 (excluding GST) will be applied to each separately used or inhabited part of rating units falling between rating roles 100 -19.

How is the rate applied?

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

Further Rating information

The same basis for calculating rates has been adopted for the term of this community plan but it should be noted that the estimates for the medium to 10 year, including price level changes, may differ from the actual rates to be made in future years, and those differences may be material.

Three Northland district councils collect rates on behalf of the Northland 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.

A rating unit or separately used or inhabited part of a rating unit is defined as follows:

A separately used or occupied part of a rating unit includes 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 that

are used or occupied by the ratepayer for more than one single use.

Northland Regional Council will apply the definitions of the Far North District, Kaipara District and Whāngārei District Councils to determine a rating unit within each district.

Inspection and objection to Council's Rating Information Database

The Rating Information Database (RID) for each District are available at the relevant District Council and on the District Council's websites, the website addresses are:

- www.fndc.govt.nz
- www.wdc.govt.nz
- www.kaipara.govt.nz

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

Funding Impact Statement – 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 2010-2011. The actual and projected apportionment of rates between constituent districts of Northland is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate - 30 June 2010

	No of RU (Kaipara) or SUIP (others)	Capital Value \$000s	Land Value \$000s	Equalised Capital Value \$000s	Equalised Land Value \$000s	Equalised CV%	Equalised LV%
Far North District	34,590	16,286,118	10,515,652	15,008,961	9,463,666	38.17%	40.01%
Kaipara District	12,358	6,853,846	4,612,182	6,250,570	4,072,925	15.90%	17.22%
Whāngārei District	38,540	18,061,509	10,117,069	18,061,509	10,117,069	45.93%	42.77%
Total Valuation Northland	85,488	41,201,473	25,244,903	39,321,040	23,653,661	100.00%	100.00%

Budgeted Rates 2010-2011

Far North District	Kaipara District	Whāngārei District	Total Excl. GST *	Far North District	Kaipara District	Whāngārei District	Total Excl. GST *
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Targeted Council Services Rate

(calculated on CV)

Rate per SUIP	\$60.00		2,075,400	\$51.19			1,748,228
Rate per RU		\$69.94	864,291		\$59.38		726,190
Rate per SUIP			\$66.30			\$60.20	2,158,011
			<u>5,494,979</u>				<u>4,632,429</u>

Targeted Land Management Rate

(calculated on LV)

Rate per \$ of Actual LV	0.0001585		1,666,615	0.0001598			1,656,150
Rate per \$ of Actual LV		0.0001555	717,040		0.0001524		696,773
Rate per \$ of Actual LV			0.0001761			0.0001688	1,562,803
			<u>4,165,158</u>				<u>3,915,725</u>

Targeted Rate – Northland Regional Recreational Facilities Rate

(fixed)

Rate per SUIP	\$5.00		173,104	\$5.00			170,907
Rate per RU		\$5.00	61,845		\$5.00		61,204
Rate per SUIP			\$25.00			\$25.00	896,409
			<u>1,198,620</u>				<u>1,128,520</u>

* Plus GST at the prevailing rate at the time of supply.

financial overview continued

	Budgeted Rates 2010-2011					Budgeted Rates 2009-2010			
	Far North District	Kaipara District	Whāngārei District	Total Excl. GST *		Far North District	Kaipara District	Whāngārei District	Total Excl. GST *
Targeted Rate – Regional Infrastructure Rate									
(calculated on LV)									
Rate per \$ of Actual LV	0.0000216			227,138		0.0000231			239,488
Rate per \$ of Actual LV		0.0000212		97,573			0.0000220		100,817
Rate per \$ of Actual LV			0.0000240	242,810				0.0000244	226,314
				<u>567,521</u>					<u>566,619</u>
Targeted Rate – Rescue Helicopter Services Rate									
(fixed)									
Rate per SUIP	\$7.36			254,583		\$7.61			259,851
Rate per RU		\$7.36		90,955			\$7.61		93,057
Rate per SUIP			\$7.36	283,654				\$7.61	272,779
				<u>629,192</u>					<u>625,687</u>
Targeted Rate – Transport Rate									
(fixed)									
Rate per SUIP									
Rate per RU									
Rate per SUIP			\$10.65	410,408				\$11.40	408,849
				<u>410,408</u>					<u>408,849</u>
Awanui River Flood Management Rate									
(on area)									
Far North District Rural				213,420					208,304
Far North District Urban				311,146					341,126
See page 25 for further details on the Awanui River Flood Management Rate				<u>524,566</u>					<u>549,430</u>
Kaihū River Flood Management Rate									
Kaipara				<u>78,612</u>					<u>76,101</u>
See page 26 for further details on the Kaihū River Flood Management Rate									
Kaeo River Flood Management Rate									
Far North (Kaeo only)				<u>118,738</u>					<u>114,945</u>
See page 26 for further details on the Kaeo River Flood Management Rate									
Total Rates (excluding GST)									
Far North District				\$5,040,143					\$4,738,999
Kaipara District				\$1,910,317					\$1,754,142
Whāngārei District				\$6,237,335					\$5,525,165
				<u>\$13,187,795</u>					<u>\$12,018,305</u>

* Plus GST at the prevailing rate at the time of supply.

How much will my rates be?

Presented on the next pages is a selection of example rates for properties falling within each constituent district in the Northland Region. The tables show the total rates that different groups of ratepayers will incur under this Plan.

The estimated rates detailed above are based on the revenue required from each rate and the estimated capital or land values of the constituent districts of the region. The capital or land values of the constituent part of the region used to set the rates will be based on the district valuation rolls as at 30 June. Therefore values may differ from those used in these calculations.

Ratepayers in the Whāngārei District constituency

Whāngārei ratepayers will be levied per separately used and inhabited parts of rating units: (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 \$1.50 (excluding GST) to fund the maintenance of the Hātea Channel; (2) a targeted Land Management Rate based on the equalised land value of the property, and (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; (6) a targeted fixed Rescue Helicopter Services Rate.

Whāngārei Urban/Rural/Other		2010-2011
Land Management Rate = LV rate in the \$ = \$0.0001761 *	Land	Rates \$
Infrastructure Rate = LV rate in the \$ = \$0.0000240 *	Value \$	Excl. GST *
Residential Property, Targeted Council Services Rate		66.30
Targeted Land Management Rate	120,000	21.13
Northland Regional Recreational Facilities Rate		25.00
Regional Infrastructure Rate		2.88
Transport Rate		10.65
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$133.32
Residential Property, Targeted Council Services Rate		66.30
Targeted Land Management Rate	225,000	39.62
Northland Regional Recreational Facilities Rate		25.00
Regional Infrastructure Rate		5.40
Transport Rate		10.65
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$154.33
Farm Property, Targeted Council Services Rate		66.30
Targeted Land Management Rate	2,750,000	484.24
Northland Regional Recreational Facilities Rate		25.00
Regional Infrastructure Rate		66.00
Transport Rate		10.65
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$659.55
Commercial Property, Targeted Council Services Rate		66.30
Targeted Land Management Rate	2,000,000	352.18
Northland Regional Recreational Facilities Rate		25.00
Regional Infrastructure Rate		48.00
Transport Rate		10.65
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$509.49

* Plus GST at the prevailing rate at the time of supply.

financial overview continued

Ratepayers in the Kaipara constituency

Kaipara 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, and (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 Services Rate per rating unit, and (6) the Kaihū River Flood Management Rate, based on land area, and level of benefit to land and rating units.

Kaipara Urban/Rural	Land Value \$	2010-2011 Rates \$ Excl. GST *
Land Management Rate = LV rate in the \$ = \$0.0001555 *		
Infrastructure Rate = LV rate in the \$ = \$0.0000212 *		
Residential Property, Targeted Council Services Rate		69.94
Targeted Land Management Rate	120,000	18.66
Northland Regional Recreational Facilities Rate		5.00
Regional Infrastructure Rate		2.54
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$103.50
Residential Property, Targeted Council Services Rate		69.94
Targeted Land Management Rate	225,000	34.98
Northland Regional Recreational Facilities Rate		5.00
Regional Infrastructure Rate		4.76
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$122.04
Farm Property, Targeted Council Services Rate		69.94
Targeted Land Management Rate	2,750,000	427.53
Northland Regional Recreational Facilities Rate		5.00
Regional Infrastructure Rate		58.18
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$568.01
Commercial Property, Targeted Council Services Rate		69.94
Targeted Land Management Rate	900,000	139.92
Northland Regional Recreational Facilities Rate		5.00
Regional Infrastructure Rate		19.04
Rescue Helicopter Services Rate		7.36
Total Regional Rates (excluding GST)		\$241.26

Property Kaihū River Catchment 10 hectares	Land Value \$	Excl. GST * Class A	Excl. GST * Class B	Excl. GST * Class C
Targeted Council Services Rate		69.94	69.94	69.94
Targeted Land Management Rate	120,000	18.66	18.66	18.66
Northland Regional Recreational Facilities Rate		5.00	5.00	5.00
Regional Infrastructure Rate		2.54	2.54	2.54
Rescue Helicopter Services Rate		7.36	7.36	7.36
Kaihū River Flood Management Rate		222.80	111.40	16.70
Total Regional Rates (excluding GST)		\$326.30	\$214.90	\$120.20

Property Kaihū River Catchment 100 hectares	Land Value \$	Excl. GST * Class A	Excl. GST * Class B	Excl. GST * Class C
Targeted Council Services Rate		69.94	69.94	69.94
Targeted Land Management Rate	600,000	93.28	93.28	93.28
Northland Regional Recreational Facilities Rate		5.00	5.00	5.00
Regional Infrastructure Rate		12.69	12.69	12.69
Rescue Helicopter Services Rate		7.36	7.36	7.36
Kaihū River Flood Management Rate		2,228.00	1,114.00	167.00
Total Regional Rates (excluding GST)		\$2,416.27	\$1,302.27	\$355.27

* Plus GST at the prevailing rate at the time of supply.

Ratepayers in the Far North constituency

Far North District ratepayers will be levied per separately used and inhabited parts of rating units: (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; (6) a targeted fixed Rescue Helicopter Services Rate (7) the Awanui River Flood Management Rate, classes UA/UF and A to F.; (8) a targeted Kaeo River Flood Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100-199).

Far North District		Land Value \$	Excl. GST * Urban UA Low Land	Excl. GST * Urban UF Hills	Excl. GST * Commercial # Urban UA
Land Management Rate = LV rate in the \$ = \$0.0001585 *					
Infrastructure Rate = LV rate in the \$ = \$0.0000216 *					
Urban Area (1 hectare or less) Residential & Commercial					
Targeted Council Services Rate			60.00	60.00	60.00
Targeted Land Management Rate		120,000	19.02	19.02	19.02
Northland Regional Recreational Facilities Rate			5.00	5.00	5.00
Regional Infrastructure Rate			2.59	2.59	2.59
Rescue Helicopter Services Rate			7.36	7.36	7.36
Awanui River Flood Management Rate			122.54	22.28	367.61
Total Regional Rates (excluding GST)			\$216.51	\$116.25	\$461.58

Excluding GST *	Land Value \$	Commercial # A	Commercial # B	Rural Class A	Rural Class B	Rural Class C	Rural Class E	Rural Class F
Lifestyle - 10 hectares								
Targeted Council Services Rate		60.00	60.00	60.00	60.00	60.00	60.00	60.00
Targeted Land Management Rate	450,000	71.32	71.32	71.32	71.32	71.32	71.32	71.32
Regional Infrastructure Rate		9.72	9.72	9.72	9.72	9.72	9.72	9.72
Northland Regional Recreational Facilities Rate		5.00	5.00	5.00	5.00	5.00	5.00	5.00
Rescue Helicopter Services Rate		7.36	7.36	7.36	7.36	7.36	7.36	7.36
Awanui River Flood Management Rate #		1,180.81	971.74	289.63	219.94	150.34	11.14	22.25
Total Regional Rates (excluding GST)		\$1,334.21	\$1,125.14	\$443.03	\$373.34	\$303.74	\$164.54	\$175.65

Excluding GST *	Land Value \$	Farms outside Awanui Plan	Non Farm Com A & B	Farm	Farm	Farm	Farm	Farm
Farm Property - No Commercial Differential - 100 hectares								
Targeted Council Services Rate		60.00	60.00	60.00	60.00	60.00	60.00	60.00
Targeted Land Management Rate	2,750,000	435.84	435.84	435.84	435.84	435.84	435.84	435.84
Regional Infrastructure Rate		59.40	59.40	59.40	59.40	59.40	59.40	59.40
Northland Regional Recreational Facilities Rate		5.00	5.00	5.00	5.00	5.00	5.00	5.00
Rescue Helicopter Services Rate		7.36	7.36	7.36	7.36	7.36	7.36	7.36
Awanui River Flood Management Rate		—	# Refer Below	2,796.11	2,099.18	1,403.16	11.14	122.24
Total Regional Rates (excluding GST)		\$567.60	\$567.60	\$3,363.71	\$2,666.78	\$1,970.76	\$578.74	\$689.84

* Plus GST at the prevailing rate at the time of supply.

Commercial properties are subject to the 3:1 commercial differential on class UA (\$122.54 excluding GST), and Rural A (\$27.85 per ha excluding GST) and B (\$20.88 per ha excluding GST) for the Awanui River Flood Management Rate. 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.

financial overview continued

Ratepayers in the Far North constituency (continued)

Ratepayers in the Far North constituency – properties falling in rating areas 100-199

Far North District ratepayers will be levied per separately used and inhabited parts of rating units: (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; (6) a targeted fixed Rescue Helicopter Services Rate (7) the Awanui River Flood Management Rate, classes UA/UF and A to F.; (8) a targeted Kaeo River Flood Management Rate set on a uniform basis across all properties within the former Whangaroa Ward (rating rolls 100-199).

Far North District		Land Value \$	2010-2011 Rates \$ Excl. GST *
Land Management Rate = LV rate in the \$ = \$0.0001585 *			
Infrastructure Rate = LV rate in the \$ = \$0.0000216 *			
Residential/Commercial/Other			
Targeted Council Services Rate			60.00
Targeted Land Management Rate		120,000	19.02
Northland Regional Recreational Facilities Rate			5.00
Regional Infrastructure Rate			2.59
Rescue Helicopter Services Rate			7.36
Kaeo River Flood Management Rate			58.84
Total Regional Rates (excluding GST)			\$152.81
Residential/Commercial/Other			
Targeted Council Services Rate			60.00
Targeted Land Management Rate		250,000	39.62
Northland Regional Recreational Facilities Rate			5.00
Regional Infrastructure Rate			5.40
Rescue Helicopter Services Rate			7.36
Kaeo River Flood Management Rate			58.84
Total Regional Rates (excluding GST)			\$176.22
Residential/Commercial/Other			
Targeted Council Services Rate			60.00
Targeted Land Management Rate		2,750,000	435.84
Northland Regional Recreational Facilities Rate			5.00
Regional Infrastructure Rate			59.40
Rescue Helicopter Services Rate			7.36
Kaeo River Flood Management Rate			58.84
Total Regional Rates (excluding GST)			\$626.44

* Plus GST at the prevailing rate at the time of supply.

council groups of activities

This section of the Annual Plan outlines the groups of activities through which the Council delivers its services to the community.

Northland Regional Council's Groups of Activities are:

- **Democracy and Corporate Services**
- **Regional Information and Engagement**
- **Regional Economic Development**
- **Resource Management Planning**
- **Transport**
- **Consents**
- **Environmental Monitoring**
- **Land and Rivers**
- **Biosecurity**
- **Emergency Management**
- **Maritime Operations**
- **Support Services**

The groups of activities section concentrates on identifying major variations or additions to the levels of service outlined in the Northland Community Plan 2009-2019.

Estimated levels of expenditure, and how that expenditure is to be funded is included for each group of activities.

Except where noted, the plans and activities established in the Northland Community Plan 2009-2019 apply to this section of the Annual Plan and the 2010-2011 operations of the Council.

Copies of the Community Plan are available from the Council offices or from our website:

www.nrc.govt.nz/tccp

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council groups of activities

democracy and corporate services

Main Objectives for 2010-2011

Activity 1.1 Community Representation

Ensure community representation through elected Councillors by:

- Ensuring the effective and efficient running of local body elections for the 2010-2013 triennium;
- Continuing to ensure that all Council meetings and decisions are made in an effective and accountable manner;
- Continuing to involve the community in the Council's long term planning; and
- Undertaking appropriate public consultation and adopting the Council's Annual Plan by 30 June 2011.

Activity 1.2 Commercial Investments

Effectively and efficiently manage the Council's commercial investments to provide a maximum rate of return, (within the constraints of the relevant lease agreements), thus providing a reliable cash flow to reduce the burden on regional ratepayers by:

- Continuing to effectively manage and maximise returns on the Council's commercial property portfolio.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

democracy and corporate services

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
User Charges	25,825	25,825	–
Other Revenue	3,212,630	3,182,915	(29,715)
TOTAL OPERATING REVENUE	3,238,455	3,208,740	(29,715)
EXPENDITURE			
Personnel Costs	494,408	509,426	(15,018)
Depreciation	5,443	5,443	–
Other Operating Expenses	1,116,880	1,044,344	72,536
Support Costs internally allocated to Activity	193,534	206,281	(12,747)
TOTAL EXPENDITURE	1,810,265	1,765,494	44,771
Less Non Cash Items	5,443	5,443	–
NET CASH COST/(SURPLUS) OF ACTIVITY	(1,433,633)	(1,448,689)	15,056
<i>Funded by:</i>			
Targeted Council Service Rate	597,651	642,688	45,037
Investment Income	523,621	423,873	(99,748)
Transfer from/(to) Cash Reserves	(2,554,904)	(2,515,250)	39,655
TOTAL OPERATIONAL FUNDING	(1,433,633)	(1,448,689)	15,056
CAPITAL EXPENDITURE	–	50,000	(50,000)
<i>Funded by:</i>			
Transfer from Cash Reserves	–	50,000	(50,000)
TOTAL CAPITAL FUNDING	–	50,000	(50,000)
TOTAL EXPENDITURE BY ACTIVITY			
Community Representation	1,375,167	1,380,682	(5,515)
Commercial Investments	435,098	384,812	50,286
TOTAL DEMOCRACY AND CORPORATE SERVICES	1,810,265	1,765,494	44,771

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Reduced forestry maintenance expenditure after reviewing the Forestry Management Plan following the 2009-2010 forestry harvest.

Operating Revenue

- Allocation of targeted Council Services Rate has increased to offset the reduction in forecasted investment income.

council groups of activities

democracy and corporate services continued

Targets for the year ended 30 June 2011

Activity 1.1 Community Representation

1.1.1 Provide democratic local decision making and action on behalf of the community.

Performance Measures 2010-2011

- a. All Council decisions made in an effective and accountable manner.
- b. Call for nominations and hold elections for the 2010-2013 triennium.
- c. Notify and conduct Council and Committee meetings.
- d. Respond to all official information requests.
- e. Adopt and make public a Local Governance Statement, Triennial Agreement, Council Code of Conduct and Register of Committee and Staff Delegations.
- f. Ensure Māori have the opportunity to participate in Council decision making.
- g. Facilitate a sustainable development approach to all Council practices and policies.

Performance Targets 2010-2011

- Zero Council decisions overturned as a result of judicial review annually.
- Public notice of nominations by 30 July 2010 and election held on 9 October 2010.
- Produce an annual schedule of meeting dates and publicly notify meetings one month prior. All meetings conducted in accordance with the requirements of the Local Government Act (LGA) 2002 and Standing Orders.
- All information requests are replied to in accordance with the Local Government Official Information and Meetings Act 1987 (20 working days) and all Ombudsman investigations uphold our information decisions.
- All documents produced in accordance with the requirements of the LGA 2002 following the 2010 election.
- CEO attend a minimum of two Iwi Chief Executives Forum annually. Initiatives reported in CEO and Chairman's report annually.
- Provide annual reports on sustainable Council practices and policy initiatives by 30 June 2011.

1.1.2 Involve the community in the Council's long term planning.

Performance Measures 2010-2011

- a. Consult on and communicate the Council's strategic direction and long term plans.
- b. Collaborate with Northland communities and organisations in regard to achieving regional community outcomes.
- c. Collaborate with the three district councils to advocate on behalf of all Northlanders.

Performance Targets 2010-2011

- Adopt an Annual Plan by 30 June 2011.
- Update community outcomes by 1 December 2010 in accordance with any legislative changes.
- Attend a minimum of two Mayoral Forum meetings annually.

Activity 1.2 Commercial Investments

1.2.1 Manage and maximise the return on commercial property with consideration to the requirements of the Council and the public.

Performance Measures 2010-2011

- a. Maintain or increase the level of return from investment properties.
- b. Manage the Council's commercial property portfolio in accordance with the Treasury Management Policy.
- c. Maintain cost effective management of the commercial property portfolio.
- d. Maintain the forestry holding to ensure maximum net forestry returns on a sustainable basis.
- e. Develop strategic commercial investment objectives, policies and direction as part of the Regional Growth Programme.

Performance Targets 2010-2011

- Achieve an annual return of at least 4.9% on the total value of investment properties.
- Manage the Council's commercial property portfolio in accordance with the Treasury Management Policy.
- Commercial Property administration costs are retained at <7.5% of total commercial rental income per annum.
- Performance against the Forest Management Plan reported annually to the Audit and Finance Committee.
- Report and review on achievement of objectives annually.

council groups of activities

regional information and engagement

Main Objectives for 2010-2011

Activity 2.1 Environmental Education

Promote and empower individual and collective responsibility for the environment to encourage sustainable lifestyle choices, activities and communities by:

- Continuing to collaborate and provide resources to the community on sustainable environmental practices and issues;
- Continuing to provide specialist education services to primary and secondary schools, tertiary institutions and community education providers; and
- Continuing to recognise good environmental practice in business, farming and industry.

Activity 2.2 Communications

Ensure that the community is kept informed about the Northland Regional Council and its activities and functions; and Increase public awareness, responsibility, support and involvement in creating a sustainable environment by:

- Continuing to ensure that the regional community is well informed about Council issues and activities through a co-ordinated Communications Strategy;
- Continuing to ensure that the community has 24/7 access to up-to-date information on Council activities and real-time environmental data; and
- Continuing to establish and maintain processes, foster the development of capacity and provide relevant information to Māori in order for Māori to contribute to the decision making processes of Council.

Activity 2.3 Economic and Environmental Information

Develop a comprehensive inventory of Northland's natural and economic resources to support long term regional strategic planning and decision making by:

- Continuing to plan for the provision of a comprehensive inventory of Northland's natural and economic resources.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

regional information and engagement

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	–	132,693	(132,693)
TOTAL OPERATING REVENUE	–	132,693	132,693
EXPENDITURE			
Personnel Costs	657,632	793,403	(135,771)
Other Operating Expenses	493,614	603,235	(109,621)
Support Costs internally allocated to Activity	437,082	562,386	(125,304)
TOTAL OPERATING EXPENDITURE	1,588,328	1,959,024	(370,696)
NET CASH COST/(SURPLUS) OF ACTIVITY	1,588,328	1,826,331	(238,003)
<i>Funded by:</i>			
Targeted Council Service Rate	695,515	856,539	161,024
Investment Income	609,363	564,915	(44,448)
Transfer from / (to) Cash Reserves	283,449	404,877	121,427
TOTAL OPERATIONAL FUNDING	1,588,328	1,826,331	238,003
CAPITAL EXPENDITURE	–	20,000	(20,000)
<i>Funded by:</i>			
Transfer from Cash Reserves	–	20,000	(20,000)
TOTAL CAPITAL FUNDING	–	20,000	(20,000)
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Environmental Education	322,288	501,129	(178,841)
Communications	1,117,158	1,421,681	(304,524)
Economic and Environmental Information	148,883	36,214	112,669
TOTAL REGIONAL INFORMATION AND ENGAGEMENT	1,588,328	1,959,024	(370,696)

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Personnel costs increased due to proposed increase in communication staff resources.
- Other operating expenditure increased due to the inclusion of EnviroSchool facilitators (contract staff). Grant funding is received from National EnviroSchool foundation for these positions.
- Allocation of overheads has increased due to the increase in full time equivalents. It should be noted, this is simply a reallocation of support costs and does not reflect an increase in the total support services budget.

Operating Revenue

- Other Revenue – represents funding received to fund EnviroSchool facilitators.

council groups of activities

regional information and engagement continued

Targets for the year ended 30 June 2011

Activity 2.1 Environmental Education

2.1.1 Collaborate and provide resources to the community on sustainable environmental practices and issues.

Performance Measures 2010-2011

- a. Facilitate workshops and seminars on sustainable environmental practice.
- b. Regularly exhibit Council activities and programmes at major regional events.

Performance Targets 2010-2011

- Provide details of activities undertaken in the relevant monthly report to Council and in the Northland Regional Council Annual Report.
- Produce an annual events calendar and report monthly on activities undertaken in the relevant CEO report to Council and in the Northland Regional Council Annual Report.

2.1.2 Provide specialist education services to primary and secondary schools, tertiary institutions and community education providers.

Performance Measures 2010-2011

- a. Provide environmental education and other professional Northland Regional Council programmes including visits, speakers and resources.
- b. Provide professional development support for Northland teachers.
- c. Organise a Regional Youth Summit.

Performance Targets 2010-2011

- Achieve at least an 80% user satisfaction rating in an annual survey.
- Run at least one professional development workshop per annum.
- Summit is run and outcomes reported in the relevant CEO's monthly report to Council and in the Northland Regional Council Annual Report.

2.1.3 Recognise good environmental practice in business, farming and industry.

Performance Measures 2010-2011

- a. Provide cornerstone sponsorship and involvement with the Northland Ballance Farm Environment Awards.
- b. Encourage entries and provide sponsorship for the Top of the North Dairy Industry Awards.
- c. Encourage entries and provide sponsorship for the Northland Business Awards.
- d. Provide Environmental Curriculum Awards to Northland schools.

Performance Targets 2010-2011

- Sponsor awards and present Water Quality Award by 30 June each year.
- Sponsor awards and present Northland Regional Council award by 30 June each year.
- Sponsor awards and present Northland Regional Council award by 30 December each year.
- Curriculum awards judged and presented by 30 December each year.

Activity 2.2 Communications

2.2.1 Ensure that the regional community is well informed about Council issues and activities through a co-ordinated Communications Strategy.

Performance Measures 2010-2011

- a. Produce and circulate relevant media releases on Council activities, issues and events.
- b. Produce and distribute a newsletter to all Northland residents.
- c. Produce and distribute relevant publications on Council activities and programmes.
- d. Survey community awareness to ensure that the Council is effectively communicating information on Council activities and programmes.

Performance Targets 2010-2011

90% of press releases and event information notified to the media within three working days.

Newsletter produced and distributed at least three times per annum.

Produce and distribute at least five new publications per annum.

Achieve at least 80% community awareness of Northland Regional Council and its services in an annual survey.

2.2.2 Ensure that the community has 24/7 access to up-to-date information on Council activities and real-time environmental data.

Performance Measures 2010-2011

- a. Increase use of the Council's online services.
- b. Provide up to date on-line information on the state of Northland's environment.
- c. Provide real-time environmental data on the Council's website.
- d. Provide up-to-date public information on the official civil defence emergency management website during a regional event.
- e. Post press releases, event information and public consultation on the Council's website.

Performance Targets 2010-2011

- Increase the number of people using the Northland Regional Council website's online services by 10% per annum.
- Update annually on the Northland Regional Council website.
- At least 90% of new data posted on the Council website within 24 hours.
- Update Civil Defence information on the Council's website at least every 30 minutes during an emergency.
- At least 90% of new information posted on the Council's website within 24 hours.

2.2.3 Establish and maintain processes, foster the development of capacity and provide relevant information to Māori in order for Māori to contribute to the decision making processes of Council.

Performance Measures 2010-2011

- a. Produce and distribute a Pānui (newsletter) to all Māori on the Council's database.
- b. Provide opportunities and assistance to Māori to contribute to the Council's decision making process.
- c. Council staff and Councillors are informed and aware of Māori culture, perspectives and the Treaty of Waitangi.

Performance Targets 2010-2011

- Newsletter produced and distributed at least three times per year.
- At least one iwi monitoring plan or one iwi environmental management plan will be funded each year.
- All new staff to attend training within one year of joining the Council.

council groups of activities

regional information and engagement continued

Activity 2.3 Economic and Environmental Information

2.3.1 Provide a comprehensive inventory of Northland's natural and economic resources.

Performance Measures 2010-2011

- a. Develop and implement a strategy for acquiring natural and economic resource information.
- b. Make natural and economic resource inventory information available to Council staff and key stakeholders to improve decision making.
- c. Appropriate natural resource and economic information electronically available to the public and stakeholders.

Performance Targets 2010-2011

- Develop strategy and implementation plan developed by 31 July 2010.
- Implementation strategy monitored annually in the Northland Regional Council Annual Report.
- Priority information available by 31 December 2010 and reviewed annually.
- Public have access to basic natural and economic resource information by 30 June 2011 and review annually.

council groups of activities

regional economic development

Main Objectives for 2010-2011

Activity 3.1 Regional Growth Programme

Provide inclusive leadership and an integrated planning framework leading to a set of detailed actions to improve the present and future well-being of Northlanders by:

- Continuing to lead in partnership with key stakeholders, the development of a Regional Growth Programme for Northland.

Activity 3.2 Economic Development

Proactively lead the economic development of Northland by:

- Continuing to support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland; and
- Negotiating business plans, including performance measures and targets with Enterprise Northland and Destination Northland Limited.

Variations from the Northland Community Plan 2009-2019

Funding the Regional Growth Programme

Following public consultation, the Council has reduced the proposed rates increase to continue to fund the development and ongoing implementation of the Regional Growth Programme by \$100,000 from \$450,795 to \$350,795 (including GST). *Full details of this proposal are included on pages 18 to 19 of this Plan.*

The Council also decided not to contribute \$135,000 (including GST) towards pre-planning for the Rugby World Cup in 2011 from general rates. The Council has directed that this work be funded by Enterprise Northland.

Full details of this proposal are included on page 11 of this Plan.

There are no significant variations within this group of activities.

council groups of activities

regional economic development

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Targeted Rates	1,047,732	629,192	(418,540)
TOTAL OPERATING REVENUE	1,047,732	629,192	(418,540)
EXPENDITURE			
Personnel Costs	294,655	292,361	2,294
Finance Costs	632,080	602,766	29,314
Other Operating Expenses	1,748,266	1,479,470	268,796
Support Costs internally allocated to Activity	21,745	21,714	32
TOTAL OPERATING EXPENDITURE	2,696,747	2,396,311	300,436
NET CASH COST/(SURPLUS) OF ACTIVITY	1,649,015	1,767,119	(118,104)
<i>Funded by:</i>			
Targeted Council Service Rate	51,650	361,977	310,327
Regional Infrastructure Rate	585,324	567,521	(17,803)
Regional Recreational Facilities Rate	1,137,987	1,198,620	60,632
Investment Income	3,483	259,000	255,517
Transfer from / (to) Cash Reserves	(129,430)	(619,999)	(490,569)
TOTAL OPERATIONAL FUNDING	1,649,015	1,767,119	118,104
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Economic Development	2,289,962	2,087,603	202,359
Regional Growth Programme	406,785	308,708	98,077
TOTAL REGIONAL ECONOMIC DEVELOPMENT	2,696,747	2,396,311	300,436

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Economic Development costs have decreased as Council is only responsible for 50% of the internal costs associated with holding the Marsden Point Rail-Link properties (LTCCP 100%).

Operating Revenue

- Targeted Rates is less than budget and Targeted Council Services Rate is greater than budget by a similar amount. This is due to Council choosing to rate for the Regional Growth Programme as part of the Targeted Council Services rate rather than establishing a separate targeted rate.
- Recreational Recreational Facilities Rate is increased due to higher number of Separately Used and Inhabited Parts and Rating Units in the Northland region.
- Investment Income is greater due to the recognition of JV interest.

Targets for the year ended 30 June 2011

Activity 3.1 Regional Growth Programme

3.1.1 Lead in partnership with key stakeholders, the development of a Regional Growth Programme for Northland.

Performance Measures 2010-2011

- a. Develop a Growth Programme discussion document and conduct appropriate consultation to finalise agreed Terms of Reference for the Growth Programme.
- b. Develop an agreed schedule of detailed actions required to implement the Growth Programme.
- c. Monitor and report on implementation of the Growth Programme action plan.
- d. Monitor growth management drivers and trends in population, demographics and development.

Performance Targets 2010-2011

- Progress reported to the Council via the CEO's monthly report.
- Action Plan developed and progress reported to the Council via the CEO's monthly report.
- Progress reports provided quarterly to the Audit and Finance Committee and annually in the Northland Regional Council Annual Report.
- Develop a growth management reporting framework and publish monitoring reports annually.

Activity 3.2 Economic Development

3.2.1 Support economic development initiatives that align with the Regional Growth Programme and/or benefit Northland.

Performance Measures 2010-2011

- a. Negotiate an Annual Statement of Intent and rolling three year business plan with the Northland Regional Council Community Trust.
- b. Support the promotion of Northland as a place to invest, work and visit as a tourist destination.
- c. Provide community funding for regional initiatives undertaken by the Council or in joint venture or partnership with other authorities and organisations on a case-by-case basis.
- d. Develop a project funding strategy and risk assessment of any infrastructure priority that the Council decides to commit significant funding to.

Performance Targets 2010-2011

- A Statement of Intent that meets the requirements of the Local Government Act 2002 is received by 30 June each year.
- Approve an Annual Business Plan and Triennial Funding agreement by 30 June each year.
- Receipt of quarterly performance reports from the Trust detailing actual results compared to the objectives contained in the Statement of Intent and Business Plan.
- Negotiation of an Annual Business Plan and Terms of Agreement with Destination Northland Ltd.
- Receipt of quarterly performance reports detailing actual results compared to the objectives contained in the Annual Business Plan.
- Conduct due diligence and the appropriate community consultation on significant projects as required in accordance with the requirements of the Local Government Act 2002.
- Report annually on any regional initiatives undertaken.
- Conduct appropriate due diligence and community consultation in accordance with the requirements of the Local Government Act 2002.
- Report annually on any significant regional infrastructure projects undertaken.

council groups of activities

resource management planning

Main Objectives for 2010-2011

Activity 4.1 Resource Management Planning

Provide clear policy guidance and rules for the sustainable management of Northland's natural and physical resources by:

- Continuing to develop and publish strategic planning documents to manage Northland's natural and physical resources;
- Continuing to work on the full review of the Regional Policy Statement;
- Continuing to provide planning advice and assistance; and
- Continuing to review and respond to legislative changes, proposed National Environmental Standards, and proposed National Policy Statements.

Variations from the Northland Community Plan 2009-2019

New Regional Policy Statement – Shaping Northland's future

Northland's Regional Policy Statement (RPS) provides the broad direction and framework for managing Northland's natural and physical resources including land, water, air, soil, minerals, energy, all plants and animals, and physical structures. It gives an overview of the significant regional resource management issues and how they will be managed in the future.

Northland's first RPS is now 10 years old and as required by the Resource Management Act 1991 (RMA), the Council reviewed the existing RPS last year. The review findings mean that the Council will prepare a new RPS this year, providing an opportunity to have a fresh look at the current balance between use, development and protection of Northland's natural and physical resources. A lot has changed since the development of the first RPS so the new RPS is likely to be quite different. For example, there are new requirements around infrastructure planning and local councils must now "give effect" to what the RPS says. Regional initiatives, such as the Regional Growth Programme, will also influence resource management options.

There will be many opportunities for Northlanders to have their say and help shape the content and approach of the next RPS. The Council will seek your views using public meetings, hui, questionnaires and the internet. You will be notified of these opportunities through all the normal avenues including newsletters, newspaper and radio adverts and on our website. The first chance will be between July and November 2010 when an "Issues and Options" document will be released seeking your views on the significant regional issues and the options available to us (and others) for sustainably managing them. Once all feedback has been collated, the Council intends to have a draft RPS for public comment in early 2011.

Public notification for formal consultation on the new RPS should occur by late 2011.

For further information visit the Council's website www.nrc.govt.nz/newRPS. There is a questionnaire at this web link now where members of the public can record what they think major natural and physical resource issues are facing Northland, and how they think these issues could be dealt with in the future.

There are no significant variations within this group of activities.

council groups of activities

resource management planning

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
EXPENDITURE			
Personnel Costs	643,713	600,105	43,608
Depreciation	8,828	8,828	–
Other Operating Expenses	342,886	362,269	(19,383)
Support Costs internally allocated to Activity	407,943	365,225	42,718
TOTAL OPERATING EXPENDITURE	1,403,369	1,336,427	66,943
Less Non Cash Items	8,828	8,828	–
NET CASH COST/(SURPLUS) OF ACTIVITY	1,394,541	1,327,599	66,943
<i>Funded by:</i>			
Targeted Council Service Rate	614,524	626,777	12,253
Investment Income	532,379	408,237	(124,141)
Transfer from / (to) Cash Reserves	247,639	292,585	44,945
TOTAL OPERATIONAL FUNDING	1,394,541	1,327,599	(66,943)
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Resource Management Planning	1,403,369	1,336,427	66,943
TOTAL RESOURCE MANAGEMENT PLANNING	1,403,369	1,336,427	66,943

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Expenditure is reduced due to reallocation of the staffing time to Regional Economic Development (Regional Growth Programme) and Transport activities.
- Allocation of overheads is decreased due to the decrease in full time equivalents. It should be noted; this is simply a reallocation of support costs and does not reflect an increase/decrease in the total support services budget.

Operating Revenue

- No significant variances.

council groups of activities

resource management planning continued

Targets for the year ended 30 June 2011

Activity 4.1 Resource Management Planning

4.1.1 Develop and publish strategic planning documents to manage Northland's natural and physical resources.

Performance Measures 2010-2011

- a. Maintain an operative Regional Policy Statement (RPS), Regional Coastal Plan, Regional Water and Soil Plan and Regional Air Quality Plan, including development of implementation strategies.
- b. Prepare a feasibility report on a combined regional and district resource management planning document for Northland ("One Plan").
- c. Undertake a full review of the RPS, including consideration of the potential implications of climate change. This may be undertaken as part of the development of a "One Plan" (refer to (b) above).
- d. Review the efficiency and effectiveness of each of the regional plans. This may be undertaken as part of the development of a "One Plan" (refer to (b) above).
- e. Complete changes to regional plans when required by legislation or Council resolution.
- f. Process private plan changes in accordance with the relevant statutory requirements.
- g. Provide a contingency fund for expert assessment of applications for outdoor trials or use of genetically modified organisms in Northland as notified by ERMA.

Performance Targets 2010-2011

- Report annually via the CEO's report to the Council on the implementation status of all operative plans and strategies.
- Provide quarterly progress reports via the CEO's report to the Council. Initiate and implement by 31 December 2010.
- Provide quarterly progress reports via the CEO's report to the Council.
- Provide quarterly progress reports via the CEO's report to the Council.
- Decisions on plan changes made within two years of the change being publicly notified.
- Commence processing of all private plan requests within one working day of receiving the request. All timeframes specified in Schedule 1 of the Resource Management Act 1991 met and reported in the CEO's report to the Council.
- Set aside a fund of \$10,000 annually for expert assessment of notified applications made under the HSNO legislation.
- Report any use of funds annually.

4.1.2 Provide planning advice and assistance.**Performance Measures 2010-2011**

- a. Provide advice on written requests regarding the contents of the Council's regional planning documents.
- b. Provide advice and, where appropriate, prepare and appear in support of submissions on district planning matters to ensure consistency and integration with regional policies and plans.
- c. Provide input and, where appropriate, prepare and appear in support of submissions on subdivision and land use resource consent applications regarding regional policies and rules.

Performance Targets 2010-2011

- All written requests recorded on the Council's mailroom database, responded to within 10 working days and monitored via monthly action number status reports.
- All written requests responded to within 10 working days. Where a submission is considered appropriate it is lodged within the statutory timeframes advised by the respective district council and responses recorded on the Council submission files.
- Comments, if any, on non-notified resource consents made within 10 working days and monitored via the department's consent response database. For notified consent applications, where a submission is considered appropriate it is lodged within 20 working days of being served notice of the resource consent application and reported in the CEO's monthly report to the Council and submissions recorded on the Council's submission files.

4.1.3 Review and respond to legislative changes, proposed National Environmental Standards, and proposed National Policy Statements.**Performance Measures 2010-2011**

- a. Prepare submissions or comments on any proposed legislative changes, NES, and/or NPS, where they impact on the Council's responsibilities and resources.

Performance Targets 2010-2011

- Submissions/comments prepared and lodged within timeframes specified by requesting agency and reported in the CEO's report to the Council and recorded on the Council's submission files.

council groups of activities

transport

Main Objectives for 2010-2011

Activity 5.1 Regional Transport Management

Collaborate with other agencies to develop a strategic approach to regional transport and road safety through a Northland road improvement programme by:

- Continuing to develop strategic approaches in regional transport and road safety.

Activity 5.2 Passenger Transport Administration

Provide a cost effective passenger transport service that is affordable, integrated, safe, responsive, sustainable and meets the needs of local communities including groups who are transport disadvantaged by:

- Continuing to administer a cost effective passenger transport service.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

transport**Prospective Statement of Costs and Funding**
for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	994,628	1,043,626	48,997
User Charges	780,601	607,224	(173,377)
Targeted Rates	412,613	410,408	(2,206)
TOTAL OPERATING REVENUE	2,187,842	2,061,258	(126,584)
EXPENDITURE			
Personnel Costs	248,540	245,909	2,631
Other Operating Expenses	2,296,007	2,069,958	226,048
Support Costs internally allocated to Activity	156,567	160,682	(4,115)
TOTAL OPERATING EXPENDITURE	2,701,113	2,476,549	224,564
NET CASH COST/(SURPLUS) OF ACTIVITY	513,271	415,291	(97,980)
<i>Funded by:</i>			
Targeted Council Service Rate	224,757	194,773	(29,984)
Investment Income	196,917	128,454	(68,463)
Transfer from / (to) Cash Reserves	91,597	92,064	466
TOTAL OPERATIONAL FUNDING	513,271	415,291	(97,980)
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Regional Transport Management	277,036	393,933	(116,897)
Passenger Transport Administration	2,424,077	2,082,616	341,462
TOTAL TRANSPORT	2,701,113	2,476,549	224,564

Key Financial Variations from the Northland Community Plan 2009-2019**Operating Expenditure**

- Operating expenditure reduced to align with reduction in forecaster bus fare revenue. See explanation below.

Operating Revenue

- User charges (bus fare revenue) are less than budget. To offset the forecasted reduced revenue, uneconomic bus routes were reviewed and in some instances discontinued to provide offsetting contract savings.

council groups of activities

transport continued

Targets for the year ended 30 June 2011

Activity 5.1 Regional Transport Management

5.1.1 Develop strategic approaches in regional transport and road safety.

Performance Measures 2010-2011

- a. Develop a Regional Procurement Strategy in conjunction with Northland's district councils.
- b. Review the Regional Land Transport Strategy (RLTS) for Northland including the Regional Passenger Transport Plan.
- c. Complete actions set out in the Regional Land Transport Strategy for Northland.
- d. Review of the Regional Road Safety Plan for Northland in association with the RoadSafe Northland Forum.
- e. Reduce the number of road deaths and hospitalisations as a result of motor vehicle accidents in Northland.
- f. Review the Regional Transport Plan, which sets out regional development (forestry) roading priorities in Northland.
- g. Maintain the 2009-2012 Regional Land Transport Programme within the approved New Zealand Transport Agency subsidy levels.

Performance Targets 2010-2011

- Procurement Strategies followed and reported to the Regional Transport Committee annually.
- Provide a three year progress report on implementation of the RLTS by 30 October 2012.
- Progress on actions reported to the Regional Transport Committee annually by 30 October 2010 and 2011.
- Progress on Regional Road Safety Plan actions reported to the Regional Transport Committee annually by 30 October 2010.
- No more than 440 road deaths and hospitalisations per annum.
- Complete annual review by 30 September each year and report to the Regional Transport Committee.
- Annual review to ensure that approved subsidy levels are not exceeded.

Activity 5.2 Passenger Transport Administration

5.2.1 Administer a cost effective passenger transport service.

Performance Measures 2010-2011

- a. Administer the long term contract for the subsidised bus services for the Whāngārei urban area.
- b. On request, undertake the feasibility of operating subsidised bus services within the Northland Region.
- c. Effectively administer the Whāngārei Total Mobility Scheme to meet the needs of its customers.
- d. On request investigate the viability of extending the Scheme to urban areas outside of Whāngārei where taxi services may operate.
- e. Maintain an electronic register of commercial passenger transport services operating in Northland.

Performance Targets 2010-2011

- At least 75% of customers rate the overall bus service provided in Whāngārei as either very good or excellent.
- Report findings within three months of initial request in the CEO's report to Council.
- At least 75% of customers rate the overall service provided by the Total Mobility Scheme as either very good or excellent.
- At least 35,000 total mobility trips provided per annum.
- Report findings within three months of initial request in the CEO's report to Council.
- Update the register on a monthly basis. New service variations and abandonment of services reported on a monthly basis in the CEO's report to Council.

council groups of activities

consents

Main Objectives for 2010-2011

Activity 6.1 Consents Applications

Facilitate individual and community well-being by processing resource consent applications in a way that results in sustainable resource management as determined by Regional Plans and the Resource Management Act by:

- Continuing to process 98% of resource consent applications within statutory timeframes with high levels of customer satisfaction.

Activity 6.2 Consents Advice and Information

Ensure that the public is informed and enabled to participate in the processing of resource consent applications by:

- Continuing to provide consents advice and information in a timely manner.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

consents

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
User charges	703,370	683,330	(20,040)
Other revenue	—	10,000	10,000
TOTAL OPERATING REVENUE	703,370	693,330	(10,040)
EXPENDITURE			
Personnel Costs	1,120,668	943,803	176,865
Depreciation	10,386	10,386	—
Other Operating Expenses	451,904	451,516	388
Support Costs internally allocated to Activity	715,857	644,898	70,959
TOTAL OPERATING EXPENDITURE	2,298,815	2,050,603	248,211
Less Non Cash Items	10,386	10,386	—
NET CASH COST/(SURPLUS) OF ACTIVITY	1,585,059	1,346,887	(238,172)
<i>Funded by:</i>			
Targeted Council Service Rate	698,632	636,554	(62,078)
Investment Income	605,005	413,778	(191,227)
Transfer from / (to) Cash Reserves	281,422	296,555	15,133
TOTAL OPERATIONAL FUNDING	1,585,059	1,346,887	(238,172)
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Consent Applications	1,317,510	1,189,863	127,647
Consents Advice and Information	981,304	860,740	120,564
TOTAL CONSENTS	2,298,815	2,050,603	248,211

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Personnel costs reduced due to staff turnover a reduction two full time equivalents in the Consents Activity.
- Allocation of overheads is decreased due to the decrease in full time equivalents. It should be noted, this is simply a reallocation of support costs and does not reflect an increase/decrease in the total support services budget.

Operating Revenue

- No significant variances.

Targets for the year ended 30 June 2011

Activity 6.1 Consents Applications

6.1.1 Process resource consent applications.

Performance Measures 2010-2011

- a. Process all consent applications efficiently.
- b. Applications are processed in a way that results in high levels of consent applicant satisfaction.
- c. Consent decisions are robust and accurately reflect the requirements of the Resource Management Act and Regional Plans.

Performance Targets 2010-2011

- At least 98% of all applications are processed within statutory timeframes annually as indicated by the Council's consents database.
- No more than five justified complaints received annually against the consents process.
- Achieve at least 80% customer satisfaction rating in annual surveys of the Consent staff's helpfulness in guiding customers through the consent application process.
- No more than three successful appeals against the Council Hearings Committee decisions on development proposals* and no more than three successful objections against Council delegated authorities decisions annually.

* Note: Only applies where an application remains unchanged from that heard by the Council's Hearings Committee.

Activity 6.2 Consents Advice and Information

6.2.1 Provide consents advice and information.

Performance Measures 2010-2011

- a. Provide information and advice to intending consent applicants about resource consent processes and requirements, in an accurate and timely way.
- b. Advise Iwi Groups on the Council's register of relevant new resource consent proposals.
- c. Complete the Ministry for the Environment (MfE) and Regional Councils' surveys on resource consents.
- d. Record decisions on resource consent applications in the Council's consents database.
- e. Advise consent holders of upcoming expiry of consents.

Performance Targets 2010-2011

- Respond to all enquiries within 15 working days in line with the Council's policy.
- No more than five justified complaints received annually against the accuracy of the advice given.
- Copies of consents circulated within seven days of receipt of the application.
- Reports completed no later than 30 September 2010.
- Monthly reports on all decisions on applications for resource consents are provided to the Council, and to the public on the Council's website.
- A total of 98% of consent holders whose consents are renewable are advised at least eight months before the expiry date.

council groups of activities

environmental monitoring

Main Objectives for 2010-2011

Activity 7.1 State of the Environment Monitoring

Promote sustainable resource management by identifying significant environmental issues and trends in the Region, providing scientifically sound information to facilitate informed decision-making and monitoring effectiveness of the Council's policy documents by:

- Continuing to monitor and identify significant environmental issues and trends in the Region;
- Continuing to provide scientific environmental information to the public and the Council to facilitate informed decision making; and
- Continuing to promote improved environmental practices within the Northland Region.

Activity 7.2 Compliance Monitoring

Promote the sustainable management of resources and minimising the adverse effects of people's use of the environment by ensuring compliance with resource consents, regional plans and statutory environmental standards by:

- Continuing to monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.

Activity 7.3 Environmental Incidents Response

Minimise adverse effects on the environment by responding to environmental incidents and non-compliance with the Resource Management Act by:

- Continuing to provide a 24-hour, seven day environmental incident reporting system.

Activity 7.4 Hazardous Substances and Contaminated Sites

Reduce the quantities of hazardous substances entering Northland's environment and minimising any adverse effects by:

- Continuing to facilitate the safe handling and lawful storage of hazardous substances and management of waste hazardous substances.

Variations from the Northland Community Plan 2009-2019

Water Quality Initiatives

Following public consultation, the Council has decided to budget an additional \$112,500 (including GST) for new initiatives aimed at improving water quality in Northland.

There are no significant variations within this group of activities.

council groups of activities

environmental monitoring

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
User Charges	1,486,113	1,506,359	20,246
TOTAL OPERATING REVENUE	1,486,113	1,506,359	20,246
EXPENDITURE			
Personnel Costs	2,249,536	2,269,342	(19,806)
Depreciation	136,901	136,901	–
Other Operating Expenses	1,178,118	1,284,588	(106,470)
Support Costs internally allocated to Activity	1,528,917	1,585,212	(56,295)
TOTAL OPERATING EXPENDITURE	5,093,472	5,276,043	(182,572)
Less Non Cash Items	136,901	136,901	–
NET CASH COST/(SURPLUS) OF ACTIVITY	3,470,458	3,632,783	162,326
<i>Funded by:</i>			
Targeted Council Service Rate	1,540,686	1,711,015	(170,329)
Investment Income	1,290,528	1,086,281	204,247
Transfer from / (to) Cash Reserves	639,244	835,487	(196,243)
TOTAL OPERATIONAL FUNDING	3,470,458	3,632,783	(162,326)
CAPITAL EXPENDITURE	217,137	231,822	(14,685)
<i>Funded by:</i>			
Targeted Council Service Rate	38,946	56,946	18,000
Transfer from Cash Reserves	178,190	174,876	(3,315)
TOTAL CAPITAL FUNDING	217,137	231,822	14,685
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
State of the Environment Monitoring	1,976,913	2,132,471	(155,558)
Resource Consent Compliance	1,875,616	1,902,120	(26,504)
Environmental Incidents Response	775,367	789,740	(14,373)
Hazardous Substances and Contaminated Sites	465,576	451,712	13,864
TOTAL ENVIRONMENTAL MONITORING	5,093,472	5,276,043	(182,572)

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Other Operating Expenditure has increased due to the proposed increase of \$100,000 (excluding GST) for new water quality initiatives.

Operating Revenue

- Allocation of targeted Council Services Rate has increased to offset the reduction in forecasted investment income.

council groups of activities

environmental monitoring continued

Targets for the year ended 30 June 2011

Activity 7.1 State of the Environment Monitoring

7.1.1 Monitor and identify significant environmental issues and trends in the region.

Performance Measures 2010-2011

- a. Operate a region-wide quality network for the measurement, recording and reporting of groundwater, river and lake water quality trends and soil quality trends.
- b. Report on summer coastal and freshwater bathing water quality and water quality for the collection of shellfish at various sites.
- c. Monitor ambient air quality in line with the priorities of the National Environmental Standard for Air and the Regional Air Quality Plan.
- d. Operate a region-wide hydrometric network for the measurement, recording and reporting of rainfall, river flows, lake, groundwater and tide levels.
- e. Establish water management zones on a prioritised basis for allocation of freshwater resources.
- f. Identify 'at risk' aquifers and carry out investigations to better understand this resource.
- g. Monitor water and sediment quality in Northland harbours on a prioritised basis.
- h. Undertake a prioritised estuary health monitoring programme.
- i. Monitor the effectiveness of Council policy documents.

Performance Targets 2010-2011

- Annual % compliance of rivers with relevant guidelines for five key parameters.
- Annual median % compliance of 20 representative bathing sites to the Ministry of Environment Guidelines.
- Annual % of compliance with the national environmental standards.
- No more than a seven day missing record per site annually for all automatic measuring stations.
- Relevant information will be available on the Hydrology Group Archive within three months of Production.
- Report progress via the relevant environmental monitoring report to the Council.
- Report results each year in the Annual Monitoring Report and every five years in the State of the Environment Report.
- Annual % compliance for priority harbour waters with appropriate guideline values.
- Two yearly % compliance for priority harbour sediment with appropriate action levels.
- Annual % of compliance with suitable estuary health indices for three sites up to 2009 and five sites from 2010.
- Report on actual monitoring results compared to policy objectives every five years in the State of the Environment Report.

7.1.2 Provide scientific environmental information to the public and the Council to facilitate informed decision making.

Performance Measures 2010-2011

- a. Produce and publish an Annual Monitoring Report.
- b. Provide hydrometric information and advice in an accurate and timely way.

Performance Targets 2010-2011

- Post on the Council's website by 31 October each year for the previous period 1 July to 30 June.
- All advice provided in accordance with ISO accredited Council policies and procedures and no justifiable complaints received each year.

7.1.3 Promote improved environmental practices within the Northland region.**Performance Measures 2010-2011**

- a. Undertake site visits to selected industries to promote cleaner production practices.
- b. Promote and support community based estuarine restoration projects on a prioritised basis.

Performance Targets 2010-2011

- Complete at least 25 site visits per year and report to Council in the environmental monitoring report.
- Commence during 2010 and complete implementation during 2011. Report results each year in the Annual Monitoring Report and every five years in the State of the Environment Report.

Activity 7.2 Compliance Monitoring**7.2.1 Monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.****Performance Measures 2010-2011**

- a. Documentation and implementation of monitoring programmes for water, land and air consents. This includes monitoring of:
 - Emission testing and/or appropriate off-site monitoring of major industrial discharges to air;
 - Effluent and receiving water quality testing of sewage, industrial and landfill discharges;
 - Land clearance, earthworks, and river works that are the subject of resource consents;
 - Bore construction; and
 - Farm dairy effluent treatment and disposal systems.
- b. Inspection of significant coastal structures and works, marine farms and the carrying out of coastal surveys where there is sand mining activity.
- c. Inspection of boat moorings to ensure they are properly authorised in accordance with the requirements of the Regional Coastal Plan and the Navigation Safety Bylaw 2001 and that their positions are accurately recorded.

Performance Targets 2010-2011

- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- 100% of compliance assessments are recorded on the Council's monitoring database and results reported to appropriate parties monthly.
- 100% of all significant non-compliances are followed up and enforcement action taken where necessary.
- Monitoring activity reported monthly in the Council Environmental Monitoring Report and annually in the Council Annual Report.
- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- 100% of compliance assessments conducted at least once every five years and results reported monthly in the Council's Environmental Monitoring Report.
- 100% of all significant non-compliances are followed-up and enforcement action taken where necessary.
- 100% of moorings inspected once every three years. Results reported monthly in the Council's Environmental Monitoring Report and annually in the Council Annual Report.

continued overleaf

council groups of activities

environmental monitoring continued

7.2.1 Monitor and enforce compliance with resource consent conditions, regional rules and relevant statutory requirements.

Performance Measures 2010-2011

- d. Collection of water use records to determine compliance with resource consents including the consistent and accurate metering of consented takes.

- e. Measurement of stream flows, groundwater and lake levels associated with significant water abstractions to ensure compliance with resource consent, including during prolonged dry periods.

Performance Targets 2010-2011

- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- Compliance assessments conducted at least once per annum. All significant non compliances are followed up with enforcement action taken where necessary. Results reported monthly in the Council's Environmental Monitoring Report and annually in the Council Annual Report.
- 100% of monitoring programmes meet the standards of the Council's independently audited and accredited ISO quality management systems.
- Conduct at least one flow measurement during the dry period for relevant consents and report on compliance in the Council's monthly Environmental Monitoring Report.
- 100% of all significant non-compliances are followed up and enforcement action taken where necessary.

Activity 7.3 Environmental Incidents Response

7.3.1 Provide a 24-hour, seven day environmental incident reporting system.

Performance Measures 2010-2011

- a. Respond to calls received on the environmental hotline.
- b. Take appropriate enforcement action in cases of significant noncompliance with statutory requirements.
- c. Communicate incidents that negatively impact on public health as appropriate.

Performance Targets 2010-2011

- 100% of significant incidents responded to by Northland Regional Council and assessed annually for compliance with Regional Rules or Consent.
- 100% of non-complying incidents resulting in significant adverse environmental effects have formal enforcement action taken in relation to the incident (when offender is known).
- 100% of incidents responded to by Northland Regional Council resulting in public health risks, are notified within 24 hours to Northland District Health Board.

Activity 7.4 Hazardous Substances and Contaminated Sites

7.4.1 Facilitate the safe handling and lawful storage of hazardous substances and management of waste hazardous substances.

Performance Measures 2010-2011

- a. Operate facilities throughout Northland for the short term storage of waste hazardous substances awaiting transport.
- b. Provide a transport and disposal service for appropriate hazardous substances.
- c. Provide a hazardous substances monitoring service to the Department of Labour, as required.
- d. Provide an on-call 24 hour, seven day a week service for responding to incidents involving hazardous substances.
- e. Maintain a database of potentially contaminated sites, related site assessments and remediation.

Performance Targets 2010-2011

- Facilities open for 100% of working hours.
- 100% of hazardous substances are collected, transported and disposed of within 18 months of collection.
- At least 80 hours a month spent undertaking workplace inspections.
- 100% response rate to all calls involving hazardous substances.
- Relevant data provided to the relevant district councils for inclusion in the LIM and PIM systems by 31 December each year.

council groups of activities

land and rivers

Main Objectives for 2010-2011

Activity 8.1 Hazard Management

Identify and provide information on natural hazards, and prepare plans and implement measures to reduce the level of risk to life and property from these natural hazards by:

- Continuing to reduce risk from natural hazards.

Activity 8.2 River Management

Reduce flood risk by ensuring flood risk reduction works are maintained, the incidence of accelerated streambank erosion is reduced and land uses on flood-susceptible land are sustainable by:

- Continuing to manage rivers to reduce flood hazard risk.

Activity 8.3 Land and Biodiversity

Ensure Northland's land resources are managed in a sustainable way for the benefit of current and future generations by:

- Continuing to promote the sustainable management of land including soil, water and ecosystems in the Northland region.

Variations from the Northland Community Plan 2009-2019

Following public consultation, the Council has decided to budget an additional \$135,000 (including GST) to assess mangrove removal and sediment management work in areas where they are negatively impacting on flooding, drainage and amenity values.

There are no significant variations within this group of activities.

council groups of activities

land and rivers

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	87,805	85,000	(2,805)
Targeted Rates	764,755	721,918	(42,837)
TOTAL OPERATING REVENUE	852,560	806,918	(45,642)
EXPENDITURE			
Personnel Costs	960,653	975,250	(14,597)
Depreciation	42,495	42,494	1
Other Operating Expenses	2,209,971	2,071,326	138,644
Support Costs internally allocated to Activity	586,607	622,316	(35,708)
TOTAL OPERATING EXPENDITURE	3,799,725	3,711,386	88,339
Less Non Cash Items	42,495	42,494	1
NET CASH COST/(SURPLUS) OF ACTIVITY	2,904,671	2,861,975	(42,696)
<i>Funded by:</i>			
Targeted Land Management Rate	2,300,272	2,449,123	148,851
Investment Income	425,635	355,458	(70,177)
Transfer from / (to) Cash Reserves	178,764	57,394	(121,370)
TOTAL OPERATIONAL FUNDING	2,904,671	2,861,975	(42,696)
CAPITAL EXPENDITURE	92,970	92,970	–
<i>Funded by:</i>			
Targeted Land Management Rate	28,332	28,332	–
Transfer from Cash Reserves	64,638	64,638	–
TOTAL CAPITAL FUNDING	92,970	92,970	–
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Hazard Management	1,213,063	1,059,476	153,587
River Management	1,122,114	1,010,779	111,335
Land and Biodiversity	1,464,549	1,641,131	(176,582)
TOTAL LAND AND RIVERS	3,799,725	3,711,386	88,339

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Other Operating Expenditure has increased due to the proposed mangrove removal and sediment management programme (Land and Biodiversity Activity) of \$120,000 (excluding GST).
- Hazard Management (River Prioritisation) expenditure is less than budget due to works been accelerated in the 2009-2010 financial year. The decrease in expenditure will be used to repay borrowing from reserves to fund the acceleration of expenditure.
- River Management expenditure is reduced largely due to works brought forward on the Awanui River management scheme in the 2009-2010 financial year. The decrease in expenditure will be used to repay borrowing from reserves to fund the acceleration of expenditure.

Operating Revenue

- Targeted Land Management Rate has increased to fund the proposed project detailed in the explanation above.
- Targeted River Management Rates are slightly less than forecast due to a correction in the 2009-2010 in calculating these rates.

council groups of activities

land and rivers continued

Targets for the year ended 30 June 2011

Activity 8.1 Hazard Management

8.1.1 Reduce risk from natural hazards.

Performance Measures 2010-2011

- a. Prioritise actions arising from flood risk reduction plans and implement accordingly.
- b. Develop coastal hazard risk reduction plans for priority coastal communities.
- c. Undertake beach profiling, representative of summer and winter conditions at priority sites, and as required following erosion or accretion at secondary sites.
- d. Promote natural hazard risk reduction.

Performance Targets 2010-2011

- Actions prioritised and implementation commenced by 30 June 2011. Progress reported six monthly to the Environmental Management Committee.
- Coastal hazard risk reduction plans commenced for priority coastal communities by November 2010 and continued in 2011. Progress reported six monthly to the Environmental Management Committee.
- Priority beach profile sites monitored twice yearly and reported within two months to the Council in the CEO's Report.
- Promote awareness of natural hazard risks at least annually through the appropriate media, including measures to avoid, manage or mitigate such risks.
- Provide appropriate advice within 20 days of receiving requests for advice, and report annually on the number and type of responses given to the Council in the CEO's Report.

Activity 8.2 River Management

8.2.1 Manage rivers to reduce flood hazard risk.

Performance Measures 2010-2011

- a. Manage the Awanui River Flood system in line with the Awanui River Flood Management Plan.
- b. Manage the Kaihū River scheme in accordance with the Interim Kaihū River Flood Management Plan.
- c. Carry out works in the Kaeo River and Whangaroa Streams according to the Interim Flood Management Plan for the Kaeo River and Whangaroa Rivers and Streams from Taupo Bay to Te Ngaire.

Performance Targets 2010-2011

- Report management outcomes to each meeting of the Awanui River Flood Management Plan Liaison Committee and on a six-monthly basis to the Environmental Management Committee.
- Report management outcomes to each meeting of the Kaihū River Management Liaison Committee and on a six-monthly basis to the Environmental Management Committee.
- Report management outcomes to each meeting of the Kaeo River – Whangaroa Catchment Management Liaison Committee and on a six-monthly basis to the Environmental Management Committee.

Activity 8.3 Land and Biodiversity

8.3.1 Promote the sustainable management of land including soil, water and ecosystems in the Northland region.

Performance Measures 2010-2011

- a. Collaborate with representatives of primary sector groups and land owners to promote sustainable land and water management practices.
- b. Promote and support community based CoastCare groups through the provision of information and resources for dune restoration activities.
- c. Promote indigenous biodiversity in Northland and the restoration and enhancement of priority ecosystems/natural resources.
- d. Support indigenous biodiversity protection and enhancement on private land and by community groups through the Environment Fund.
- e. Collaborate with, and align the Council's policy approach with Environment Waikato, Environment Bay of Plenty and the Auckland Regional Council on the management of mangroves.
- f. Review the need for a region-wide authorisation process to facilitate the removal of 'young' mangroves from clearly designated areas.

Performance Targets 2010-2011

- Minimum of three meetings held annually with primary sector groups. Outcomes reported to the Council via the CEO's report.
- Provide appropriate advice within 20 days of receiving requests for advice. Report annually on the number and type of responses given via the CEO's Report to the Council.
- Visit each CoastCare site at least annually and report outcomes to the Council via the CEO's Report.
- Promote CoastCare messages through press releases every two months and report outcomes to the Council via the CEO's Report.
- Produce a relevant media release every six months.
- Contribute a minimum of \$500,000 annually through the Environment Fund. Report annually to the Environmental Management Committee on outcomes achieved and funding provided.
- Organise at least two special meetings annually of the combined councils which consider mangroves.
- Develop implementation programme by December 2010.

council groups of activities

biosecurity

Main Objectives for 2010-2011

Activity 9.1 Biosecurity

Reduce the adverse impacts of pest organisms, pest plants and animal pests on the environment, the economy and human health by:

- Continuing to reduce the adverse impacts of pests on the environment, economy and human health.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

biosecurity

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
User Charges	381,346	295,000	(86,346)
Other Revenue	10,330	2,000	(8,330)
TOTAL OPERATING REVENUE	391,676	297,000	(94,676)
EXPENDITURE			
Personnel Costs	605,719	627,412	(21,693)
Depreciation	29,770	29,770	–
Other Operating Expenses	1,329,397	1,164,750	164,647
Support Costs internally allocated to Activity	428,384	427,619	767
TOTAL OPERATING EXPENDITURE	2,393,270	2,249,551	143,719
Less Non Cash Items	29,770	29,770	–
NET CASH COST/(SURPLUS) OF ACTIVITY	1,971,823	1,922,781	(49,043)
<i>Funded by:</i>			
Targeted Land Management Rate	1,548,114	1,520,905	(27,209)
Investment Income	283,550	229,283	(54,267)
Transfer from / (to) Cash Reserves	140,159	172,593	32,434
TOTAL OPERATIONAL FUNDING	1,971,823	1,922,781	(49,043)
CAPITAL EXPENDITURE	8,263	8,263	–
<i>Funded by:</i>			
Targeted Land Management Rate	8,263	8,263	–
TOTAL CAPITAL FUNDING	8,263	8,263	–
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Biosecurity	2,393,270	2,249,551	143,719
TOTAL BIOSECURITY	2,393,270	2,249,551	143,719

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Operating expenditure is less than forecast, in part due to a change in the way field materials are sold, see explanation below and due savings over a large number of areas.

Operating Revenue

- User Charges are reduced due to a change in the way field materials are sold. There is an offsetting reduction in field material expenditure.

council groups of activities

biosecurity continued

Targets for the year ended 30 June 2011

Activity 9.1 Biosecurity

9.1.1 Reduce the adverse impacts of pests on the environment, economy and human health.

Performance Measures 2010-2011

- a. Review all pest management strategies in accordance with the provisions of the Biosecurity Act.
- b. Prepare new Pest Management Strategies as required and in accordance with the provisions of the Biosecurity Act.
- c. Prepare annual operational plans for each regional pest and report on outcomes.
- d. Develop, implement and enforce animal, plant and insect pest management strategies for land, freshwater and marine pests.
- e. Conduct annual monitoring on Tropical Grass Webworm and report Webworm larval presence to property owners as appropriate.
- f. Actively pursue opportunities for partnerships with the community, crown and other pest agencies via community pest plans (CPCA) and other agreements.
- g. Achieve low to moderate density of possums in specified areas.
- h. Provide a pest identification service.

Performance Targets 2010-2011

- Carry out a five year formal review of all pest management strategies by 1 July 2010.
- All new strategies considered by the Environmental Management Committee.
- Plans prepared by August each year and reported to the Environmental Management Committee.
- Develop one marine management strategy to enhance the region's marine capability and response to marine pest invasions by 2010.
- Monitor at least seven sites per annum.
- Notify property owner if Webworm larval is present in more than 50m² of pasture monitored.
- Establish at least one new partnership with a pest agency and five new community pest plans (CPCA) annually and report to the Environmental Management Committee.
- Achieve at least 15% maintenance level on residual possum densities.
- No more than 15% possum density overall.
- Provide a response to all enquiries within five working days and report annually to the Environmental Management Committee.

council groups of activities

emergency management

Main Objectives for 2010-2011

Activity 10.1 Emergency Management

Create resilient communities in Northland by enhancing their capability to manage emergencies and the capability to recover from disasters by:

- Continuing to increase the community's capability to respond to, and recover from, Civil Defence Emergencies.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

emergency management

Prospective Statement of Costs and Funding for the period ending 30 June 2011

REVENUE

Grants and Subsidies

TOTAL OPERATING REVENUE

EXPENDITURE

Personnel Costs

Other Operating Expenses

Support Costs internally allocated to Activity

TOTAL OPERATING EXPENDITURE

NET CASH COST/(SURPLUS) OF ACTIVITY

Funded by:

Targeted Land Management Rate

Investment Income

Transfer from / (to) Cash Reserves

TOTAL OPERATIONAL FUNDING

TOTAL OPERATING EXPENDITURE BY ACTIVITY

Emergency Management

TOTAL EMERGENCY MANAGEMENT

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
Grants and Subsidies	10,330	10,330	—
TOTAL OPERATING REVENUE	10,330	10,330	—
EXPENDITURE			
Personnel Costs	112,109	104,805	7,305
Other Operating Expenses	44,136	47,154	(3,018)
Support Costs internally allocated to Activity	60,887	60,798	89
TOTAL OPERATING EXPENDITURE	217,132	212,757	4,375
NET CASH COST/(SURPLUS) OF ACTIVITY	206,802	202,427	(4,375)
<i>Funded by:</i>			
Targeted Land Management Rate	160,803	158,534	(2,269)
Investment Income	31,395	25,568	(5,827)
Transfer from / (to) Cash Reserves	14,604	18,325	3,721
TOTAL OPERATIONAL FUNDING	206,802	202,427	(4,375)
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Emergency Management	217,132	212,757	4,375
TOTAL EMERGENCY MANAGEMENT	217,132	212,757	4,375

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- No significant variances.

Operating Revenue

- No significant variances.

Targets for the year ended 30 June 2011

Activity 10.1 Emergency Management

10.1.1 Increase the community's capability to respond to, and recover from, Civil Defence Emergencies.

Performance Measures 2010-2011

- a. Develop, implement and review the Northland CDEM Group Plan.
- b. Establish Northland Civil Defence Emergency Group (CDEMG) Emergency Management Office to provide logistical and administrative support.
- c. Develop Community Response Plans in accordance with the CDEM Group Plan.
- d. Develop and implement training and exercise programmes for all agencies across the CDEM sector in Northland.
- e. Co-ordinate support and continue development of the Welfare Advisory Group, Lifelines Utility Group and the Rural Support Trust.
- f. Respond to Civil Defence emergencies in accordance with the approved CDEMG Emergency Operations Centre Activation Plan.

Performance Targets 2010-2011

- Implement and monitor during 2010-2011.
- Co-ordinating Executive Group to meet at least six times a year and the Civil Defence Emergency Management Group to meet quarterly.
- 20 plans (50%) completed by 2011.
- Provide a minimum of three co-ordinated incident management courses per year.
- Quarterly outcomes reported through the Co-ordinating Executive Group Chair to the Civil Defence Emergency Management Group.
- Within one month of each activation, hold a formal debrief and report the outcome to the CDEMG meeting within three months.

council groups of activities

maritime operations

Main Objectives for 2010-2011

Activity 11.1 Oil Pollution Response

Minimise the risk and adverse effects of marine oil spills on the Northland environment by:

- Continuing to maintain and implement the Marine Oil Spill Contingency Plan.
- Continuing to respond to marine oil spills in the Northland Region.

Activity 11.2 Harbour Safety and Navigation

Provide services that promote safe navigation and use of Northland harbours and coastline by:

- Continuing to promote safe navigation on all Northland harbours and coastline.

Variations from the Northland Community Plan 2009-2019

There are no significant variations within this group of activities.

council groups of activities

maritime operations

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	113,340	127,714	14,374
User Charges	567,524	610,128	42,605
Other Revenue	24,792	21,000	(3,792)
TOTAL OPERATING REVENUE	705,655	758,842	53,187
EXPENDITURE			
Personnel Costs	686,955	679,489	7,467
Depreciation	113,961	113,961	–
Other Operating Expenses	336,424	369,928	(33,504)
Support Costs internally allocated to Activity	351,840	352,631	(791)
TOTAL OPERATING EXPENDITURE	1,489,180	1,516,009	(26,829)
Less Non Cash Items	113,961	113,961	–
NET CASH COST/(SURPLUS) OF ACTIVITY	669,564	643,206	(26,358)
<i>Funded by:</i>			
Targeted Council Service Rate	356,880	315,651	(41,229)
Investment Income	235,761	164,387	(71,374)
Transfer from / (to) Cash Reserves	76,923	163,168	86,244
TOTAL OPERATIONAL FUNDING	669,564	643,206	(26,358)
CAPITAL EXPENDITURE	54,708	92,060	(37,352)
<i>Funded by:</i>			
Targeted Council Service Rate	54,708	92,060	37,352
TOTAL CAPITAL FUNDING	54,708	92,060	37,352
TOTAL OPERATING EXPENDITURE BY ACTIVITY			
Harbour Safety and Navigation	1,338,354	1,367,730	(29,376)
Oil Pollution	150,826	148,279	2,547
TOTAL MARITIME OPERATIONS	1,489,180	1,516,009	(26,829)

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Operating expenditure increased mainly due increased debris disposal cost in Northland.

Operating Revenue

- User Charges have increased predominantly due to increased pilotage as a result of increased number of visiting ships and increase in bylaw fee income. The increased user charges are offset by the discontinuation of the Hātea River Channel.

council groups of activities

maritime operations continued

Targets for the year ended 30 June 2011

Activity 11.1 Oil Pollution Response

11.1.1 Maintain and implement the Marine Oil Spill Contingency Plan.

Performance Measures 2010-2011

- a. Maintain an up-to-date Marine Oil Spill Contingency Plan.
- b. Ensure appropriate equipment is available to respond to oil spills in accordance with the Plan.
- c. Conduct oil spill response exercises.

Performance Targets 2010-2011

- Plan updated every six months.
- Provide quarterly equipment maintenance reports to Maritime New Zealand.
- Exercises undertaken as detailed in the Plan.

11.1.2 Respond to marine oil spills in the Northland region.

Performance Measures 2010-2011

- a. Maintain a team of trained oil spill responders.
- b. Provide equipment to support an oil spill response.
- c. Develop and maintain current memoranda of understanding with response partners.
- d. Monitor oil transfer sites for compliance with oil spill prevention and response capability requirements.
- e. Record all marine oil spill response actions.

Performance Targets 2010-2011

- Maritime NZ Training is carried out on an ongoing four yearly cycle and a 24/7 roster is maintained.
- File a Maritime NZ return for equipment maintenance on a quarterly basis.
- Jointly assessed between partners on an annual basis and reported annually.
- Monitor and report compliance on an annual basis.
- Report monthly in the CEO's Report to Council.

Activity 11.2 Harbour Safety and Navigation

11.2.1 Promote safe navigation on all Northland harbours and coastline.

Performance Measures 2010-2011

- a. Update the risk assessment and safety management systems for the Whāngārei and Bay of Islands harbours.
- b. Assess whether the present harbour safety management systems are adequate.
- c. Develop harbour safety management plans for harbours not covered by formal safety management systems.
- d. Maintain a network of harbour wardens and patrols to promote compliance with the Navigation Safety Bylaw 2007.
- e. Provide safety advice and pilotage for vessels entering into the Bay of Islands.
- f. Provide and maintain aids to navigation as required for safe navigation on Northland harbours.
- g. Provide a 24/7 maritime navigation and safety incident reporting and response system.

Performance Targets 2010-2011

- Annually reviewed and reported monthly in the CEO's Report to Council.
- Code application assessment annually reviewed and amendments recorded in the safety management system.
- Three harbour safety management plans per annum by 30 June each year and reported monthly in the CEO's Report to Council.
- Incidents and investigations are reported monthly in the CEO's report to Council.
- Advice provided and pilotage numbers reported monthly in the CEO's Report to Council.
- Six year rolling maintenance programme is undertaken and activity reported monthly in the CEO's Report to Council.
- Incidents and investigations reported monthly in the CEO's Report to Council.

council groups of activities

support services

Support Services are core corporate services provided centrally to support the efficient and effective operations of the Council.

Support Services are charged internally across Council activities by way of an internal overhead charge allocated on the basis of appropriate cost drivers.

Support Services include:

- Financial accounting, reporting and investment, rating revenue systems;
- Information services;
- Human Resources and Health and Safety;
- Records management and administration; and
- Other support activities.

Support Services do not necessarily provide a direct contribution toward the achievement of Regional Community Outcomes. However, Support Services ensure the Council has the best information available for its decision making, the best people to carry out the work needed to be done and that the Council operates in a safe, legally correct and professional manner.

council groups of activities

support services

Prospective Statement of Costs and Funding for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Draft Annual Plan Forecast 2010-2011 \$	Variance \$
Personnel Costs	1,831,534	1,833,575	(2,040)
Depreciation	750,089	750,089	–
Finance Costs	1,033	1,000	33
Other Operating Expenses	2,306,706	2,425,096	(118,390)
Less Support Costs internally recovered	(4,889,363)	(5,009,760)	120,397
TOTAL EXPENDITURE	4,889,363	5,009,760	(120,397)
Allocated to Functional Activities:			
Democracy & Corporate Services	193,534	206,281	(12,747)
Regional Information and Engagement	437,082	562,386	(125,304)
Regional Economic Development	21,745	21,714	32
Resource Management Planning	407,943	365,225	42,718
Transport	156,567	160,682	(4,115)
Consents	715,857	644,898	70,959
Environmental Monitoring	1,528,917	1,585,212	(56,295)
Land and Rivers	586,607	622,316	(35,708)
Biosecurity	428,384	427,617	766
Emergency Management	60,887	60,798	89
Maritime Operations	351,840	352,631	(791)
TOTAL NORTHLAND REGIONAL COUNCIL	4,889,363	5,009,760	(120,397)

Key Financial Variations from the Northland Community Plan 2009-2019

Operating Expenditure

- Operating expenditure increased due to computer infrastructure and software maintenance costs, increased electricity, increased human resource related costs and increased records personnel cost.

Operating Revenue

- No significant variances.

forecast financial statements – significant forecasting assumptions

The Financial Statements should be read in conjunction with the Accounting Policies and Notes.

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the 10 year Community Plan. The significant forecasting assumptions can be found in volume two of the Community Plan on pages 9 to 17. Where there is a high level of uncertainty the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year Council reviews its position and has the opportunity to revise the intentions signalled in the 2009 Community Plan. An Annual Plan will be prepared for the 2010-2011 financial year and again for the 2011-2012 year, with a Community Plan being prepared every third financial year. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council.

The significant forecasting assumptions used in developing the financial forecasts in the 2010-2011 Annual Plan are detailed in the tables overleaf and in Volume Two of the 2009 Community Plan.

The purpose of these planning assumptions is to provide an update on the most significant assumptions included in the Community Plan. Throughout this Annual Plan, explanations and reconciliations between the prospective financial statements included in the Community Plan and the revised prospective statements included in this Plan are provided.

The 2010-2011 Annual Plan will be ratified through a special consultative procedure, in accordance with the Local Government Act 2002.

The financial forecasted information disclosed is future focused for the purposes of the Financial Reporting Standard FRS 42: Prospective Financial Statements and accordingly there are a number of budget assumptions that at the time of preparing the forecasted information Council reasonably expects to occur. The Council has complied with FRS 42 in the preparation of these prospective financial statements. These assumptions are necessary as the budget is future focused relies on certain events and assumptions taking place. Assumptions are required to ensure there is a consistent and justifiable basis for the preparation of the financial forecasts.

The information presented in prospective financial statements, is by definition, uncertain and its preparation requires the exercise of judgement. Events and circumstances may not occur as expected or may not have been predicted. In addition, Council may subsequently take actions which differ from the intended courses of action on which the prospective financial statements were based. Actual financial results may be materially different to the forecasted financial information presented in this Annual Plan.

Council has assumed that the actual results for the 2009-2010 financial year will be in accordance with the prospective financial statements set out in the 2009 Community Plan. With the passage of time, if the actual 2009-2010 full year financial results are expected to be materially different to forecasted results, the financial forecasts will be updated to reflect this prior to the final adoption of the Annual Plan in June 2010.

The information presented in this document represents the course of action Council intends to take. Council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for issue on 16 June 2010 by Northland Regional Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

forecast financial statements – significant forecasting assumptions continued

General Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
Levels of Service Demand for Council services and customer expectations regarding levels of service will not significantly change and therefore there will be no significant effect on operating expenditure.	There are significant changes in customer expectations regarding demand for services or levels of service.	Low	Low	The Council has well defined service levels for its planned activities.
Regional Population Growth	The growth in the ratepayer base is higher or low than projected.	Low	Low	Council uses the most up to date rating information provided by the Far North, Kaipara and Whāngārei District Councils in early 2010. Minor fluctuations in the ratepayer base will not have a material impact on rates.

Financial Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
Inflation The Council has adjusted 2010-2011 base financial projections to reflect the estimated impact of inflation.	That actual inflation will be significantly different from the assumed inflation.	Low	Low	Inflation is unlikely to be materially different to budget estimates over the coming year. Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.
Emission Trading Scheme (ETS) Cost Adjustments BERL have advised that the introduction of the ETS is likely to have an impact on the prices of everyday consumables and as such costs are expected to increase as a result. As above, Council has reviewed its base 2010-2011 financial projections.	That the impact of the introduction of the ETS on general costs, increases costs on average by 1.1% in the 2010-2011 financial year. Once the ETS becomes established and a price for NZ emissions units can be observed in the above calculations can be undertaken, and projected with more rigour.	Medium	Low	A 1.1% increase in total operating expenditure for 2010-2011 would result in an increase of \$244,561 for the 2010-2011 financial year. Council is not accounting for credits which may be due as a result of Council holding forestry assets. If required, Any unbudgeted increased costs may in fact be offset by these unbudgeted credits.
Carbon Neutrality Council has no obligation or liability under the NZ ETS, as its Forestry Management Plan prescribes the replanting or re-vegetation of all harvested areas. Council is likely to be a recipient of carbon credits. The compensation is provided as compensation for loss in land value and is thus considered to be capital in nature, in accordance with the Revenue and Finance Policy this money would be set aside for further reinvestment. Due to the uncertainty surrounding the legislation, the absence of market data and the immaterial monetary value, Council considered it was not financially prudent to estimate monetary values and include these within the forecast.	Low	High	Low	The monetary value of credits Council may receive will be immaterial. NRC intend to apply for any free allocation of carbon credits under the final Allocation Plan. Based on updated assessments, Council expects to receive \$166,000 in capital income in the 2010-2011 financial year.

forecast financial statements – significant forecasting assumptions continued

Revenue Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
Rate Revenue Council is proposing to increase average rates by 11.5%. The increase in proposed rates is to cover general cost increases, but is mostly caused by the additional proposed projects and due to revised (reduced) investment revenue projections.	That the projected rate increases are insufficient to cover price changes resulting from inflation.	Low	Low	Council will actively monitor actual results against budget.
Impact of GST on rates The Government has announced its decision to increase GST from the current rate of 12.5% to 15%, effective from 1 October 2010. All rates and amounts are stated as, plus GST at the prevailing rate. Throughout the Annual Plan, where figures are stated as GST inclusive, the assumed GST is 12.5%, unless otherwise stated.	An increase in GST will impact on the GST levied on rates.	High	High	GST will apply the current rate of 12.5% to rates payable on invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010 and to any voluntary pre-payments of rates made on or after 1 October 2010.
Expected Returns on Investments Council has forecast the following returns for significant investments. Interest Revenue includes return from investment in NRC/ONTRACK JV.	That prevailing interest rates will differ significantly from those estimated.	Medium	Low	The interest rate is set at 7%. A reduction in interest revenue will be offset by a reduction in cost Council's share of the cost.

statement of significant accounting policies

The Financial Statements should be read in conjunction with the Accounting Policies and Notes.

Statement of Compliance

The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Summary of Significant Accounting Policies

The prospective financial statements are prepared in accordance with the Local Government Act 2002. These prospective financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless stated otherwise.

Reporting Entity

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

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

1. Northland Port Corporation (NZ) Ltd (53.61% owned) and its subsidiaries
2. Northland Regional Council Community Trust (100% owned) and its subsidiaries

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

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

The prospective financial statements are prepared for the financial statements are for the year ending 30 June 2010.

Judgements and Estimates

The preparation of prospective financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Where material, information in the major assumptions is provided in the relevant account policy or will be provided in the relevant note to the prospective financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Significant Accounting Policies

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

Basis of Preparation

Measurement base

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

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Northland Regional Council is New Zealand dollars.

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance sheet date.

Revenue

Revenue and expenditure are measured at the fair value of the consideration received or paid.

Rates revenue

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

Other revenue

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

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

statement of significant accounting policies continued

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

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

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

Interest income is recognised using the effective interest method.

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

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

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

Construction Contracts

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

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of financial performance.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

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

Expenditure

Expenditure is recognised when goods and services have been received.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that these arise on the acquisition, construction or production of qualifying assets. In that case, borrowing costs will be capitalised as part of the cost of the asset.

Grant Expenditure

Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where NRC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the NRC's decision.

Income Tax

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

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

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

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

Leases

Operating Leases

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

Finance Leases

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

At the commencement of the lease term, the NRC recognises finance leases as assets and liabilities on the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset.

The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Financial Assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Statement of Financial Performance.

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

The NRC classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and financial at fair value through equity. The classification depends on the purpose for which the investments were required, policies and practices of management, the relationship with other instruments and the reporting costs and benefits of each designation. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The four categories of financial assets are:

- **Financial assets at fair value through profit and loss**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

After initial recognition they are measured at their fair values. Gains or losses on remeasurement are recognised in the Statement of Financial Performance.

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

statement of significant accounting policies continued

■ Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, and term depositions.

After initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables issued with duration of less than 12 months are recognised at their nominal value. Gains or losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

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

■ Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council does not hold any held-to-maturity investments.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains or losses when the asset is impaired or derecognised are recognised in the statement of financial performance.

■ Financial assets at fair value through equity

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

This category includes:

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

The Council's investments in its subsidiary and associate entities are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates), whereas this category is to be measured at fair value.

After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Statement of Financial Performance.

On derecognition, the cumulative gain or loss previously recognised in equity is recognised in the statement of financial performance.

Included in this category are the Council's investments in Local Authority stocks. Fair value for these investments is provided by First NZ Capital Securities Ltd and is determined by reference to published price quotations in an active market.

Impairment of Financial Assets

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

■ Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rates. For debtors and other receivables, the carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans are established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issuer, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Derivative Financial Instruments and Hedging Activities

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

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

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

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

At the inception of a designated hedge transaction, the group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the transaction. It also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as a non-current asset if the remaining maturity of the hedged item is more than 12 months, and as a current asset if the remaining maturity of the hedged item is less than 12 months.

Fair value hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the Statement of Financial Performance.

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

Cash flow hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Statement of Financial Performance as part of "gains" or "other expenses".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit or loss in the same period or periods during which the asset acquired, or liability assumed, affects profit or loss. However, if the Council expects that all, or a portion of a loss, recognised directly in equity will not be recovered in one or more future periods, it will classify into profit or loss the amount that is not expected to be recovered.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or a non-financial liability becomes a

firm commitment for which fair value hedge accounting is applied, then the associated gains and losses that were recognised directly in equity will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the Statement of Financial Performance.

For cash flow hedges other than those covered above, amounts that had been recognised directly in equity will be recognised in profit or loss in the same period during which the hedged forecast transaction affects profit or loss (for example, when a forecast sale occurs).

Inventories

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

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

Marsden to Oakleigh Rail corridor Designation is made up of the costs directly attributable to securing the rail corridor designation. This inventory asset is held for distribution. The future economic benefit or service potential of this asset is not directly related to Council's ability to generate future cash inflows. The value of this inventory is at cost and when applicable, will be adjusted for any loss of service potential. Council will transfer the rail corridor to ONTRACK once ONTRACK has entered into an unconditional contract for the construction of the entire Marsden Point Rail Link.

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

Non-Current Assets Held for Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Financial Performance.

statement of significant accounting policies continued

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets – These include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.

Infrastructure Assets – Infrastructure assets are the assets that comprise the Awanui River flood management system, including stop-banks and floodgates.

Restricted Assets – There are no restrictions on the assets of the Northland Regional Council or the Northland Regional Council Community Trust. There are no restrictions on the assets of the Northland Port Corporation (NZ) Ltd.

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

Revaluation

The Northland Regional Council and the Northland Regional Council Community Trust revalue the land and buildings' asset class annually, on the basis described below. All other asset classes are carried at depreciated historical costs. Northland Port Corporation (NZ) Limited revalues certain classes of asset. Revaluations of property, plant and equipment are accounted for on a class of asset basis. Those asset classes that are revalued are valued annually, on the basis described below. All other asset classes are carried at depreciated historical cost.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of financial performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

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

Subsequent costs

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Financial Performance. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land and owner occupied buildings, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Owner occupied buildings are revalued annually and no depreciation is charged on these assets. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	5-100 years	1-20%
Amenities	5-100 years	1-20%
Forest (Strategic Management Plan)	10 years	10%
Plant and Equipment	2-20 years	5-50%
Navigational Aids	10 years	10%
Vehicles	4-5 years	20-25%
Vessels and Dredging Equipment	10-25 years	4-10%

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

Operational land and buildings

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

Amenities owned by Northland Port Corporation (NZ) Limited are not revalued but recorded at a cost which, in the opinion of the directors, approximates fair value.

Land and buildings held by the Northland Regional Council and the Northland Regional Council Community Trust are revalued annually at fair value, as determined by market-based evidence, by an independent valuer.

Intangible Assets

Software acquisition and development

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

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

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

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance.

The useful lives' associated amortisation rates have been estimated as follows:

Computer software	4-5 years	20-25%
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Capital Projects in Progress

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

Impairment of Property, Plant and Equipment and Intangible Assets

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

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Financial Performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Financial Performance, a reversal of the impairment loss is also recognised in the Statement of Financial Performance.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the Statement of Financial Performance.

Biological assets

Forestry assets are independently revalued, annually, by Chandler Fraser Keating Ltd at fair value less estimated point-of-sale costs. Fair value is the amount for which the forest asset would be expected to exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties have each acted knowledgeably and without compulsion. Fair value is derived using a combination of the expectation value (or income) approach and the cost-based approach. Under the expectation value approach, the net present value is calculated by discounting to the present day the projected net cash flow of the forest in perpetuity. The calculated net present value is then linked to sales evidence through the application of a discount rate derived from the analysis of actual transactions. The cost-based approach is also employed in the valuation because the tree crop is a young, second rotation forest (80% by value are less than 10 years of age) and this approach better reflects how the market would likely view the tree crop value.

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

The costs to maintain the biological assets are included as an expense in the Statement of Financial Performance.

Investment Property

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

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

After initial recognition, Council measures all investment property at fair value, as determined annually by Telfer Young (Northland) Ltd who are independent valuers, and who have recent experience in the location and category of the investment property being valued and hold a recognised and relevant professional qualification. Fair value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment property reflects, among other things, rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions.

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Financial Performance.

statement of significant accounting policies continued

Employee Entitlements

Short-term employee entitlements

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

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

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

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

Long-term employee entitlements

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

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

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

Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where material, provisions are recorded at the best estimate of the expenditure required to settle the obligation. Provisions to be settled beyond 12 months are recorded at their present value.

Equity

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

The components of equity are:

- accumulated funds,
- special reserves, and
- asset revaluation reserves.

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

Restricted reserves include the Land Management Rate Reserve, Recreational Facilities Rate Reserve, Awanui River Management Rate Reserve, Kaihū River Management Rate Reserve and the Kaeo River Management Rate Reserve. These reserves are restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected. Other reserves are established by the Council and may be altered at the discretion of the Council.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Northland Port Corporation (NZ) Limited

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

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Long Term Council Community Plan or Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost Allocation

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

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

Inter-departmental direct costs are charged to the applicable department at the time the cost is incurred. Indirect costs are charged to operating activities using a weighted average percentage, based on the gross labour costs, number of staff, gross expenditure, revenues and working capital deployed.

Financial Risk Management Objectives and Policies

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

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

Details of the significant accounting policies and methods adopted, include the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset. Financial liabilities are disclosed in the notes to the financial statements.

Financial Instrument Risk

The Northland Regional Council and Northland Regional Council Community Trust have policies to manage the risk associated with financial instruments. They are both risk averse and seek to minimise exposure from their treasury activities. The Northland Regional Council and Northland Regional Council Community Trust have established Borrowing and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Fair value interest rate risk

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

Cash flow interest rate risk

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Investments at variable interest rates exposure the Northland Regional Council to cashflow interest rate risk.

The policies of the Northland Regional Council require a spread of investment maturity dates to limit exposure to short-term interest rate movements.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Northland Regional Council Community Trust causing the Trust to incur a loss.

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

Accordingly, Northland Regional Council has no significant concentrations of credit risk.

Liquidity Risk

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

Capital management

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

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

statement of significant accounting policies continued

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

The Act requires the Council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under Funding and Financial Policies in the Council's LTCCP.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

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

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

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

- The primary focus of the Community Plan is on the activities of the Council (parent) and the consequent impact on rates.
- The financial impact of transactions with group entities is reflected within the Community Plan for funding purposes.

forecast financial statements

Prospective Statement of Comprehensive Income for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	1,206,103	1,399,363	193,259
User Charges	3,944,777	3,727,867	(216,910)
Revenue from Activities	5,150,880	5,127,230	(23,651)
Targeted Council Service Rate	4,873,948	5,494,979	621,031
Targeted Land Management Rates	4,045,786	4,165,158	119,372
Regional Infrastructure Rate	585,324	567,521	(17,803)
Regional Recreational Facilities Rate	1,137,987	1,198,620	60,632
Targeted Rates	2,225,100	1,761,517	(463,583)
Total Rating Revenue	12,868,145	13,187,795	319,650
Rental Income	3,214,696	3,184,585	(30,111)
Interest Income	2,737,846	2,088,758	(649,088)
Dividend Income	1,367,712	1,367,712	–
Sundry Income	33,056	31,329	(1,727)
Other Revenue	7,353,310	6,672,384	(680,925)
Other Gains	92,960	92,960	–
TOTAL REVENUE	25,465,295	25,080,370	(384,925)
EXPENDITURE			
Personnel Costs	9,906,125	9,874,880	31,245
Depreciation	1,097,872	1,097,872	–
Finance Costs	1,033	1,000	33
Other Expenditure on Activities	13,854,307	13,373,637	480,670
TOTAL OPERATING EXPENDITURE	24,859,337	24,347,389	511,948
NET SURPLUS / (DEFICIT) FROM OPERATIONS	605,958	732,981	127,023
OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	605,958	732,981	127,023
Transfer from/(to) reserves - Land Management	–	(100,000)	(100,000)
Transfer from/(to) reserves - Awanui River Works	(47,555)	(125,695)	(78,140)
Transfer from/(to) reserves - Recreational Facilities	(453,570)	(543,935)	(90,365)
Transfer from/(to) reserves - Forestry Equalisation Harvest	79,000	79,000	–
Transfer from/(to) reserves - Forestry Equalisation Minerals	–	100,000	(100,000)
Transfer from/(to) reserves - Hātea River Maintenance	(46,240)	(46,709)	(469)
Transfer from/(to) reserves - Other	(41,210)	–	41,210
Total Transfer from/(to) Reserves	(509,575)	(637,339)	(127,764)
TOTAL COMPREHENSIVE INCOME AFTER TRANSFERS FROM/(TO) RESERVES	96,383	95,642	(741)

forecast financial statements continued

Reconciliation of Total Comprehensive Income to Activity Cost and Funding Statements for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Targeted Council Service Rate	4,873,948	5,494,979	621,031
Targeted Land Management Rate	4,045,786	4,165,158	119,372
Regional Infrastructure Rate	585,324	567,521	(17,803)
Regional Recreational Facilities Rate	1,137,987	1,198,620	60,632
Investment Income	4,737,638	4,059,236	(678,402)
Activity Revenue	10,623,733	10,104,662	(519,072)
Total Revenue plus Rates as per Activity Cost and Funding Statements	26,004,416	25,590,176	(414,240)
Add Forestry revaluations	92,960	92,960	–
Less Internal Interest Income	632,080	602,766	29,314
Total Revenue as per Statement of Comprehensive Income	25,465,296	25,080,370	(384,926)
EXPENDITURE			
Personnel Costs	9,906,125	9,874,880	31,245
Depreciation and Amortisation	1,097,872	1,097,872	–
Internal Finance Costs	632,080	602,766	29,314
Finance Costs	1,033	1,000	33
Other Expenditure on Activities	13,854,307	13,373,637	480,670
Total Expenditure as per Activity Cost and Funding Statements	25,491,417	24,950,155	541,262
Less Internal Finance Costs	632,080	602,766	29,314
Total Expenditure as per Statement of Comprehensive Income	24,859,337	24,347,389	511,948
NET SURPLUS / (DEFICIT) FROM OPERATIONS AS PER STATEMENT OF COMPREHENSIVE INCOME	605,958	732,981	127,023
OTHER COMPREHENSIVE INCOME			
Gain/(Loss) on property plant and equipment revaluation	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	605,958	732,981	127,023

Prospective Statement of Financial Position

as at 30 June 2011

	Annual Report 2008-2009	Movements 2009-2010	Forecast 2009-2010	LTCCP Forecast 2010-2011	Annual Plan Forecast 2010-2011
EQUITY					
Accumulated Funds	112,017,469	4,676,722	116,694,191	109,200,266	116,789,833
Asset Revaluation Reserve	1,087,947	–	1,087,947	704,966	1,087,947
Special Reserves	14,420,973	(10,486,082)	3,934,891	7,391,077	4,572,230
TOTAL EQUITY	127,526,389	(5,809,360)	121,717,029	117,296,309	122,450,010
CURRENT ASSETS					
Cash and Cash Equivalents	2,671,630	(1,723,240)	948,390	537,937	460,703
Trade and Other Receivables	6,169,660	(1,125,000)	5,044,660	3,510,479	5,044,660
Inventories	1,014,422	–	1,014,422	196,233	1,514,422
Other Investments (current portion)	2,619,486	(2,619,486)	–	–	–
Other Financial Assets	21,083,155	(5,150,000)	15,933,155	13,183,219	15,433,155
Non-Current Assets Held for Sale	390,000	–	390,000	7,400,000	390,000
TOTAL CURRENT ASSETS	33,948,353	(10,617,726)	23,330,627	24,827,868	22,842,940
NON-CURRENT ASSETS					
Other Receivables	3,016,535	–	3,016,535	–	3,016,535
Investment Property	47,598,499	–	47,598,499	46,318,237	47,598,499
Investments in Subsidiaries and Associates	19,967,086	–	19,967,086	20,197,672	19,967,086
Other Investments	10,368,809	–	10,368,809	6,456,594	10,368,809
Property, Plant and Equipment	17,854,249	2,575,029	20,429,278	18,360,139	20,949,120
Biological Assets	1,644,724	137,045	1,781,769	1,458,004	1,874,729
Intangible Assets	287,131	719,247	1,006,378	4,618,427	1,614,244
Capital Projects in Progress	78,494	(78,494)	–	–	–
TOTAL NON-CURRENT ASSETS	100,815,527	3,352,827	104,168,354	97,409,072	105,389,022
TOTAL ASSETS	134,763,880	(7,264,899)	127,498,981	122,236,941	128,231,962
CURRENT LIABILITIES					
Trade and Other Payables	5,464,595	(1,125,000)	4,339,595	3,764,154	4,339,595
Tax Liability	330,539	(330,539)	–	–	–
Employee Benefit Liabilities Current	1,330,326	–	1,330,326	1,068,270	1,330,326
TOTAL CURRENT LIABILITIES	7,125,460	(1,455,539)	5,669,921	4,832,424	5,669,921
NON-CURRENT LIABILITIES					
Employee Benefit Liabilities Term	112,031	–	112,031	108,208	112,031
TOTAL NON-CURRENT LIABILITIES	112,031	–	112,031	108,208	112,031
TOTAL LIABILITIES	7,237,491	(1,455,539)	5,781,952	4,940,632	5,781,952
TOTAL NET ASSETS	127,526,389	(5,809,360)	121,717,029	117,296,309	122,450,010

forecast financial statements continued

Prospective Statement of Changes in Equity for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$
Accumulated Funds at start of the Year	108,561,310	116,694,191
Net Surplus/(deficit) from Operations	605,958	732,981
Movements in General Reserves for the Year	32,997	(637,339)
Accumulated Funds at the end of the Year	109,200,265	116,789,833
Asset Revaluation Reserve at start of the Year	704,966	1,087,947
Revaluation Gains / (Losses) for the year	—	—
Asset Revaluation Reserve at end of the Year	704,966	1,087,947
Special Reserves at the start of the Year	7,424,074	3,934,891
Movements in Special Reserves for the Year	(32,998)	637,339
Special Reserves at the end of the Year	7,391,077	4,572,230
EQUITY AT THE END OF THE YEAR	117,296,309	122,450,010

Prospective Statement of Cashflows
for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	7,080,385	6,943,782
Receipts from Subsidies and Grants	1,206,103	1,399,363
Receipts from Dividends	1,367,712	1,367,712
Receipts from Interest	2,737,846	2,088,758
Receipts from Rates	12,868,145	13,187,795
Payments to Suppliers and Staff	(23,615,522)	(23,748,517)
Interest Payments	(1,033)	(1,000)
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,643,635	1,237,893
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt from Sale of Stocks and Bonds	650,000	500,000
Purchase of Property, Plant and Equipment	(2,586,565)	(2,225,580)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1,936,565)	(1,725,580)
NET INCREASE/(DECREASE) IN CASH HELD	(292,929)	(487,687)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	830,867	948,390
CASH AND CASH EQUIVALENTS AT END OF YEAR	537,937	460,703

forecast financial statements continued

Prospective Statement of Costs and Funding by Groups of Activities for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
REVENUE			
Grants and Subsidies	1,206,103	1,399,363	193,259
User Charges	3,944,778	3,727,867	(216,911)
Targeted Rates	2,225,100	1,761,517	(463,583)
Other Revenue	3,247,752	3,215,915	(31,837)
TOTAL OPERATING REVENUE	10,623,733	10,104,662	(519,071)
EXPENDITURE			
Democracy and Corporate Services	1,810,265	1,765,494	44,771
Regional Information & Engagement	1,588,328	1,959,024	(370,696)
Regional Economic Development	2,696,747	2,396,311	300,436
Resource Management Planning	1,403,369	1,336,427	66,943
Transport	2,701,113	2,476,549	224,564
Consents	2,298,815	2,050,603	248,211
Environmental Monitoring	5,093,472	5,276,043	(182,572)
Land and Rivers	3,799,725	3,711,386	88,339
Biosecurity	2,393,270	2,249,551	143,719
Emergency Management	217,132	212,757	4,375
Maritime Operations	1,489,180	1,516,009	(26,829)
Support Services	4,889,363	5,009,760	(120,397)
Less Support Costs internally recovered	(4,889,363)	(5,009,760)	120,397
TOTAL OPERATING EXPENDITURE	25,491,417	24,950,155	541,262
Less Non Cash Items	1,097,872	1,097,872	–
NET CASH COST/(SURPLUS) OF ACTIVITY	13,769,812	13,747,621	22,191
<i>Funded by:</i>			
Targeted Council Service Rate	4,780,294	4,595,884	(184,410)
Targeted Land Management Rate	4,009,190	4,128,562	119,372
Regional Infrastructure Rate	585,324	567,521	(17,803)
Regional Recreational Facilities Rate	1,137,987	1,198,620	60,632
Investment Income	4,737,638	4,059,236	(678,402)
Transfer from / (to) Cash Reserves	(1,480,621)	(802,202)	678,420
TOTAL OPERATIONAL FUNDING	13,769,812	13,747,621	(22,191)

continued opposite

**Prospective Statement of Costs and Funding
by Groups of Activities continued**
for the period ending 30 June 2011

CAPITAL EXPENDITURE

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
Democracy and Corporate Services	—	50,000	(50,000)
Regional Information and Engagement	—	20,000	(20,000)
Environmental Monitoring	217,137	231,822	(14,685)
Land and Rivers	92,970	92,970	—
Biosecurity	8,263	8,263	—
Maritime Operations	54,708	92,060	(37,352)
Support Services	2,213,487	1,730,465	483,022
TOTAL CAPITAL EXPENDITURE	2,586,565	2,225,580	360,985

Funded by:

Targeted Council Service Rate	93,654	899,095	805,441
Targeted Land Management Rate	36,596	36,596	—
Transfer from Cash Reserves	2,456,315	1,289,889	(1,166,426)
TOTAL CAPITAL FUNDING	2,586,565	2,225,580	(360,985)

forecast financial statements continued

Prospective Statement of Capital Expenditure for the period ending 30 June 2011

	LTCCP Forecast 2010-2011 \$	Annual Plan Forecast 2010-2011 \$	Variance \$
Democracy and Corporate Services			
Buildings and Property	—	—	—
Regional Information and Engagement			
Plant and Equipment	—	20,000	(20,000)
Transport			
Plant and Equipment	—	—	—
Environmental Monitoring			
Plant and Equipment	217,137	231,822	(14,685)
Land and Rivers			
Plant and Equipment	92,970	92,970	—
Maritime			
Plant and Equipment	54,708	92,060	(37,352)
Biosecurity			
Plant and Equipment	8,263	8,263	—
Support Services			
Information Systems	1,851,937	1,370,465	481,472
Plant and Equipment	51,650	100,000	(48,350)
Vehicles	309,900	310,000	(100)
Total Support Services	2,213,487	1,780,465	433,022
NORTHLAND REGIONAL COUNCIL			
Buildings and Property	—	—	—
Information Systems	1,851,937	1,370,465	481,472
Plant and Equipment	424,728	545,115	(120,386)
Vehicles	309,900	310,000	(100)
TOTAL NORTHLAND REGIONAL COUNCIL	2,586,565	2,225,580	360,985

The Council funds its capital expenditure consistent with the Revenue and Financing Policy. Sources of financing include, funding from rates for the purposes of recovering depreciation, funding from accumulated cash surpluses arising from recovery of depreciation, borrowing, targeted rates and general funds. Targeted rates and borrowing will be applied to the funding of capital works relating to the River Management Schemes. There is no proposed borrowing to fund capital expenditure for the 2010-2011 financial year.

amendments to the navigation, water transport and maritime safety bylaw charges 2009

Introduction

A Statement of Proposal and the special consultative procedure is required pursuant to Sections 83, 86 and 156 of the Local Government Act 2002 in order that any clauses of the **Navigation, Water Transport and Maritime Safety Bylaw Charges 2009**, adopted in June 2009, may be amended and the Bylaw Charges re-adopted.

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

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

In accordance with the requirements of the Local Government Act 2007, the above processes have been followed in making these amendments and the Bylaw charges re-adopted.

Reasons for the amendments

Removal of the fees set out in Clause 10(a) – (f) **Hātea River Channel Fees**. The user charges were introduced in 2008-2009 to recover \$100,000 budgeted cost for the upgrade of aids to navigation (new buoys and beacons and replacement of existing lights). The user charges were set to recover the \$100,000 over a three year period. The proposed removal of these user charges reflect the fact that the Hātea River Dredging project came in under budget and these user charges in the third and final year of application are no longer required for cost recovery.

Amend Section 7(c): **Pilotage fees for ships visiting the Bay of Islands when the vessel's GRT is less than 500**. This is to acknowledge the application of pilotage fees will only apply to ships where the vessel's is more than 100 GRT. The threshold was inadvertently omitted from the current bylaw.

Section 8(c): **Navigation and Safety Services Fee**. Swing/pile mooring fee, non-consented has been added and meeting permitted activity criteria has been removed.

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

The Bylaw is as follows:

Navigation, Water Transport and Maritime Safety Bylaw Charges 2010

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2010:

1. These bylaws shall apply throughout the region of the Council.
2. In these bylaws, unless the context otherwise requires:
 - "Maritime facility"** means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or pile or swing mooring, whether private, commercial or a recreational public facility.
 - "Owner"** includes:
 - (a) in relation to a vessel, the agent of the owner and also a charterer; or
 - (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

navigation, water transport and maritime safety bylaw charges 2010 continued

3. Navigation Safety Bylaw Fees

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

	GST Exclusive
(a) The navigation fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The Council's Harbourmaster shall determine the number of berths available at any maritime facility.	
(b) (1) For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less.	\$50.00
(2) For every berth holder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea River, per berth.	\$50.00
(3) (a) For every berth in marinas containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth.	\$40.00
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$50.00 per berth.	\$46.00
(4) Boatsheds, per additional berth.	\$50.00
(5) Community and boating club structures, jetties and private accommodation in the coastal marine area.	\$50.00
(6) Marine farms.	\$50.00
(7) High use structures and jetties, marine-related, not more than 300 m ² in plan area within the coastal marine area.	\$300.00
(8) High use commercial slipways with a maximum capacity of less than 50 tonnes.	\$300.00
(9) High use structures and jetties, marine-related and more than 300m ² but not more than 1,000m ² in plan area within the coastal marine area.	\$1,300.00
(10) High use structures and jetties, marine-related and more than 1,000m ² in plan area within the coastal marine area.	\$2,300.00
(11) High use commercial slipways with a maximum capacity of more than 50 tonnes.	\$2,300.00
(12) Commercial vessels operating in Northland harbours not serviced by a port company, as defined in the Port Companies Act 1988.	
(a) Intra harbour movements between harbours under control of the Council are to be charged half rate out and half rate in at each harbour.	
(b) Butter, skim milk, buttermilk, whole milk powder casein per tonne.	\$0.53
(c) Cement, coal, coke, diatomaceous earth, fireclay, kaolin, gypsum glass (sheet or plate) per tonne.	\$1.23
(d) Phosphate rock, sulphur, potash per tonne.	\$1.23
(e) Gravel, shingle, lime rock, lime, dolomite, serpentine rock, clinker, soda ash. Other manures and fertilisers, silica sand (<80% silica) per tonne or m ³ as appropriate.	\$1.00
(f) Meats and fish, fresh, frozen or chilled, other agriculture produce, vegetables, fresh fruit per tonne.	\$0.53
(g) Timber (sawn hewn or in logs) per cubic metre.	\$1.16
(h) Wood ships per BDU. Paper per tonne; wood pulp per tonne.	\$1.16
(i) Bitumen, refining residues, crude oil, naphtha, syngas per 1,000 litres.	\$1.60
(j) Motor spirits, diesel oil, jet fuel, kerosene per 1,000 litres.	\$1.54
(k) Refined oil products for overseas export per 1,000 litres.	\$0.53
(l) Other sand per tonne.	\$0.26
(m) Empty containers.	\$13.18
(n) Motor vehicles and trailers up to 4 tonnes per vehicle.	\$17.77
Over 4 tonnes per vehicle.	\$31.11
(o) Livestock per head.	\$1.00

GST Exclusive

- (13) Where any sum becomes due and owing to the Council pursuant to the provisions of bylaw clause (3)(b)(1) and remains unpaid for a period of one calendar month, the Council may remove and hold the facility until such time as the sum owing is paid, together with any expenses incurred in lifting any pile, mooring or movable facility.

4. Hot Work Permits

For vessels alongside wharves or at anchor, per permit \$70.00

5. Safe Operating Licences

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of flotation and safety equipment, up to one hour. \$70.00

Where inspection time exceeds one hour, the charge shall be at the rate of \$70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

6. Jet Ski Registration Fees

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

7. (a) Pilotage**(i) Inwards/outwards to wharf, Ōpua – per visit:**

Where GRT is greater than 500 but less than 1000 \$1,500.00

Where GRT is greater than 1000 but less than 18000 \$2,900.00

(ii) Ships to anchor in Bay of Islands – per visit:

Where GRT is greater than 500 but less than 1000 \$1,500.00

Where GRT is greater than 1000 but less than 18000 \$2,900.00

Where GRT is greater than 18000 but less than 40000 \$3,400.00

Where GRT is greater than 40000 but less than 100000 \$3,800.00

Where GRT is greater than 100000 \$4,200.00

(b) Shipping – Navigation and Safety Services Fee

Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel:

Where GRT is less than 3000 \$1.00/GRT

Where GRT is greater than 3000 but less than 18000 \$2,900.00

Where GRT is greater than 18000 but less than 40000 \$3,200.00

Where GRT is greater than 40000 but less than 100000 \$3,500.00

Where GRT is greater than 100000 \$4,000.00

(c) Shipping – Navigation and Safety Services Fee

Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage:

Up to 3000 GRT \$1.00/GRT

Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500:
From 100 to 500 GRT \$1.00/GRT

(d) Shipping – Navigation and Safety Services Fee

Per ship visiting Whangaroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage: \$1,000.00

8. Navigation and Safety Services Fee

(a) North Port Ltd \$110,000.00

(b) Swing/pile moorings (non-consented) outside Marine 4 Management Areas (in addition to the navigation fee) \$75.00

(c) Swing/pile moorings (non-consented) within Marine 4 Management Areas (in addition to the navigation fee) \$75.00

(d) For water transport operators not serviced by a port company, at actual time and cost.

(e) Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.

navigation, water transport and maritime safety bylaw charges 2010 continued

GST Exclusive

9. Special Events

Clause 3.10 of the Navigation Safety Bylaw 2007 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

- (a) temporarily suspend the application of Clause 3.2 (Speed of Vessels) in that area during the conduct of the race, speed trial, competition or other organised water activity; and
- (b) temporarily reserve the area for the purpose of that activity

\$140.00

The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.

10. All navigation and other fees specified herein are exclusive of Goods and Services Tax, and the fees are to be interpreted as plus GST at the prevailing rate at the time of supply.

11. These bylaw fees shall apply for the period 1 July 2010 to 30 June 2011 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

The bylaws were sealed, publicly notified pursuant to the Local Government Act 2002 and confirmed at a meeting of the Council on 16 June 2010. The bylaws will come into force on 1 July 2010.

charging policy summary

The Charging Policy is reviewed on an annual basis. Fees and charges that require formal adoption under Section 150 of the Local Government Act 2002 may be set during either a Long Term Council Community Plan or Annual Plan process. The proposed fee amendments are set out below and will come into effect on 1 July 2010 and will continue until superseded.

The full Charging Policy is available in the 2009-2019 Community Plan. The new edition of the Charging Policy will be published on the Council's website (www.nrc.govt.nz/ltccp) as an update to the Charging Policy included in the LTCCP.

GST increase from 1 October 2010

The Government has announced its decision to increase GST from the current rate of 12.5% to 15% effective from 1 October 2010. All fees and charges should be interpreted as plus GST at the prevailing rate at the time of supply.

If the time of supply, in accordance with Section 9 (1) of the Goods and Services Tax Act 1985, is deemed to be after 1 October 2010, GST will be levied at 15%. If the time of supply is deemed to be before 1 October 2010, GST will be levied at the current rate of 12.5%.

All fees and charges will be charged as plus GST at the prevailing rate.

For the **2010-2011 Charging Policy**, Council has adopted two schedules of fee appendices to show GST inclusive charges at the two rates of GST that will be applicable during the 2010-2011 financial year:

- **Schedule One - Fee Appendices** – should be used when the time of supply is deemed to be before 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the current rate of 12.5%.
- **Schedule One - Fee Appendices** – should be used when the time of supply is deemed to be on or after 1 October 2010. In this schedule, where GST inclusive fees and charges are stated, they are stated using GST at the increased rate of 15%.

Resource and User Fees

Pursuant to:

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

1. Introduction

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

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

Additionally, costs are recoverable under the Building Act 2004 for building consents relating to the coastal marine areas, the bylaw charging provisions of the Local Government Act 2002, and the Council's Navigation Safety Bylaws. Costs may also be recovered under the authority of the Biosecurity Act 1993, the Local Government Act 2002, and under the Local Government Official Information and Meetings Act 1987.

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

- (i) The Building Act 2004.
- (ii) The Biosecurity Act 1993:
 - Cost recovery schedule for Northland Regional Pest Management Strategy for *Nassella tussock*.
- (iii) The Local Government Act 2002:
 - Inspections, investigations and/or environmental incidents.
 - Management charges for laboratory and miscellaneous services.
 - Navigation and safety activities.
 - Inspections of dairy farms operating under the permitted activity rules for discharges to land.

charging policy summary continued

- (iv) The Local Government Official Information and Meetings Act 1987:
 - Information charges.
- (v) The Property Law Act 2007.
- (vi) Navigation Water Transport and Maritime Safety Bylaw Charges.
- (vii) The Resource Management Act 1991:
 - Application fees for resource consents and certificates of compliance.
 - Application fees for preparing or changing a policy statement or plan.
 - Resource consent annual management and monitoring charges.
 - Additional supervision charges for investigation of potential non-compliances and non-compliance with consent conditions.
 - Charges set by regional rules.
 - Applications for offsite farms and reviews of deemed coastal permits for marine farms pursuant to the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

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

The Council's Revenue and Financing Policy allocates the costs of monitoring various consents and classes of consents that will be recovered from consent holders. The funding targets and criteria set out in the Revenue and Financing Policy have been incorporated into the Charging Policy. The Northland Regional Pest Management Strategies provide a schedule of cost recovery for certain works.

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

Discharges to Water (including):

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

Other Water Permits

Discharges to Air

Coastal (including):

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

Land Use Consents

Environmental Incidents

Management charges for labour, laboratory services, supply of information and the Council plant and equipment are detailed in Appendix 16. The Council delegates the right to vary these charges to the Department Managers as may be required from time to time. (Resolved 8 December 2004).

2. General Policies and Principles

2.1 General Principles

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

- **Democratic Process**
The Council's role as a local authority is recognised. Thus, the costs associated with the political process are not charged directly to resource consent users.
- **Cost Recovery**
The scale of annual charges is in some cases based on the full costs of the Council's supervision role plus a share of the costs of its state of the environment monitoring role.

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

- **Consistency**
Charges will not vary greatly within classes and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.
- **Equity**
Costs will be recovered on an equitable basis, with charging criteria applied consistently across the Region. Classes of users will share the costs attributable to that class.
- **Simplicity**
The system of establishing charges will be kept as simple and as economically efficient as possible.
- **Resource Use**
The charges will reflect preferred resource use practices which as a consequence will require less work to be undertaken by the Council.

2.2 Time Period

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

2.3 Performance

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

2.4 Remission of Charges

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

2.5 Goods and Services Tax

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

2.6 Debtors

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

2.7 Regulations

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

2.8 General Policies for Charges

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

- (i) The annual charges shall apply from 1 July to the following 30 June each year, or until amended by the Council.
- (ii) Account offset will be considered on merit in situations where the Council is indebted to the same person.
- (iii) Where compliance monitoring charges are expected to equal or exceed \$1,000 (GST exclusive), the consent holder will generally be invoiced the actual costs of monitoring during the progress of the work, once costs have exceeded a prescribed sum (refer Section 4.2.5).
- (iv) Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the applicant subject to Clause (vi). Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.
- (v) A minimum fee of \$75.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.
- (vi) In any case where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual costs of monitoring activities to the date of expiry or surrender, subject to Clause (v) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.
- (vii) Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.

charging policy summary continued

- (viii) Where non-compliance with resource consent conditions is encountered, or unprogrammed additional monitoring is necessary, the costs will be recovered, in addition to the set annual fee.
- (ix) Bonafide community organisations that own community structures in the coastal marine area, which are available for unimpeded public use free of charge; or consent holders undertaking activities for the principal purposes of enhancing the natural environment, may apply to the Council to waive the annual charges, and the Council may remit all or part of the user fees, pursuant to Section 36 of the Resource Management Act.
- (x) Upon application and the approval of the Chief Executive Officer, all or part of the Council's user charges for structures in the coastal marine area or activities undertaken for the purposes of protecting or enhancing the natural environment, may be remitted where cases of genuine hardship are proved.

3. Application Fees

3.1 Introduction

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

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

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

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

AMENDED FEES AND CHARGES – to be read in conjunction with the existing policy. A copy of the full Charging Policy is available from Council offices or at the Council's web site.

Each Section of the 2009-2010 Charging Policy is listed below. Where amendments or changes have been made these are listed under each section. Where appropriate, brief narration is provided in italics explaining the reason for the proposed amendment.

1. Introduction

2. General Policies and Principles

3. Application Fees

The Council has reviewed the following sections within Application Fees charges:

3.1 Introduction

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

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Section 3.1: The last paragraph has been included to provide further clarification on the legislative basis upon which Council is applying consent charging.

4. Resource Consent Holder Charges

5. Biosecurity Act 1993

6. Local Government Act Charges

The council has reviewed the following sections within Local Government Act Charges:

6.2 Permitted Activity Dairy Shed Effluent Systems – Fees

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to Sections 30(1)(f), 35(2)(a) and 332 of the Resource Management Act. The fees are set according to Section 150 of the Local Government Act.

The charges are as follows:

	GST Exclusive
(i) Inspection and monitoring fee: (per hour)	
Grades 1P, 2P, 3P (fixed fee)	\$150.00
Grades 4P, 5X, C (fixed fee)	\$225.00
(ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4P, 5X and C) *	\$75.00 per hour

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

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

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

Section 6.2: Charges have been amended to reflect the increased cost associated with carrying out this activity.

7. Charges set by Regional Rules

8. Provision of Information and Technical Advice

9. Fee to consent lessee to transfer a lease and fee to consent lessee to enter into a sublease

10. Standard Charges under the Building Act 2004

11. Navigation, Water Transport and Maritime Safety Bylaw Charges 2010

These bylaws shall be known as the Northland Regional Council **Navigation, Water Transport and Maritime Safety Bylaw Charges 2010**:

The Council has reviewed the following clauses within the Navigation, Water Transport and Maritime Safety Bylaws:

7(c) Shipping – Navigation and Safety Services Fee

Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage	GST Exclusive
Up to 3000 GRT	\$1.00/GRT
Per ship visiting the Bay of Islands when the vessel's GRT is more than 100 and less than 500	
From 100 to 500 GRT	\$1.00/GRT

Section 7(c): Pilotage fees for ships visiting the Bay of Islands is to be amended to acknowledge the application of pilotage fees will only apply to ships where the vessel's is more than 100 GRT. The threshold was inadvertently omitted from the bylaw in the prior year.

8(c) Swing/pile moorings non-consented within Marine 4 Management Areas

(in addition to the navigation fee)	\$75.00
<i>Section 8(c): Swing/pile moorings fee, non-consented has been added and meeting permitted activity criteria has been removed.</i>	

12. These bylaw fees shall apply for the period 1 July 2010 to 30 June 2011 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by Section 158 of the Local Government Act 2002.

Section 10: Hātea River Channel Fees have been removed. The Hātea Dredging project came in under budget mitigating the need for this charge to be applied in the 2010-2011 financial year. It was originally anticipated this charging will be applied for a three year period, commencing the 2008-2009 financial year.

charging policy summary continued

Appendix 1: Resource Consent Applications – Fixed Initial Deposits and Consents Staff Hourly Processing Rates

Schedule of Fixed Initial Deposits

Description	Application Fee (minimum charge)	
	\$ GST Excl.	\$ GST Incl.
Notified and Limited Notified Applications		
■ Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,400.00	2,700.00
■ Moorings	1,200.00	1,350.00
New Non-notified Applications		
■ Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	640.00	720.00
■ Moorings	440.00	495.00
■ Farm Dairy Effluent Discharge Permits	400.00	450.00
■ Bore Drilling Permits	222.22	250.00
plus per additional bore	26.67	30.00
■ Existing moorings within High Priority Marine 4 Management Areas.	100.00	112.50
Replacement Non-notified Applications		
■ Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Farm Dairy Effluent)	560.00	630.00
■ Moorings (includes moorings that have previously had a licence and are seeking to be authorised under the RMA)	360.00	405.00
■ Farm Dairy Effluent Discharge Permits	400.00	450.00
Certificate of Compliance	360.00	405.00
Transfer of Consents from the Consent Holder to Another Person (payable by the person requesting the transfer)	44.44	50.00
Transfer existing Water Permit between sites within catchment		
■ Notified (including limited notification)	560.00	630.00
■ Non-notified	222.22	250.00
S127 Change or Cancellation of Consent Conditions		
■ Notified (including limited notification)	840.00	945.00
■ Non-notified	360.00	405.00
■ Minor Administrative Change	80.00	90.00

Appendix 1: continued

Description	Application Fee (minimum charge)	
	\$ GST Excl.	\$ GST Incl.
S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)		
■ Notified (including limited notification)	840.00	945.00
■ Non-Notified	360.00	405.00
Extension of Period until a Consent Lapses	222.22	250.00
Hearing Costs (per hearing day per Committee member) at hourly rates set by the Remuneration Authority* or the actual costs of independent Commissioners. See also Note 6. (Per RA) * Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently \$68 per hour (Committee Member) and \$85 per hour (Chairman). Requests by applicants and/or submitters for independent Commissioner(s) to hear and decide resource consent applications as provided for by s100A(2) of the RMA: <ul style="list-style-type: none"> ■ In cases where only the applicant requests independent commissioner(s), all the costs for the application to be heard and decided will be charged to the applicant. ■ In cases where one or more submitter requests independent commissioner(s), the Council will charge as follows: <ul style="list-style-type: none"> a) The applicant will be charged for the amount that the Council estimates it would cost for the application to be heard and decided if the request for independent commissioner(s) had not been made; and b) The requesting submitters will be charged equal shares of any amount by which the cost of the application being heard and decided in accordance with the request exceeds the amount payable by the applicant outlined in a) above. ■ Notwithstanding the above, in cases where the applicant and any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant. Note: Approved Resource Consents attract Annual Charges.	(Per RA)	

For Building Consent Application Fees – Refer Appendix 2.

Consents Hourly Processing Rates

Description	Hourly Rate	
	\$ GST Excl.	\$ GST Incl.
■ Secretarial/Admin	55.00	61.88
■ Consents Officer Scale 1	75.00	84.38
■ Consents Officer Scale 2	85.00	95.63
■ Consents Officer Scale 3	95.00	106.88
■ Programme Manager Scale 1	95.00	106.88
■ Programme Manager Scale 2	105.00	118.13
■ Consents Manager	150.00	168.75
■ Consultants Actual Costs	Actual Costs	

charging policy summary continued

Appendix 1: continued

Note 1: Complex Applications for Resource Consent(s): Notwithstanding the above schedule, the Chief Executive Officer may require an Additional Charge pursuant to Section 36(3) based on the Council's estimate of actual and reasonable cost for the processing of complex applications.

Note 2: The fixed initial deposits listed in the above table are minimum charges for resource consent applications and are charges 'fixed' under section 36(1) of the RMA (they are therefore not subject to objection rights). All consent processing costs which exceed the fixed initial deposit are considered to be additional charges pursuant to section 36(3) of the RMA and these may be progressively charged on a monthly basis or invoiced at the end of the consenting process.

Note 3: The final costs of processing each resource consent application will be based on actual and reasonable costs and will include the charging of staff time at the rates in the above schedule of Consents Staff Hourly Processing Rates and disbursements. In the event that consultants are used to assist the Council in processing resource consent applications, the actual costs of the consultants will be used in calculating the final costs...

Note 4: All applications will be publicly notified unless the consent authority is satisfied that the adverse effect on the environment of the activity for which consent is sought will be minor. Where the adverse effects are considered to be minor the application will be processed on a limited notified basis unless the written approval has been provided from every person whom the consent authority is satisfied may be adversely affected by the granting of the consent, in which case the application will qualify to be processed on a non-notified basis.

Note 5: Where an application is for multiple activities involving more than one type of consent, deposits are required for each type with the following exceptions:

- The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;
- The fee for discharge permits for sewage volumes greater than 3 cubic metres per day (e.g. communal subdivision systems, marae etc) includes the associated discharge to air resource consent; and
- The fee for discharge permits to discharge stormwater includes the associated water permit to divert stormwater.

Notwithstanding the above the Council may determine that other 'packages' of consent applications do not require individual deposits for each consent type.

Note 6: For applications relating to restricted coastal activities, the applicant will also be charged the costs of the Minister of Conservation's representative. Additional costs of the Minister of Conservation's representative will also be charged with the prior agreement of the applicant.

Note 7: The Consent Holder will be invoiced the amount of the deposit for reviews of consent conditions at the time the review is initiated by the Northland Regional Council.

Appendix 2: Standard Charges under the Building Act 2004

Appendix 3: Small to Moderate Scale Water Takes

Appendix 4: Minor to Moderate Discharges to Air, Water and Land, and Land Use Activities including Quarries

Appendix 5: Farm Dairy Effluent Charges

Scale of Charges for Consents for Farm Dairy Effluent Discharges (sampling and testing required where indicated).

Fee Level	Description/Criteria	Charge \$ GST Excl.	Charge \$ GST Excl.
4	Per inspection – (no sampling or testing)	220.00	253.13
4	Per inspection – (single sample only)	265.00	298.13
4	Per inspection – (two samples)	310.00	348.75
4	Per inspection – (three samples)	355.00	399.38
4	Per inspection – (four samples)	400.00	450.00
4	Per inspection – (five samples)	445.00	500.63
4	Per inspection – (six samples)	490.00	551.25

The charge for follow-up inspections for non-complying discharges will be at \$75.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

Note: For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to Section 6.2.

Appendix 6: Coastal Structures (Post Construction or Installation)

Appendix 7: Coastal Structures (Construction or Installation Phase)

Appendix 8: Land Use Consents for Boating-related Structures in Waters Upstream of the Coastal Marine Area (Post Construction)

Appendix 9: Major Industries

Appendix 10: Timber Treatment Plants

Appendix 11: Major Effluent Discharges or Discharges to Sensitive Receiving Environments

Appendix 12: Refuse Landfills

Appendix 13: Large Scale Discharges to Air

Appendix 14: Major Coastal Activities

Appendix 15: Large Scale Water Takes

Appendix 16: Miscellaneous Management Charges

Appendix 17: Whāngārei Harbour Channel user charges

glossary and abbreviations

Activity	A good or service provided by, or on behalf of, a local authority or council-controlled organisation; includes...the performance of regulatory and other governmental functions.
Annual Plan	A business plan identifying a series of actions to be taken to achieve desired outcomes.
CDEM	Civil Defence Emergency Management.
Community Outcomes	The outcomes for the Northland Region that are identified as priorities for the time being. These outcomes reflect the combined aspirations of people in Northland and as such belong to the community and not to the Regional Council.
Conductivity	The conducting power of a specified material.
Consultation	A dialogue between the Council and the community aimed at deciding the best course of action on a particular issue.
Council-Controlled Organisation	An organisation in which the Council directly or indirectly controls more than 50% of the votes at meetings of that entity.
Democracy	Active participation by citizens in decision making processes that ensures the Council is accountable to residents, ratepayers and the community for its decisions and activities.
DOC	Department of Conservation.
Draft Plan	Northland Regional Council publishes a draft plan so that the community can make comments (through submissions) before the Plan is finalised.
Ecosystem	A natural unit consisting of all plants, animals and micro-organisms in an area functioning together with all of the non-living physical factors of the environment.
FNDC	Far North District Council.
Funding and Financial Policies	These describe how the Council's work will be paid for and the mechanisms for gathering the funds (such as general rate, targeted rates, user charges, grants).
GDP	Gross Domestic Product.
General Rate	A rate levied across all properties for activities that benefit the whole Region.
Governance	Is how the Council oversees the effective and responsible management of resources, delivers services, and sets the strategic direction for the Region including how it engages with the community (representation).
Grants	Grants are available from central government and statutory organisations where there are national benefits or the grants are part of a policy to promote a particular activity or project.
Group of Activities	A Group of Activities means one or more related activities provided by, or on behalf of, the Northland Regional Council and Council-Controlled Organisations.
Iwi	A Māori tribe, usually comprised of a number of hapu (sub tribes) which share a common ancestor.
Joint Venture	A commercial or non commercial partnership between the Council and one or more other parties in which all those involved work together to try and obtain a mutually beneficial set of outcomes.
Kaitiakitanga	The exercise of guardianship; and in relation to a resource. It includes the ethic of stewardship based on the nature of the resource itself.
KDC	Kaipara District Council.
Levels of Service	These are defined service parameters for a particular group of activities. They are described in terms of measures and targets.
LGOIMA	Local Government Official Information and Meetings Act, 1987
LGA	Local Government Act 2002
Local Government Act 2002	The legislation that explains what the Council's responsibilities are to the Community and how it must fulfil them.
Long Term Community Plan (LTCCP)	Northland Regional Council must, at all times, have an LTCCP which must cover a period not less than 10 consecutive financial years. It includes descriptions of the activities Northland Regional Council will engage in over the life of the LTCCP, why Northland Regional Council plans to engage in its activities and how those activities are to be funded.
MAF	Ministry of Agriculture and Forestry.

Measures	Measures are used to report on progress towards achieving community outcomes. They are also used to show progress towards meeting levels of service.
MFE	Ministry for the Environment.
NAES	Natural Areas of Ecological Significance.
NIF	Northland Intersectoral Forum.
Northland Community Plan	Long Term Community Plan (LTCCP) for Northland
NZTA	New Zealand Transport Agency
Outcomes	The impacts on, or consequences for, the community, Northland Regional Council's Community Plan includes community outcomes which relate to the Region as a whole and Northland Regional Council's outcomes which will result from the operations of Northland Regional Council.
Particulate matter	(PM ₁₀) – Small solid or liquid particles.
RAQP	Regional Air Quality Plan.
Renewable	Is something that can be used over and over again with out running out – e.g. solar energy.
Resource Management Charges	Northland Regional Council charges for services associated with managing the natural environment. These services include processing and monitoring resource consents, and preparing and changing the Regional Policy Statement and Regional plans.
RMA	Resource Management Act 1991.
RMZ	Riparian Management Zone.
RPMS	Regional Pest Management Strategy.
RPS	Regional Policy Statement.
RTC	Regional Transport Committee.
RWASP	Regional Water and Soil Plan.
Special Consultative Procedure	A specific procedure for the way that the Council must consult with the community as required by the Local Government Act 2002.
Submission	Feedback or suggestion from a citizen or group on an issue.
Sustainable Development	One definition is the development that meets the needs of current generations without compromising the ability of future generations to meet their own needs. Another definition is that sustainable development is development that takes into account the four well-beings, environmental, economic, cultural and social well-being.
Sustainability	Using all of our resources in such a way that they can be maintained in perpetuity.
Taitamariki	Young men, young women, youth.
Tāngata Whenua	People of the land, the people who hold the turangawaewae and the manuwhenua in an area, according to tribal and hapu custom.
Taonga	Treasures, possessions, including both tangible and intangible treasures, for example, the Māori language.
Targeted rate	A rate levied for activities that benefit only a part of the Region (previously called 'separate rates').
Territorial Local Authority (TLAs)	Local territorial authorities include all district and city councils.
Te reo	The language (Māori).
Tikanga Māori	Māori concepts.
User pays	Where an individual benefits directly from a service, or creates the need for a service, then appropriate fee and charges are made.
Wāhi tapu	Places of sacred and extreme importance.
WDC	Whāngārei District Council.
Well-being	Councils are required to consider the future well-being of the community when they plan their activities. This involves social, economic, environmental and cultural well-being.



Putting Northland first

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