

DRAFT  
**Annual Plan**  
2014/15



Putting Northland first

# YOUR PLACE, YOUR SAY

This plan sets out the council's budgets for the 2014/15 year's work programme and the rates required to fund it. We need to know if we've got it right, so get involved and tell us what you think.

## SUBMISSIONS CLOSE at 3.00pm on Thursday 1 May 2014

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

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

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**24/7 Environmental Hotline:** 0800 504 639

**Facebook:** [www.facebook.com/NorthlandRegionalCouncil](http://www.facebook.com/NorthlandRegionalCouncil)

**Twitter:** [www.twitter.com/NRCExpress](http://www.twitter.com/NRCExpress)

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

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# Message from Chairman and Chief Executive

Welcome to the Draft Annual Plan for 2014/15.

The 12 months covered by this draft is shaping up to be a very interesting and important period for our region and those who live, work and invest here.

Some of you reading this draft may wonder about its relevance given the current debate over what shape the form of local government should take and whether the regional council (and its three district counterparts) will even be around in future.

Irrespective of your views on the worth – or otherwise – of any proposed reform we'd like to take this opportunity to reassure you that if any major changes are to occur, these will still be some time away and well outside the 12 months this draft plan covers.

With that in mind, our Draft Annual Plan 2014/15 is very much based on a 'business as usual' approach that will include legally required 10-yearly reviews of our regional plans (the Regional Air Quality Plan, the Regional Water and Soil Plan and the Regional Coastal Plan) to ensure these are as relevant as possible in today's climate and for the foreseeable future.

Once again we're working hard to honour our ongoing commitment to you to keep our overall costs as low as possible without compromising the services we deliver.

Council's Long Term Plan 2012-22 (LTP) had indicated an average general rates rise of 7.22 percent in 2014/15. However, we're very happy to advise that through a combination of careful cost management and better-than-expected returns on some investments, not only are we now able to forecast a nil average general rates rise; we actually plan to do more for the same money.

The Environment Fund is one of our key non-regulatory tools for supporting water quality improvement, CoastCare, soil conservation, biodiversity and biosecurity and we're proposing to give it a \$235,000 boost over the next 12 months (its budget increasing to \$635,000) to meet growing demand. Investments from this fund have been helping people to enhance and protect Northland's natural environment for almost 20 years.

Council is also keen to foster stronger ties with tangata whenua in our region and in a bid to improve Māori representation, we're also setting up the Te Taitokerau Regional Māori Advisory Committee. A working party will work with Māori to establish the terms of reference and membership for this important committee.



We also plan to invest up to \$100,000 as our share of a joint multi-council/agency project to gather new aerial photography of our region. This information will be invaluable for a wide range of uses including emergency services and land use planning

In another joint-agency initiative, we plan to invest another \$66,000 as part of the ongoing bid to better understand and reduce the spread of the disease-causing agent killing kauri trees. This proposed extra funding will bring council's annual contribution to the programme to \$87,000.

Our Waiora Northland Water programme is about working together to better manage our region's precious freshwater resources. It brings together both existing and new Northland Regional Council work to improve the quality and management of our lakes, rivers, aquifers and wetlands.

Under this draft plan, the programme will get \$165,000 extra for monitoring – as part of our work with people and our communities through local catchment groups and to help meet our obligations under the National Policy Statement Freshwater and the proposed Environmental Reporting Bill.

We've also made provision for an extra \$50,000 for more information sharing on local government reform with our Northland communities in the event that the Local Government Commission agrees to issue a further draft reform proposal in line with our request in our recent submission.

Among other proposed changes this Draft Annual Plan contains from previous LTP forecasts, we intend to transfer a smaller amount – now \$1.7M plus interest – into our Investment and Growth Reserve during the 2014/15 year. (Again this helps keeps costs to ratepayers down, but we're confident the fund – which will already sit at about \$4.5M at the start of the 2014/15 year – will still be sufficient for the types of economic development projects likely to be submitted

to it.) We are also proposing to fund \$100,000 of regional promotion from the reserve (instead of your rates) as a core economic activity.

Another change from the LTP since its adoption in June 2012 is the expected cost of the Kotuku flood detention dam which is designed to better protect central Whāngārei from flooding. Costs have been revised upwards by about \$1.6M to \$8.5M to cover greater than anticipated costs in the completion of a detailed dam design, costs to relocate gas/power/fibre services and land acquisitions

Construction of this dam – to be paid for via a targeted rate on more than 17,000 properties in Whāngārei's Central Business District and contributing catchment areas – will go ahead in the 2014/15 financial year.

Despite this, it won't directly affect rates bill this year as council has not changed its Whāngārei Urban Rivers Management Rate for the 12 months covered by this Draft Annual Plan. (We will likely consider doing so in future, as costs become more certain, in time for the adoption of the Long Term Plan 2015-2025).

We'll consult the public on this at the time and until then, continue to work with the Urban Whāngārei Rivers Liaison Committee and the community to ensure the project remains affordable.

Meanwhile, although our rates are not expected to rise, we are proposing to increase our non-fixed fees and charges by 2.4%, essentially to recoup inflationary costs.

Details of the issues outlined in this foreword and council's wider programme of works for 2014/15 are spelled out more fully in the detail of this draft.

This Draft Annual Plan is the first prepared under the watch of a new nine-strong council whose members were elected in October 2013 from seven smaller constituencies under a model intended to better reflect the many communities in our region

Please take the time to read and consider the issues in this draft and let us know what we've got right – or what you think we should change – by 3pm on Thursday 01 May.



Bill Shepherd  
Chairman



Malcolm Nicolson  
Chief Executive Officer



# He Kupu na te Toihau me te Tumuaki

Tēnā koutou i te Mahere Rautaki o Te Tau 2014-15

Ko te mahere mō tēnei tau he mea nui mō tēnei rohe mō te hungā e noho ana, e mahi ana, e mahi pakihi ana ki konei.

Ko ētahi o koutou e whakaaro ana, he aha te tikangā o tēnei mahere na te mea kei te hiahia Te Kawana kia kotahi te kaunihere mō Te Tai Tokerau.

Ahakoia ngā whakapae kia maumahara mehemea ka tupono whakarereketia e Te Kawana ngā kaunihere, he waa roa ka tatu.

Nō reira, koia Te Mahere Rautaki o Te Tau kia haere mua tonu ngā mahi o Te Kaunihere na ngā ture o Te Kawana: ia tekau tau me arotakengia ngā mahere a rohe katoa viz te mahere Regional Air Quality mō te hau, Te Mahere Regional Water & Soil mō te one, me te mahere mō Te Regional & Coastal me ki Te Takutai. Ko te take kia noho hangai tonu ki ngā ahua o tēnei waa me āpopo atu nei.

E mahi tonu ana mātou kia kaua e mōumōu mōni ēngari kia haere tō tika ai ngā mahi katoa a Te Kaunihere.

Ki Te Mahere Titiro Whānui a Te Kaunihere 2012-22 (LTP) e āhei ana kia kake ngā reiti ki te 7.22 o rau mō 2014-15. Ēngari e hari ana mātou ki te whakaatu e kore e kake ngā reiti mō tēnei tau na te pai o ngā whakahaere o Te Kaunihere me ngā whakautu o ōna mōni ohanga. Te āhua nei ka nui ake ngā mahi e oti ana e Te Kaunihere mō taua mōni tonu.

Ko Te Tahua Pūtea o Te Tai Ao to mātou pūtea hei tautoko i ngā Waimāori: Coast Care, soil conservation, bio-diversity me te bio-security. Ko te wawata kia nui ake tēnei mōni \$235,000 a tēnei tau. Ka kake tēnei pūtea ki te \$635,000 hei utu i ngā hiahia. Ko ngā mōni ohanga o tēnei tahua pūtea kua pou ki runga ki te tai ao o i Te Tai Tokerau mō ngā rua tekau tau kua hipa.

E ngākau nui ana Te Kaunihere kia mahi tahi me te tangata whenua o tēnei rohe. I to mātou hiahia kia nui ake te Mana Māori kei te whakaturia he Komiti Māori Kaiārahi Māori. Ka mahi tētahi rōpu whāiti me te iwi Māori ki te whakatinana i tēnei whakaaro.

E mea ana mātou ki te whakapou i te \$100,000 hei whakaahua-ā-rangi i te rohe pōtae. Ka whai hua tēnei mahi mō ngā kaupapa ohorere me ngā mahi ahuhenua.

Ko tētahi atu kaupapa e ngākau nui ana mātou kia pou te \$66,000 hei rapu rongoa mō te mauui e patu nei i te rākau Kauri. \$87,000 katoa te mōni a Te Kaunihere mō tēnei kaupapa.

Ko tō mātou kaupapa Waiora Tai Tokerau he mahi no mātou ki te tiaki i ngā Waimāori o Te Tai Tokerau. He whakakotahi i ngā kaupapa hou me ngā kaupapa tawhito o Te Kaunihere a-Rohe o Te Tai Tokerau kia ake ngā roto, ngā awa me ngā repo.

I raro i tēnei mahere neke atu i te \$165,000 ka whakapoua mō te arotake i ngā wai. Ko to mātou tākoha tēnei ki ngā iwi me ngā hāpori ano ki te National Policy Statement mō ngā Waimāori me te pire hou mō Te Ripōata mō Te Taiao.

Kua whakaritea te \$50,000 hei panui i ngā hāpori mō ngā whakarerekētanga mō ngā Kaunihere o Te Tai Tokerau. Nā te mea kei tupono haere mua Te Komihana mō ngā Kaunihere o Te Mōtu ki te tuhi ripōata ano pera i to mātou whakahou kia rātou.

Ko ētahi rerekētanga i roto i tēnei Mahere Rautaki Whānui, e rerekē ai ki ngā mahere LTP tawhito, kia iti ake te mōni ki te \$1.7m ki roto ki to mātou mōni ohanga mō tēnei tau 2014-15. Ka āwhina tēnei mōni kia kore ai e nui ake ngā utu ki ngā kai utu reiti. E whakapono ana mātou ko tēnei tahua pūtea e noho nei ki te \$4.5m i te timata o te 2014-15. Ko tēnei mōni mō ngā tono kaupapa ohanga a Te Rohe Pōtae. He \$100,000 te moni e hiahia ana mātou kia whakapoua hei pānui whānui i Te Tai Tokerau. Kaua kē ma ngā reiti tēnei e utu.

Tera tētahi atu rerekētanga i Te Mahere Rautaki tawhito Hune 2012, ko te utu mō Te Kotuku Flood Dam hei arai atu i te waipuke i te taone o Whāngārei.

Kua whakapikitia e mātou tēnei tahua pūtea i te \$1.6m ki te \$8.5m mō te utu i te waihanga i te Dam, me te neke i ngā hiko, te Gas me ngā Fibre; me te hoko whenua hoki. Ka whakaturia tēnei Dam i roto i te tau 2014-15. Ma ngā reiti o ngā whare 1,700 e utu i roto o te taone o Whāngārei me ōna takiwa.

Ahakoia tēnei, e kore e pā ki ngā reiti mō tēnei tau nā te mea kahore ano Te Kaunihere kia tīni noa i tana Urban Rivers Management Rate mō Ngā Awa o Whāngārei kei raro i Te Mahere Rautaki 2014-15. E whakaaro ana mātou ki te tīni i tēnei apopo atu nei kia mōhiotia ngā utu katoa hei tapiri ki Te Mahere Rautaki 2015-25.

A tera waa ka whakapā atu ki te iwi a taua waa engāri ka mahi tonu me Te Kōmiti Āwhina Mō Ngā Awa o Whāngārei me te hāpori kia kore ai e nui rawa ngā utu.

Mō tēnei waa, ahakoa e kore e kake ngā reiti, e mea ana mātou ki te whakanui i ngā utu mō ngā non-fixed fees & charges ki te 2.4%. Ko te take kua kake kē ngā utu katoa o te mōtu me kī, inflation.

Ko te whānuitanga o ngā kōrero mō ēnei take katoa kei roto i te pukapuka nei.

He mea hanga tēnei Mahere Rautaki e ngā mema e iwa o Te Kaunihera he mea pōti i te tau 2013. I ahu mai ēnei tāngata i ngā rōpu e whitu no roto mai o te iwi. Ko te manako ma rātou e hāpai ngā wawata a te iwi i roto o tō tātou rohe pōtae.

Ma koutou e panui, e whakaaro ēnei kaupapa katoa kei roto o Te Mahere Rautaki nei, kia mōhio ai mātou ko ehea ngā kaupapa tō tika, ko ehea me whakarereke. Ka kati tēnei waa, 3pm Taite 1 Mei 2014.



Bill Shepherd  
Toihau



Malcolm Nicolson  
Tumuaki

## Your councillors



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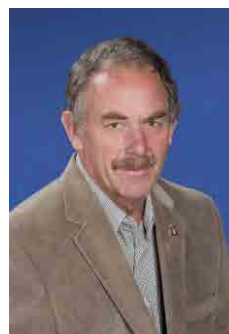
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# About this Draft Annual Plan

This Draft Annual Plan 2014/15 outlines the council's proposed budgets and rates for the coming year's activities.

The work programme is closely aligned with what is set out in the council's Long Term Plan 2012–2022, adopted in June 2012. The Long Term Plan covers 10 years with more focus on the first three years.

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

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

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

## Key changes from the Long Term Plan – issues for consultation

### Lower-than-projected general rates

Under the Long Term Plan, a 7.2% increase in general rates had been projected for 2014/15. (Five percent of this increase was projected to fund the investment redirection and 2.2% to fund operations.) We have now managed to cut that increase to 0% for the year while not reducing services.

We can achieve this by using extra investment income we have received, project growth, and reducing the amount of investment income we are putting into the Investment and Growth Reserve (to be used for economic development projects).

In 2011/12 we started to transition our investment income away from funding operations. In the Long Term Plan 2012–2022 the council decided on a 10 year transition period and for 2014/15 council anticipated that 60% of the council's investment income would fund operations and 40% would go into the Investment and Growth Reserve to fund economic development projects. Applications for funding are being administered by Northland Inc (Northland's economic development agency, which is a council-controlled organisation).

At the time of preparing this Draft Annual Plan council had not agreed to fund an economic development project in 2013/14. If at the end of 2013/14 no economic projects have been funded then the closing reserve balance at June 2014 will be about \$4.5M.

Council has therefore reduced the amount of investment income to be transferred during 2014/15 to

\$1.7M (plus interest, down from \$2M in 2013/14 and the \$2.7M projected for 2014/15 in the Long Term Plan).

This avoids the reserve building at a rate out of proportion to council's actual funding of economic development projects and keeps council operations affordable for Northland ratepayers.

The investment income not transferred is proposed to be used to provide a rates subsidy to council activities.

Council is confident that the balance of the reserve for 2014/15 will be sufficient for the type of projects that are likely to be submitted to it for consideration during that year.

Our assumptions on growth (in population and properties) and investment income are documented in this draft plan. They will be reviewed before the council adopts the Annual Plan 2014/15. Any change may affect rates.

*Do you support using an additional \$1M of our investment income to keep rates low and deliver more core services?*

### Potential sale of council's leasehold investment properties

Council would like to know your views on its proposed decision to sell some of its leasehold properties on a discretionary, case-by-case basis.

Council has previously undertaken an independent review of its property portfolio to ensure these leasehold properties continue to represent the best use of ratepayer money. As a result of the review council decided to sell some of the longer term leases (21 year rent review period) on a discretionary, case-by-case basis provided certain criteria were met.

This decision and the associated criteria were included in the 2012-2022 Long Term Plan. Since then council has undertaken further review of its investment property portfolio to determine which of those 21 year rent review period leasehold properties were potentially suitable for sale.

Council now wishes to have the flexibility to manage its entire property portfolio on a more commercial basis and ensure that future decisions on whether it should sell a property are not linked to the period of rent review contained in the leasehold agreement. It therefore proposes it should have the discretion to sell any of its leasehold investment properties on a case-by-case basis subject to the following criteria:

- Any sale would always be at or above market value.
- A potential sale demonstrates clear economic development benefits including:
  - The intention to expand the business or upgrade current buildings or infrastructure
  - Job creation
  - Other business development opportunities that would not otherwise be available if the land was leasehold
  - Providing an advantage over the sale of other properties because of its strategic location for the matters listed above.

*Do you agree with the proposal to allow the council to sell some of the leasehold investment properties on a discretionary case-by-case basis?*  
*Do you think the criteria for the sale of the council's leasehold properties are correct?*

More information on this issue can be found on page 15 of this plan.

### **Fees and charges**

As signalled in the Long Term Plan 2012-22 council reviews and adjusts its user fees and charges each year

to keep up with inflation. This year a 2.4% increase will apply to all our user fees and charges that are affected by price level changes. (The 2.4% is the forecast cost adjustor for operational expenditure in local government for the 2014/2015 year.)

We have also included the revised fee estimates for our larger consent holders and made some minor changes to our floating plant rates. The final charging policy will also reflect any changes to the Navigation, Water Transport and Maritime Safety Bylaw Charges 2013.

The full schedule of fees and charges is on pages 113.

### **Proposed amendment to the Navigation, Water Transport and Maritime Safety Bylaw Charges 2013**

We're proposing to also adjust the user fees and charges for navigation, water transport and maritime safety that are affected by price level changes by 2.4% too. In addition to this change, council proposes to change:

- **Section 3(b)(3)(b) and (c)** - to clarify the existing fee for the situation where 10 to 24 swing and/or pile moorings are owned by one person or organisation and ensures (b) and (c) apply a consistent threshold
- **Section 3(b) 5** – to remove the reference to private accommodation and replace it with the phrase "non-commercial structures"
- **Section 3(b) 13(a) & (b)** - to include charges for applications to modify mooring licence conditions and owner benefit inspections. Actual officer time will be charged in accordance with the council's charging policy
- **Section 7(c)** – to remove references to vessels from 100 to 500 GT as these are not typically piloted by council. Consequently 7(c)(iii) becomes section 7(c)(ii)
- **Section 9** - to provide for full cost recovery.

This is a bylaw change so we're legally required to specifically consult you about it.

You can find this proposal on page 109.

*Do you support the proposed changes to the Bylaw and Charging Policy?*

# Overview – our strategic direction

## Council's strategic direction

Over the 2014/15 financial year we aim to continue delivering our existing programmes and strategies, and implement new government policies and respond to new legislation as outlined in the Long Term Plan 2012–2022.

Our key areas of focus are:

### Better local government in Northland

The outcomes of the Local Government Commission's proposed process for Local Government Reorganisation in Northland are far from certain. Council has therefore prepared this Draft Annual Plan in line with the Long Term Plan and intends to deliver its services and activities on a 'business as usual' basis.

'Business as usual' for us includes working in partnership with the other councils of Northland (and in line with our Triennial Agreement 2014) on common priorities and shared services for the benefit of Northland ratepayers.

The council has not supported the commission's draft proposal in its current form. We have asked the commission to carry out further analysis, and provide Northlanders with more information, including a fresh draft proposal. We will continue to provide information to Northland's communities.

### Te Taitokerau Regional Māori Advisory Committee

Council is committed to establishing a relationship based on genuine partnership with Māori. We are working with iwi authorities in Tai Tokerau on the potential membership of a new committee, tentatively named 'Te Tai Tokerau Regional Māori Advisory Committee', and its terms of reference.



### Waiora Northland Water

Through Waiora Northland Water, we will continue our work to protect and maintain Northland's freshwater to suit a range of needs and values, and implement the National Policy Statement for Freshwater Management in Northland.

During 2014/15 we will focus on our priority catchments and outstanding water bodies, working with local communities to identify local uses and values, issues to be managed and action to be taken. We will continue to develop the region-wide approach to freshwater management, including the development and implementation of good management practices, establishing regional objectives and management options.

We have increased our monitoring in our priority catchments to inform catchment management action and decision making and to meet council's obligations under the National Policy Statement for Freshwater Management (including the amendments proposed) and the Environmental Reporting Bill introduced into Parliament on 20 February 2014.

We have a busy year ahead delivering our National Policy Statement for Freshwater Management implementation programme.

### Environment Fund

The Environment Fund is council's primary non-regulatory mechanism for supporting water quality improvement, CoastCare, soil conservation, biodiversity and biosecurity. It is closely aligned with the delivery of Waiora Northland Water.

Demand for funding support has grown and during 2013/14 council used the Land Management Reserve to meet this demand. To maintain the momentum for the good management practices being achieved through the use of the fund, council has budgeted to increase the size of the fund by \$235,000 during 2014/15, which means the total fund will be \$635,000.

### Regional Policy Statement and regional plans

We are currently in the middle of the appeal process on the Proposed Regional Policy Statement. The resolution of these appeals will affect the timing of when the whole Regional Policy Statement will have legal force, however many provisions and the management direction for Northland's natural and physical resources are now beyond challenge.

We are now reviewing our regional plans - the Regional Air Quality Plan, Regional Water and Soil Plan and Regional Coastal Plan. (This has to happen at least every 10 years).

The review process will involve key stakeholders including Northland councils and agencies, iwi groups, interest groups and industry organisations.

The review and the development of the next generation of regional plan(s) is also aligned with the review of council's Regional Pest Management Strategies and Waiora Northland Water to ensure council strategies, programmes and plans are mutually reinforcing.

### **Regional Pest Management Strategies and Kauri dieback**

The Northland Regional Pest Management Strategies 2010-2015 cover plant, animal and marine pests.

Council began the review of these strategies in 2014 and will consult key stakeholders and the wider regional community on potential changes to them this year.

During 2014/15 we are increasing our funding for the joint agency response to kauri dieback to support strengthened programme management, research, operations and engagement and behaviour change work.

### **Priority Rivers**

Council continues to work through the priority rivers implementing flood protection works where economically viable. In 2014/15 the new Whāngārei detention dam will be built.

- **Kotuku detention dam, Whāngārei**

The Long Term Plan 2012-2022 estimate for the flood detention dam was \$6,876,728 (excluding GST). This estimate has been further refined based on completion of the detailed dam design, peer review outcomes, quotations for service relocation (gas and power / fibre) and progress with land acquisitions.

The revised dam construction cost and the revised land purchase estimate (as at 28 January 2014) give a total project estimate of \$8,483,689. Council will offset some of this increase by using the revenue from the sales of properties acquired to gain easements associated with the project but not required to be held long term.

While council has not changed and is not consulting on changing the Whāngārei Urban Rivers Management Rate based on this revised estimate for the Annual Plan 2014/15, it is likely to do so as the costs become more certain in time for the adoption of the Long Term Plan 2015-2025.

Council will consult on any change to the targeted rate and continue to work with the Urban Whāngārei Rivers Liaison Committee and the

community on the project to ensure it remains affordable. Please attend a public meeting on Wednesday 16 April 2014 at 6pm at the council chambers, 36 Water St. if you want to know more. (Details will be in local papers.)

### **Economic development and the criteria for the Investment and Growth Reserve**

We will continue our efforts in economic development through Northland Inc (a council-controlled organisation) and remain committed to funding projects that will increase jobs in Northland, increase the average weekly household income of Northlanders and increase the GDP of Northland.

One of the changes we have made this year is to ensure our support of tourism and regional promotion is treated the same as other economic development activities and funded from the Investment and Growth Reserve and not rates. This change was signalled in the Long Term Plan and can be achieved in this Draft Annual Plan.

Instead of rating for the \$100,000 for tourism as we have for the last two years, council has increased its contribution to Northland Inc's operational expenditure for 2014/15 by \$100,000 for Northland promotional work. This increase, as well as an additional \$50,000 to reflect inflation, is reflected in the change to the operational expenditure cap in the criteria for the Investment and Growth Reserve for Northland Inc, which has been raised to \$1.15M per annum (from 1 July 2014 to be adjusted annually by the Local Government Cost Index adjuster for operational expenditure).

At the time of preparing this Draft Annual Plan council had not agreed to fund an economic development project and has reduced the amount of investment income to be transferred to the Investment and Growth Reserve during 2014/15 to \$1.7M (plus interest, down from \$2M last year and \$2.7M projected in the Long Term Plan).

Council will look at the transition period and annual split between operations funding and the redirection of investment income (into the reserve) again as part of its planning for the 2015-2025 Long Term Plan.

We have also changed the criteria to provide for a wider range of projects to be funded. These projects will be funded from the Investment and Growth Reserve. Applications for funding are being administered by Northland Inc.

### **Aerial photography**

Imagery is used in hundreds of applications across the Northland region, from emergency services, consent monitoring, to land use planning, property mapping

and analysing environmental health. Council's most recent aerial photography is between five and 13 years old.

During 2014/15 council intends to acquire new imagery through a broad partnership model – as it has in the past. Each of the district councils in Northland are preparing their draft annual plan budgets with funding for this acquisition. Northpower is also committed to the project.

As this Draft Annual Plan is being prepared there is the opportunity for the councils of Northland and Northpower to leverage funding from Land Information New Zealand (with potentially other central government departments also contributing) during 2014 and 2015 to complete this project.

For more information, see the section 'Our activities' from page 47 of this plan. There is also more detail in our Long Term Plan 2012–2022 which is available on our website: [www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)

### **Summary of council's financial strategy**

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

The biggest driver for rate increases over the next seven years as a consequence of this financial strategy is the transition of our investment income away from funding operations.

In a bid to balance the demand on our resources, deliver more and respond to national legislation and policy, and keep rates as affordable as possible:

- This year we have reduced the amount of investment income we are redirecting to the Investment and Growth Reserve to reflect the current balance of the reserve and fund core council operations.
- We will continue to fund distinctive and one-off costs from the Forestry Income Equalisation Reserve to smooth rates increases.
- We will use the Investment and Growth Reserve, rather than rates, to fund our economic development activities (finding, facilitating and delivering suitable projects and, from this year, all of council's contribution to Northland Inc's tourism/Northland promotion activities).

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

### **Council's financial policies**

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

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

The council's current financial policies (as listed above) can be found in the council's Long Term 2012–2022 Plan which is available on our website: [www.nrc.govt.nz/ltp](http://www.nrc.govt.nz/ltp)

## About our consultation

Consultation on this Draft Annual Plan runs from 31 March to Thursday 01 May 2014. This is your chance to have your say on the council's budget and activities for 2014/15, so get involved and tell us what you think.

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

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

### How to make a submission

Submissions close **at 3pm on Thursday 01 May 2014**.

You can:

- Fill in a form online at [www.nrc.govt.nz/haveyoursay](http://www.nrc.govt.nz/haveyoursay)
- Email us at [mailroom@nrc.govt.nz](mailto:mailroom@nrc.govt.nz)
- Write to us and post it to: Northland Regional Council, Annual Plan Submission, Freepost 139690, Private Bag 9021, Whāngārei 0148
- Fill in the submission form on page 13 (or in the summary) and post or scan/email it to us
- Visit us at our regional offices or phone us (0800 002 004) and we will record your submission.

### Where to find more information

*Full Draft Annual Plan 2014/15, Summary Draft Annual Plan 2014/15, and Long Term Plan 2012–2022*

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

*More about our activities, strategies and policies*

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

### Key consultation dates

<b>31 March 2014</b>	Public consultation begins
<b>1 May 2014</b>	Public consultation ends – submission period closes
<b>5 May 2014</b>	Letters advising hearing appointments sent out
<b>12 - 16 May 2014</b>	Submission hearings tentatively scheduled for this week
<b>30 May 2014</b>	Council meeting to make decisions
<b>17 June 2014</b>	Council meeting to adopt final Annual Plan and set rates for 2014/15



# Submission form

## Draft Annual Plan 2014/2015

### Submitter details (please print clearly)

Dr	Mr	Mrs	Ms	Miss	Other (please specify)
First Name:			Surname:		
Organisation/group (if applicable):					
Postal address:					
			Post code:		
Email:			Tick if you prefer to be contacted by email		
Business hours phone:			After hours phone:		

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

Draft Annual Plan 2014/2015 Submission Northland Regional Council Freepost 139690 Private Bag 9021, Whāngārei Mail Centre Whāngārei 0148	You can also make your submission online via: <a href="http://www.nrc.govt.nz/haveyoursay">www.nrc.govt.nz/haveyoursay</a> Fax: 09 470 1202 e-mail: <a href="mailto:mailroom@nrc.govt.nz">mailroom@nrc.govt.nz</a>
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### Submissions should reach the council by 3pm, Thursday, 01 May 2014

Submissions received after 3pm are considered "late submissions" and are considered as per the council's Late Submissions Policy.

**Please ✓** Do you wish to present your comments to the council in person at a hearing?

It is anticipated the hearing of submissions will be held 13-14 May 2014.

<input type="checkbox"/>	<b>I DO NOT</b> wish to appear in support of my submission
<input type="checkbox"/>	<b>I DO</b> wish to appear in support of my submission – (please indicate preferred venue / date)
<b>Whāngārei</b>	<b>Kaikohe</b>

Your submission to the Draft Annual Plan 2014/2015	
I support / oppose:	
Because:	

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Upon request, we are usually required to make all written or electronic submissions available to the public, including the name and address of the submitter, under the Local Government Official Information and Meetings Act 1987. Ordinarily we will publish submissions, including submitter name and address details, on the council website and make submissions publicly available at council offices. In some cases the Resource Management Act requires the publication of the names and addresses of submitters. If you consider there are compelling reasons why your contact details and/or some part of your submission should be kept confidential, you should contact the council.

*Use further sheets if necessary*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Upon request, we are usually required to make all written or electronic submissions available to the public, including the name and address of the submitter, under the Local Government Official Information and Meetings Act 1987. Ordinarily we will publish submissions, including submitter name and address details, on the council website and make submissions publicly available at council offices. In some cases the Resource Management Act requires the publication of the names and addresses of submitters. If you consider there are compelling reasons why your contact details and/or some part of your submission should be kept confidential, you should contact the council.

# Potential sale of council leasehold investment properties

Council would like to know your views on its proposed decision to sell some of the council's leasehold investment properties on a discretionary, case-by-case basis.

This proposal relates to the summary on page 8 of this plan (Key changes from the Long Term Plan – issues for consultation).

## Overview

Council holds approximately \$58 Million (value at 30 June 2013) in investment properties. This includes 140 leasehold (endowment) properties valued at \$37 Million. The leasehold properties have perpetually renewable leases. Returns from the leasehold properties, which average 6.5%, are used to hold rates down and fund economic development activities.

Council consulted on the concept of selling its the leasehold properties with 21 year rent reviews on a discretionary, case-by-case basis, as part of the Long Term Plan 2012-2022.

Council now wishes to have the flexibility to manage its entire property portfolio on a more commercial basis and ensure that future decisions on whether it should sell a property are not linked to the period of rent review contained in the leasehold agreement. It therefore seeks a mandate from the community to enable it to have the discretion to sell any of its leasehold properties on a case-by-case basis subject to the following new proposed criteria:

- Any sale would always be at or above market value
- A potential sale demonstrates clear economic development benefits including:
  - The intention to expand the business or upgrade current buildings or infrastructure
  - Job creation
  - Other business development opportunities that would not otherwise be available if the land was leasehold
  - Providing an advantage over the sale of other properties because of its strategic location for the matters listed above.

## Background

Council has previously undertaken an independent review of its property portfolio to ensure these leasehold properties continue to represent the best use of ratepayer money. That review also considered whether council's ownership of these properties could be potentially limiting economic development in Whāngārei. As a result of the review council wanted the option to sell some of the longer term leases (21 year rent review period) on a discretionary, case-by-case basis provided certain criteria where met.

This decision and the criteria for assessing any purchase offer were included in the Long Term Plan 2012-2022. The current criteria are:

- Any sale would always be at or above market value with current leaseholders given the first option to buy.
- A potential sale demonstrates clear economic development benefits including:
  - The intention to expand the business or upgrade current buildings or infrastructure
  - Job creation
  - Other business development opportunities that would not otherwise be available if the land was leasehold.

At the same time, council decided that the proceeds from any sale were to be re-invested as part of the council's balanced mixed investment portfolio. (I.e. it decided not to invest the proceeds in economic development initiatives that may not generate a direct financial return for council.)

To date council has not sold any of its leasehold properties with 21 year rent reviews.

## Why do we want to have the option to sell properties?

Council has undertaken further review of its investment property portfolio to determine:

- which of those leasehold properties with 21 year rent reviews were potentially suitable for sale i.e. because sale provided clear economic development benefits and
- which of the properties should be retained by council because they offered more economic development potential or greater advantage to the ratepayer if they were retained/in some way enhanced by council.

As a result of this additional review process council thinks that the location of the property, rather than the term of the rent review, affects the economic development potential of the site and the value to the ratepayer and as such the location of the site should influence the decision of council to consider selling the property.

Council also wishes to have the flexibility to manage its property portfolio on a more commercial basis. It is therefore interested in ensuring that its property portfolio is not limited to specific geographic areas and wants the flexibility to achieve a geographically diversified portfolio within the Northland region where that makes sense.

The council therefore seeks a mandate from the community to enable it to have the discretion to sell some of the shorter term leases on a discretionary, case-by-case basis alongside the 21 year properties.

Council is proposing to use similar criteria to those originally proposed for the 21 year rent reviews, and the criteria proposed are as follows:

- Any sale would always be at or above market value.
- A potential sale demonstrates clear economic development benefits including:
  - The intention to expand the business or upgrade current buildings or infrastructure
  - Job creation
  - Other business development opportunities that would not otherwise be available if the land was leasehold
  - Providing an advantage over the sale of other properties because of its strategic location for the matters listed above.

Council also proposes that these criteria should also apply to the properties with 21 year rent reviews. Council thinks that the original criteria, which gave the current leaseholders the first option to buy, reduces the council's flexibility to manage the properties commercially and in the best interests of the ratepayer. It has therefore removed this requirement from the proposed criteria.

### **Options considered and preferred option**

Council has considered other options which included a range from offering all of the properties for sale at once to offering select properties to leaseholders only. Council is looking for flexibility in managing its property portfolio rather than any form of mass sale of properties. Therefore council proposes to sell the properties on a discretionary case-by-case basis as this option provides the most flexibility to council to ensure that any potential sale will place the private sector / market in a better position to drive economic development in Whāngārei than if the properties remained in council ownership. It also provides council with the flexibility to not enter into a sale.

The proceeds of any sales will be re-invested as part of the council's balanced mixed investment portfolio. Council understands that this may not provide the return on investment that council currently gets from its investment property portfolio. Where possible, council's intention is to re-invest the capital to get equal or better return with an emphasis on enhancing economic development/redevelopment potential of Northland and diversifying the council's commercial property portfolio.

### **Have your say:**

- Do you agree with the proposal to allow the council to sell some of the leasehold investment properties on a discretionary case-by-case basis?
- Do you think the criteria for the sale of the council's leasehold properties are correct?

# Council's objectives and vision

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

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

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

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

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

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

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

## **Our vision**

Creating a region of choice

## **Our motto**

Putting Northland first

## **Our mission**

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

## **Our values**

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

## **Our values in action**

### **Put our community and region first**

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

### **Be a champion for our natural environment**

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

### **Be forward-thinking and innovative**

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

### **Be flexible and open**

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

### **Be responsive and deliver value**

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

### **Be professional and accountable**

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

### **Work with others**

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

# Financial overview

## Operational spending

Council is forecasting \$29.4 million of operational expenditure to support service delivery in 2014/15.

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

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

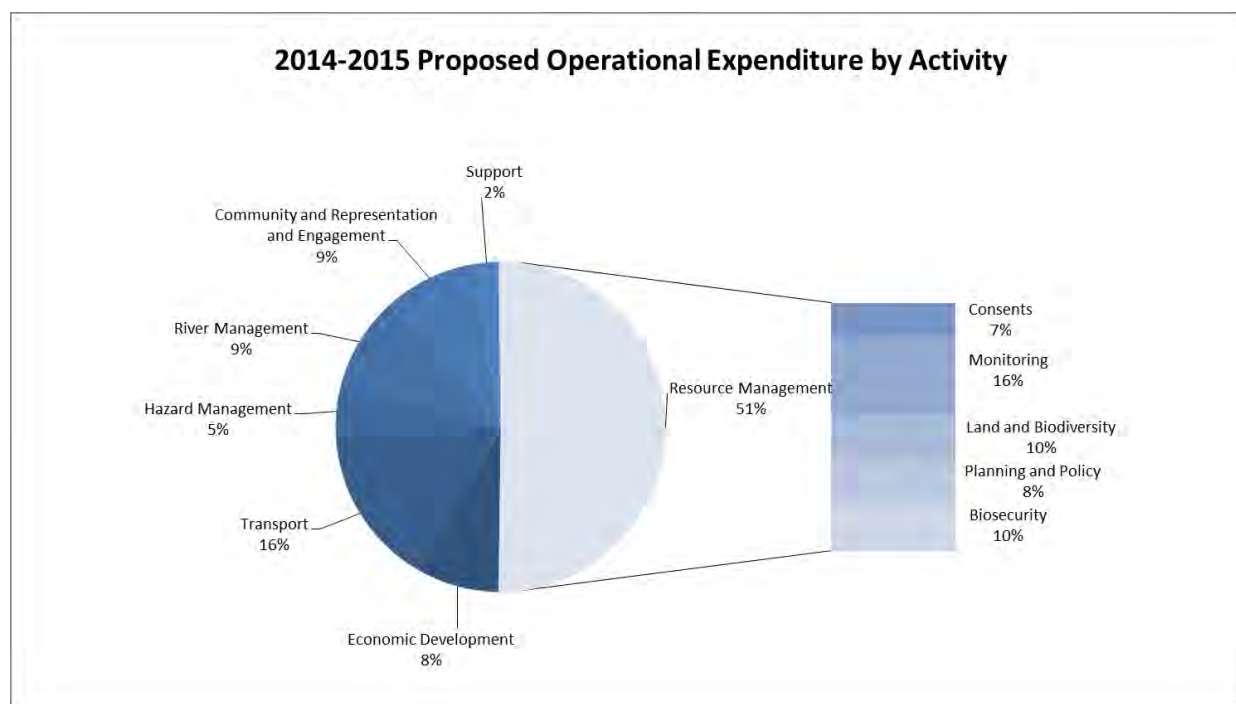
We administer Whāngārei and Kaitiāia's urban bus services and help plan the region's transport network,

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

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

In 2014/15 the Resource Management group of activities accounts for the largest portion of operating expenditure (51% of the \$29.4 million). The activities within the Resource Management group include consents, monitoring, land and biodiversity, resource management planning and biosecurity.

The operating expenditure for each activity group and the proportion that this comprises of council's total operating expenditure for 2014/15 is set out in the graph below.



## Capital spending

The total capital expenditure funding requirement for 2014/15 is \$6.9 million – the Whāngārei detention dam accounts for \$3.3 million of this and the Awanui and Kerikeri-Waipapa River works accounts for \$2.4 million. Our capital expenditure also includes \$518,000 for replacing and purchasing new plant and equipment; \$315,000 for information technology; and \$424,000 for vehicle replacement.

Proposed new capital expenditure does not include any proposed carry-forwards or unspent capital expenditure

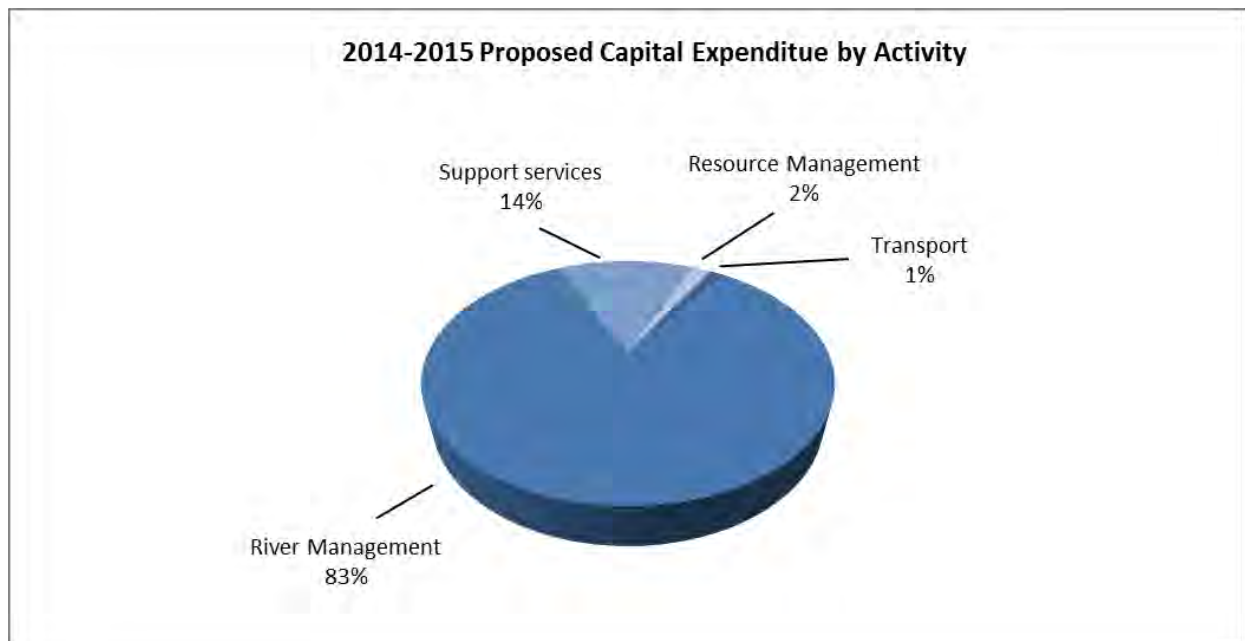
from the current financial year. At the end of the current financial year a review will be carried out of ongoing projects where capital expenditure remains unspent and where appropriate a proposal will be put to the council's Audit and Risk Committee, requesting capital funding to be carried forward into the 2014/15 financial year to enable projects to be completed.

The capital expenditure for each activity group and its proportion of council's total capital expenditure for 2014/15 is shown in the table and graph on the following page.



**Proposed capital expenditure for 2014/15 by activity**

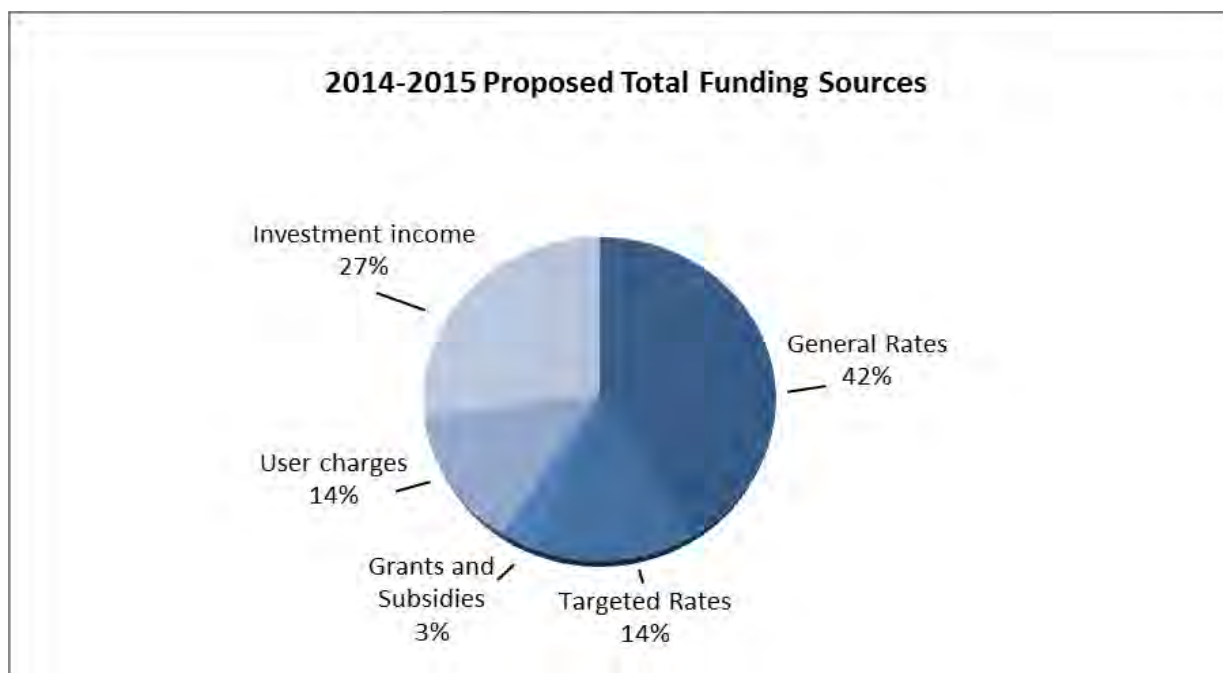
Annual Plan 2013/14 \$	Group of activities	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>Resource Management</b>			
149,082	Plant and Equipment	124,975	90,208	(34,767)
	<b>Transport</b>			
242,451	Plant and Equipment	96,901	111,828	14,927
	<b>Hazard Management</b>			
6,250	Plant and Equipment	-	-	-
	<b>River Management</b>			
-	Plant and Equipment	94,490	-	(94,490)
587,174	Infrastructural Assets	5,637,056	6,051,299	414,243
	<b>Support</b>			
415,896	Information Systems	315,000	452,635	137,635
263,314	Plant and Equipment	202,049	163,481	(38,568)
309,600	Vehicles	424,000	319,507	(104,493)
<b>1,973,767</b>	<b>Total Proposed Capital Expenditure</b>	<b>6,894,471</b>	<b>7,188,958</b>	<b>294,487</b>

**Sources of funding for council activities**

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

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

The graph below summarises council's proposed funding mix for 2014/15. For a full breakdown of our funding sources, see next page.



### Rate requirements

Under the Draft Annual Plan for 2014/15 the average general rates per rate payer will not increase.

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

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

### Proposed rates for 2014/15

	Far North (per SUIP) incl. GST	Kaipara (per RU) incl. GST	Whāngārei (per SUIP) incl. GST
<i>(Assuming Land Value is \$225,000, and excluding River Management Rates)</i>			
Council Services Rate	\$89.08	\$112.08	\$107.28
Land Management Rate	\$75.49	\$73.85	\$75.62
Regional Recreational Facilities Rate	\$5.75	\$5.75	\$28.75
Regional Infrastructure Rate	\$8.15	\$8.06	\$8.12
Rescue Helicopter Service Rate	\$8.10	\$8.10	\$8.10
Transport Rate (Whāngārei District)			\$12.58
<b>TOTAL (incl. GST)</b>	<b>\$186.57</b>	<b>\$207.84</b>	<b>\$240.45</b>

The River Management Rates remain unchanged from the 2013/14 financial year.

The Whāngārei and Kaitiāia transport rates remain largely unchanged from the 2013/14 financial year with proposed decreases of \$0.20 (including GST) for Whāngārei and \$0.15 (including GST) for Kaitiāia.

**User fees and charges**

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

It is proposed to increase the hourly staff charges and other fees across most activity areas by approximately 2.4%, in line with inflation-related cost increases.

**Proposed budget compared to Long Term Plan forecasts****Operating revenue**

Under this Draft Annual Plan our proposed revenue take forecast is \$32,227,977.

This is about \$544,000 less than our Long Term Plan forecast of operating revenue for the 2014/15 year, which was \$32,771,871.

The main reasons for the 1.65% decrease are:

- A lower proposed annual general rate increase of 0% included in this plan (compared to a 7.22% increase forecast in the Long Term Plan). This combined with the reduced rates increase in 2013/14 (from 6.45% as proposed in the Long Term Plan to 3%) results in general rating income reducing by \$1.24 million.
- Other Targeted rating revenue is \$543,000 less than the forecasted amount in the Long Term Plan as the increase signalled for the Awanui Scheme River rates for 2014/2015 is not required as part of this year's Draft Annual Plan due to the programme delays explained in the update to key projects – Awanui River Flood Management Scheme on page 58.
- Our projected income from dividends is \$1.36 million higher than originally forecast in the Long Term Plan. A \$0.065 per share dividend was projected in the Long Term Plan; however the dividend was revised in this Draft Annual Plan to \$0.115 per share. Also dividend income of \$250,000 from Regional Software Holdings Limited has been introduced into this year's Draft Annual Plan.
- Grants and subsidies are \$327,000 lower than forecast in the Long Term Plan. This is mainly due to the reduction in subsidies received from the New Zealand Transport Agency and the removal of the Department of Conservation's Bio-Condition subsidy funding
- Interest income is \$654,000 higher than forecast in the Long Term Plan. This is mainly due to the returns generated from the sale proceeds of the property in Kensington (however the forecasted rental income has reduced as a result of this sale also).

**Operating expenditure**

Under this Draft Annual Plan our proposed spending forecast for the coming year is \$29,357,143.

This is about \$991,000 higher than our Long Term Plan forecast of operating expenditure for the 2014/15 year, which was \$28,365,982.

The main reasons for the 3.5% increase are:

- An increase of \$235,000 for the Environment Fund programme
- An increase of \$165,000 for the Waiora Northland programme
- The introduction of \$100,000 to fund the acquisition of new aerial photography
- An increase of \$590,000 for the provision for doubtful debts on rates arrears, bringing the total provision proposed in this Draft plan to \$840,000.

While we have more expenditure and less revenue than we estimated in the Long Term Plan we have reduced the amount of investment income to be transferred to the Investment and Growth Reserve during 2014/15 to \$1.7M (down from \$2.7M projected for 2014/15 in the Long Term Plan).

**Capital expenditure**

This Draft Annual Plan forecasts our capital expenditure at \$6,894,471 for the coming 2014/15 year. This is in largely in line with what was originally forecast in our Long Term Plan (that is, \$7,188,959 for 2014/15).

# Rating Funding Impact Statement

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

Annual Plan 2013/14 \$	Excluding GST	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
26,433,941	Operational expenditure	28,128,326	27,113,092	(1,015,234)
1,973,767	Capital expenditure	6,894,471	7,188,959	294,488
<b>28,407,708</b>	<b>Total gross expenditure</b>	<b>35,022,796</b>	<b>34,302,051</b>	<b>(720,746)</b>
	<b>Funded by</b>			
7,691,495	Council Service Rate	7,725,314	8,525,519	(800,205)
5,314,720	Land Management Rate	5,588,418	6,031,939	(443,521)
611,353	Targeted Regional Infrastructure Rate	611,353	593,602	17,751
1,220,845	Targeted Regional Recreational Facilities Rate	1,243,310	1,239,466	3,844
2,673,759	Other targeted rates	2,682,179	3,225,204	(543,025)
971,190	Grants and subsidies	1,068,508	1,395,526	(327,018)
4,172,467	User charges	4,369,055	4,332,783	36,272
3,648,608	Rental income	3,310,721	3,758,416	(447,695)
2,020,022	Interest income	2,655,685	2,001,272	654,413
2,103,577	Dividend income	2,796,434	1,439,289	1,357,145
170,846	Sundry income	-	129,965	(129,965)
(2,191,174)	Cash reserves from/(to)	2,971,820	1,629,071	1,342,749
<b>28,407,708</b>	<b>Total funding</b>	<b>35,022,796</b>	<b>34,302,051</b>	<b>720,746</b>

# Rates

This section describes the various rates proposed for 2014/15.

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

## Uniform Annual General Charge

The council does not assess a Uniform Annual General Charge.

## Targeted general rates

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

## Council Services Rate

### What it funds

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

### How it is set

The Council Services Rate is a targeted fixed rate as authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is differentiated by location in the Northland region, and assessed on each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts and on each rating unit (RU) in the Kaipara District. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.71 (including GST) per SUIP of a rating unit is to be levied across the Whāngārei constituency to provide \$68,602 to fund ongoing maintenance of the Hātea River channel.

This rating policy recognises that a differentiated, fixed amount on each rating unit (property) or SUIP of a

rating unit links better to resource management planning, strategic planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

To keep costs down the targeted council services rate, regional recreational facilities rate and the targeted rescue helicopter rate will be shown as a single amount on the face of the joint regional and district council rates assessments issued by the Kaipara District Council and the Far North District Council with the amounts and descriptions shown clearly on the reverse of all assessments.

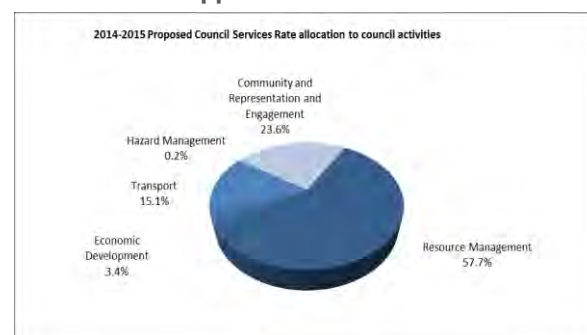
## How much is the rate?

The estimated total Council Services Rate amounts to \$8,884,113 (including GST) for the 2014/15 financial year.

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

District	Excl. GST	Incl. GST	
Far North District	\$77.46	\$89.08	per SUIP
Kaipara District	\$97.46	\$112.08	per rating unit
Whāngārei District	\$93.29	\$107.28	per SUIP

## How is the rate applied?



## Land Management Rate

### What it funds

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

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

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

#### How it is set

The Land Management Rate is authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rating unit in the region. The rate is set per dollar of the actual rateable land value. The rate per dollar of actual rateable land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. Remissions have been applied on district basis. The council does not apply a differential on this rate.

#### How much is the rate?

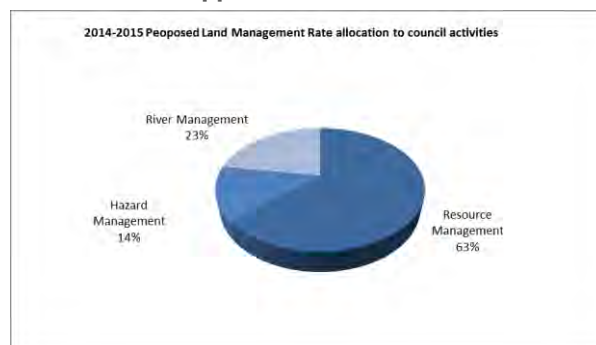
The estimated total Land Management Rate is \$6,426,681 (including GST) for the 2014/15 financial year.

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

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	6,984,002	6,984,002	\$29.17	\$33.55
Kaipara District	3,557,955	3,517,287	\$28.54	\$32.82
Whāngārei District	8,942,089	8,905,605	\$29.23	\$33.61

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

#### How is the rate applied?



#### Targeted rates

The following targeted rates are proposed for 2014/15:

#### Regional Recreational Facilities Rate

##### What it funds

This rate funds the development of the regional events centre.

##### How it is set

The Regional Recreational Facilities Rate is a targeted fixed rate as authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is a fixed rate differentiated by location in the Northland region. The rate will be assessed on each rating unit (RU) in the Kaipara District and each separately used or inhabited parts of a rating unit (SUIP) in the Far North and Whāngārei Districts. The rate is set at \$28.75 (including GST) per separately used or inhabited part (SUIP) of a rating unit in the Whāngārei District; \$5.75 (including GST) per of a rating unit in the Far North District; and \$5.75 (including GST) per rating unit in the Kaipara District.

##### How much is the rate?

The estimated total Northland Regional Recreational Facilities Rate amounts to \$1,429,807 (including GST) for the 2014/15 financial year. The rate is to be set as follows.

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

##### How is the rate applied?

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



## Regional Infrastructure Rate

### What it funds

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

### How it is set

The Regional Infrastructure Rate is a targeted rate as authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rating unit in the region. The rate is set per dollar of actual rateable land value. The rate per dollar of actual rateable land value is different for each constituent district as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The council does not apply a differential on this rate.

### How much is the rate?

The estimated total Regional Infrastructure Rate is \$703,053 (including GST) for the 2014/15 financial year. The table below shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excl. GST	Rate per \$100,000 of actual land value incl. GST
Far North District	6,984,002	6,984,002	\$3.15	\$3.62
Kaipara District	3,557,955	3,517,287	\$3.11	\$3.58
Whāngārei District	8,942,089	8,905,605	\$3.14	\$3.61

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

### How is the rate applied?

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

## Rescue Helicopter Service Rate

### What it funds

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

### How it is set

The Rescue Helicopter Service Rate is a targeted fixed rate as authorised by sections 16-18 and Schedules 2

and 3 of the Local Government (Rating) Act 2002. The fixed rate is assessed on each separately used or inhabited parts (SUIP) of each rating unit in the Far North and Whāngārei Districts and each rating unit in the Kaipara District.

### How much is the rate?

The estimated total Rescue Helicopter Service Rate is \$714,337 (including GST) for the 2014/15 financial year.

The fixed rate for each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of a rating unit in the Far North and Whāngārei Districts is set as \$8.10 (including GST) or \$7.04 (excluding GST).

### How is the rate applied?

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

## Whāngārei Transport Rate

### What it funds

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

### How it is set

The Whāngārei Transport Rate is a targeted fixed rate as authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002. The rate is assessed on each separately used or inhabited parts (SUIP) of a rating unit in the Whāngārei District.

### How much is the rate?

The estimated total Whāngārei Transport Rate is \$504,722 (including GST) for the 2014/15 financial year.

The fixed rate will be set at \$12.58 (including GST) or \$10.94 (excluding GST) for each separately used or inhabited parts (SUIP) of a rating unit in the Whāngārei District.

### How is the rate applied?

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

## Kaitiāia Transport Rate (Far North District)

### What it funds

This rate funds the Kaitiāia bus passenger transport service.

### How it is set

The Kaitiāia Transport Rate (Far North District) is a targeted fixed rate as authorised by sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act

2002. The rate is assessed on each separately used or inhabited parts (SUIP) of a rating unit located near the Kaitiāia Bus route. These rating units are identified on the map below.

### How much is the rate?

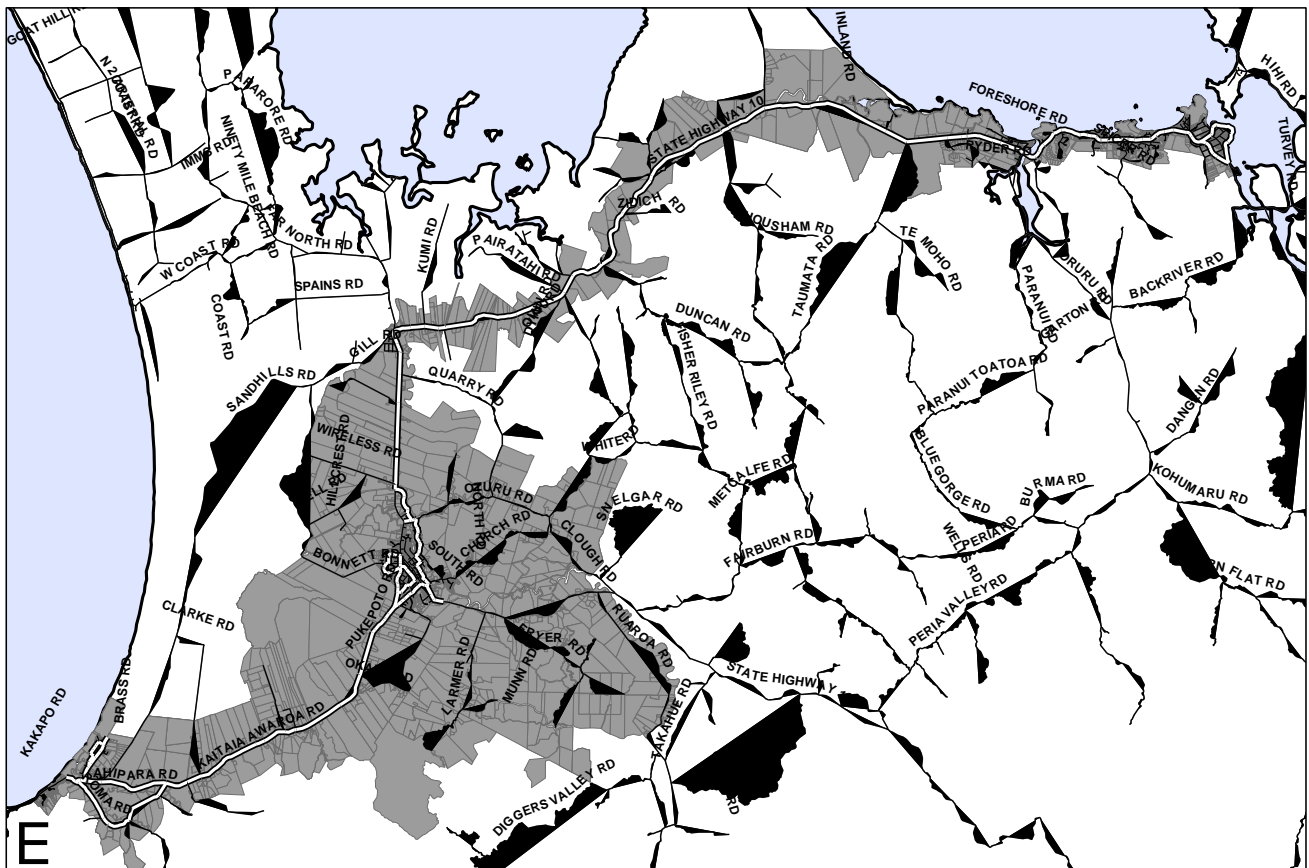
The estimated total Kaitiāia Transport Rate (Far North District) is \$91,849 (GST inclusive) for the 2014/15 financial year.

The fixed rate will be set at \$15.47 (GST inclusive) or \$13.45 (GST exclusive) for each separately used or inhabited parts (SUIP) of a rating unit located near the Kaitiā bus route, as illustrated in the map below.

### How is the rate applied?

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

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



**Awanui River Management Rate****What it funds**

To fund works on the Awanui River Flood Management Scheme.

**How it is set**

The Awanui River Management Rate is a targeted rate set under sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, assessed and set differentially by location and area of benefit as defined in the Awanui River Flood Management Scheme.

The rate is assessed and set differentially as follows:

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

**Awanui River Management Rate: Description**

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

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

**How much is the rate?**

The estimated total Awanui River Management Rate is \$480,588 (including GST) for the 2014/15 financial year. The revenue sought from each category of rateable land will be as follows:

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

**How is the rate applied?**

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

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

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

**How it is set**

The Kaihū River Management Rate is a targeted rate set under sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, assessed and set differentially by location and area of benefit as defined in the Kaihū River Flood Management Plan.

The council will set the rate differentially as follows:

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

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

**Kaihū River Management Rate: Description**

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

**How much is the rate?**

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

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

**How is the rate applied?**

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

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

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

**How it is set**

The Kaeo–Whangaroa Rivers Management Rate is a targeted rate set under sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, set and assessed on a uniform basis in respect of each separately used or inhabited parts (SUIP) of rating units falling with the former Whangaroa ward (falling between rating roles of 100-199).

**How much is the rate?**

The estimated total Kaeo–Whangaroa Rivers Management Rate is \$154,352 (including GST) in the 2014/15 financial year. The rate is set at \$74.53 (including GST) or \$64.81 (excluding GST) and will be assessed on each separately used or inhabited parts (SUIP) of a rating unit falling between rating roles 100–199 of the former Whangaroa ward.

**How is the rate applied?**

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



## Kerikeri–Waipapa Rivers Management Rate

### What it funds

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

### How it is set

The Kerikeri–Waipapa Rivers Management Rate is a targeted rate set under sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, set and assessed on a uniform basis in respect of each separately used or inhabited parts (SUIP) of rating units for properties identified in the map below as contributing catchments within the Kerikeri-Waipapa area.

### How much is the rate?

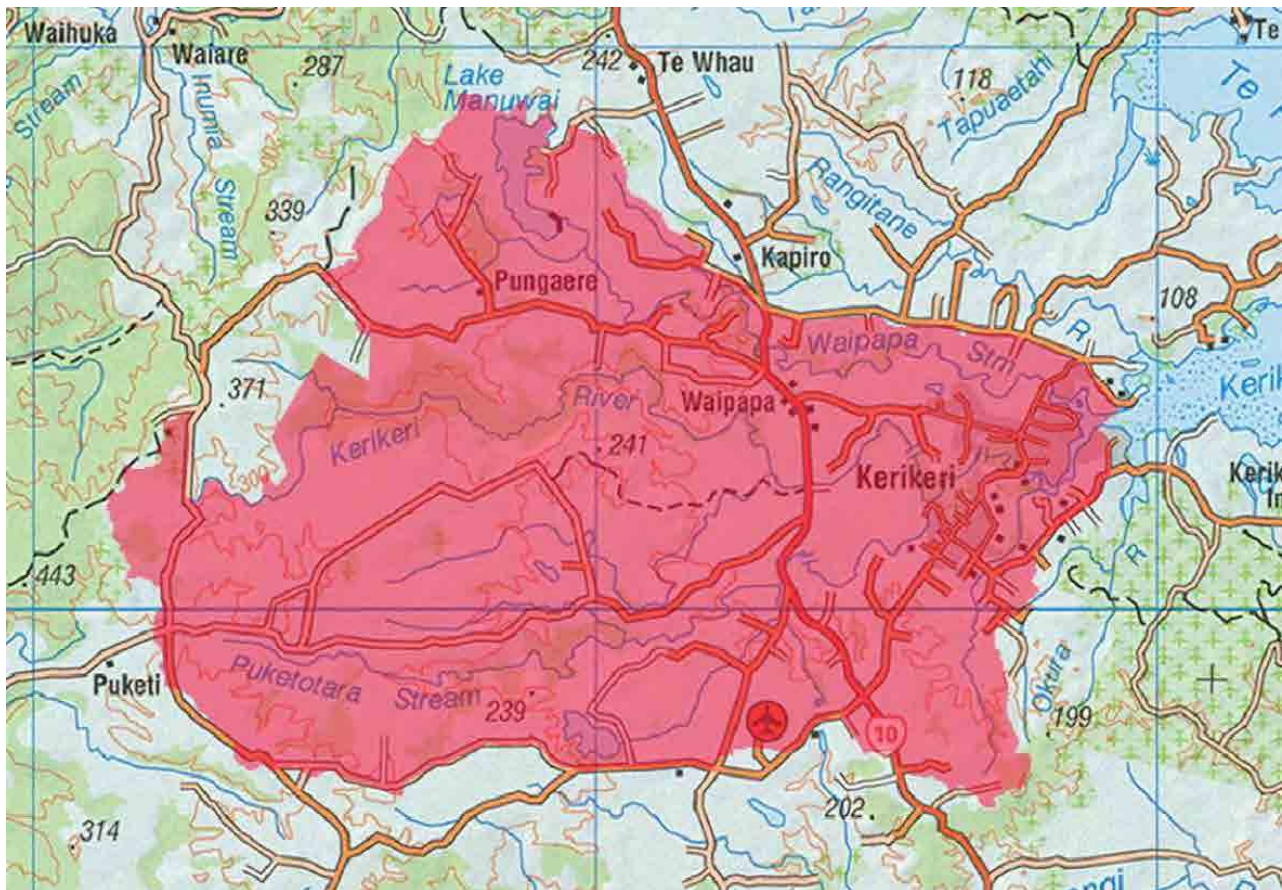
The total estimated Kerikeri–Waipapa Rivers Management Rate is \$220,823 (including GST) in the 2014/15 financial year.

The rate is set at \$49.96 (including GST) or \$43.44 (excluding GST) and is will be assessed on each separately used or inhabited parts (SUIP) of rating units for properties identified in the map below.

### How is the rate applied?

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

## Kerikeri–Waipapa Rivers Management Rate area



## Whāngārei Urban Rivers Management Rate

### What it funds

This rate funds the operational costs and capital costs (detention dam 2014/15) of the flood risk reduction project for Whāngārei.

### How it is set

The Whāngārei Urban Rivers Management Rate is a targeted rate set under sections 16-18 and Schedules 2 and 3 of the Local Government (Rating) Act 2002, differentiated by location (see maps below) and category and set as a fixed amount assessed on each separately used or inhabited part (SUIP) of a rating unit, as follows:

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

### How much is the rate?

The estimated total Whāngārei Urban Rivers Management Rate is \$827,431 (including GST) in the 2014/15 financial year. The revenue sought from each category is as follows:

		Excl. GST	Incl. GST
1.	Commercial properties in the Whāngārei CBD flood area	\$181,559	\$208,793
2.	Residential properties in the Whāngārei CBD flood area	\$11,879	\$13,661
3.	Properties in the contributing water catchment area	\$526,066	\$604,976
		<b>\$719,505</b>	<b>\$827,430</b>

### How is the rate applied?

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

## Whāngārei CBD flood area





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



### Further rating information

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

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

#### Far North District Council separately used or inhabited part (SUIP) of a rating unit definition

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

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

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

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

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

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

#### Whāngārei District Council rating unit definition

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

contained dwelling containing separate cooking and living facilities; separate entrance; and separate toilet and bathroom facilities.

Examples include:

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

#### Equalisation of rates

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

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

The Rating Information Database (RID) for each district is available at the relevant district council and on the district councils' websites. The website addresses are:

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

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

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

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

#### How much will my rates be?

Presented on the next pages are some example rates for properties in each of Northland's three districts. The tables show the total rates that would apply to different groups of ratepayers under this Draft Annual Plan.

Note that the rates detailed in this Draft Plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2014, so they may differ slightly.

**Ratepayers in the Whāngārei District****Whāngārei District ratepayers will be levied:**

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

<b>Whāngārei urban/rural/other</b> Land Management Rate = LV rate in the \$ = 0.0003361 Infrastructure Rate = LV rate in the \$ = 0.00003608	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential property (non CBD)</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$120,000	\$40.33	\$37.91
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$4.33	\$4.27
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$201.37</b>	<b>\$201.08</b>
<b>Residential property (non CBD)</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$225,000	\$75.62	\$71.08
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.12	\$8.01
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$240.45</b>	<b>\$237.99</b>
<b>Residential property in CBD area</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$225,000	\$75.62	\$71.08
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.12	\$8.01
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
Whāngārei Urban Rivers Management Rate		\$104.28	\$104.28
<b>Total regional rates (including GST)</b>		<b>\$344.73</b>	<b>\$342.27</b>
<b>Residential property in Urban Rivers catchment area</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$225,000	\$75.62	\$71.08
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$8.12	\$8.01
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
Whāngārei Urban Rivers Management Rate		\$36.77	\$36.77
<b>Total regional rates (including GST)</b>		<b>\$277.21</b>	<b>\$274.76</b>

<b>Whāngārei urban/rural/other</b>		<b>2014/15</b>	<b>2013/14</b>
Land Management Rate = LV rate in the \$ = 0.0003361	<b>Land value</b>	<b>Rates incl.</b>	<b>Rates incl.</b>
Infrastructure Rate = LV rate in the \$ = 0.00003608		<b>GST</b>	<b>GST</b>
<b>Farm property</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$2,750,000	\$924.22	\$868.74
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$99.22	\$97.93
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$1,180.15</b>	<b>\$1,125.57</b>
<b>Commercial property (non CBD)</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$2,000,000	\$672.16	\$631.80
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$72.16	\$71.23
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$901.03</b>	<b>\$861.93</b>
<b>Commercial property in CBD area</b>			
Council Services Rate		\$107.28	\$109.08
Land Management Rate	\$2,000,000	\$672.16	\$631.80
Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$72.16	\$71.23
Transport Rate (Whāngārei District)		\$12.58	\$12.78
Rescue Helicopter Service Rate		\$8.10	\$8.29
Whāngārei Urban Rivers Management Rate		\$274.37	\$274.37
<b>Total regional rates (including GST)</b>		<b>\$1,175.40</b>	<b>\$1,136.30</b>

**Ratepayers in the Kaipara District****Kaipara District ratepayers will be levied:**

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

<b>Kaipara urban/rural</b> Land Management Rate = LV rate in the \$ = 0.0003282 Infrastructure Rate = LV rate in the \$ = 0.00003581	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential property</b>			
Council Services Rate		\$112.08	\$106.75
Land Management Rate	\$120,000	\$39.39	\$34.70
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.30	\$3.98
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$169.62</b>	<b>\$159.47</b>
<b>Residential property</b>			
Council Services Rate		\$112.08	\$106.75
Land Management Rate	\$225,000	\$73.85	\$65.07
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$8.06	\$7.47
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$207.84</b>	<b>\$193.33</b>
<b>Farm property</b>			
Council Services Rate		\$112.08	\$106.75
Land Management Rate	\$2,750,000	\$902.62	\$795.37
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$98.49	\$91.24
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$1,127.04</b>	<b>\$1,007.40</b>

<b>Additional for properties in the Kaihū River catchment</b>	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>10 hectares</b>	\$120,000		
	<b>Class A</b>	\$256.22	\$256.22
	<b>Class B</b>	\$128.10	\$128.10
	<b>Class C</b>	\$19.20	\$19.20
<b>100 hectares</b>	\$600,000		
	<b>Class A</b>	\$2,562.20	\$2,562.20
	<b>Class B</b>	\$1,281.00	\$1,281.00
	<b>Class C</b>	\$192.00	\$192.00

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

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0003355 Infrastructure Rate = LV rate in the \$ = \$0.00003623	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.85
Land Management Rate	\$120,000	\$40.26	\$32.55
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.35	\$3.70
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$147.53</b>	<b>\$143.87</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$225,000	\$75.49	\$61.04
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$8.15	\$6.93
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$186.57</b>	<b>\$175.59</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.75
Land Management Rate	\$2,750,000	\$922.62	\$746.03
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$99.62	\$84.71
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Total regional rates (including GST)</b>		<b>\$1,125.17</b>	<b>\$938.36</b>



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

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

<b>Far North – Awanui catchment</b> Land Management Rate = LV rate in the \$ = \$0.0003355 Infrastructure Rate = LV rate in the \$ = \$0.00003623	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential &amp; commercial urban area of 1 hectare or less</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$120,000	\$40.26	\$32.55
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.35	\$3.70
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Plus Awanui River Management Rates applicable to:</b>			
Urban UA low land \$		\$140.92	\$140.92
Urban UF hills \$		\$25.62	\$25.62
Commercial urban UA \$		<sup>1</sup> \$422.76	<sup>1</sup> \$422.76
<b>Lifestyle – 10 hectares</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$450,000	\$150.97	\$122.08
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$16.30	\$13.86
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Plus Awanui River Management Rates applicable to:</b>			
Rural commercial A		<sup>1</sup> \$495.08	<sup>1</sup> \$495.08
Rural commercial B		<sup>1</sup> \$373.28	<sup>1</sup> \$373.28
Rural Class A		\$170.28	\$170.28
Rural Class B		\$129.68	\$129.68
Rural Class C		\$89.08	\$89.08
Rural Class E		\$7.88	\$7.88
Rural Class F		\$14.38	\$14.38
<b>Farm property – 100 hectares</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$2,750,000	\$922.62	\$746.03
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$99.62	\$84.71
Rescue Helicopter Service Rate		\$8.10	\$8.29
<b>Plus Awanui River Management Rates applicable to:</b>			
Farm Class A		\$1,631.88	\$1,631.88
Farm Class B		\$1,225.88	\$1,225.88
Farm Class C		\$819.88	\$819.88
Farm Class E		\$7.88	\$7.88
Farm Class F		\$72.88	\$72.88

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



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

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

<b>Far North</b>			
Land Management Rate = LV rate in the \$ = \$0.0003355	<b>Land value</b>	<b>2014/15</b>	<b>2013/14</b>
Infrastructure Rate = LV rate in the \$ = \$0.00003623		<b>Rates incl. GST</b>	<b>Rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$120,000	\$40.26	\$32.55
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.35	\$3.70
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$222.07</b>	<b>\$218.40</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$225,000	\$75.49	\$61.04
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$8.15	\$6.93
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$261.10</b>	<b>\$250.12</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$2,750,000	\$922.62	\$746.03
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$99.62	\$84.71
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaeo–Whangaroa Rivers Management Rate		\$74.53	\$74.53
<b>Total regional rates (including GST)</b>		<b>\$1,199.70</b>	<b>\$1,012.89</b>

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

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0003355 Infrastructure Rate = LV rate in the \$ = \$0.00003623	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$120,000	\$40.26	\$32.55
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.35	\$3.70
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$49.96
<b>Total regional rates (including GST)</b>		<b>\$197.50</b>	<b>\$193.83</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$225,000	\$75.49	\$61.04
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$8.15	\$6.93
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$49.96
<b>Total regional rates (including GST)</b>		<b>\$236.53</b>	<b>\$225.55</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$2,750,000	\$922.62	\$746.03
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$99.62	\$84.71
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kerikeri–Waipapa Rivers Management Rate		\$49.96	\$49.96
<b>Total regional rates (including GST)</b>		<b>\$1,175.13</b>	<b>\$988.32</b>

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

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

<b>Far North</b> Land Management Rate = LV rate in the \$ = \$0.0003355 Infrastructure Rate = LV rate in the \$ = \$0.00003623	<b>Land value</b>	<b>2014/15 Rates incl. GST</b>	<b>2013/14 Rates incl. GST</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$120,000	\$40.26	\$32.55
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$4.35	\$3.70
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaitiāia Transport Rate		\$15.47	\$15.62
<b>Total regional rates (including GST)</b>		<b>\$163.00</b>	<b>\$159.49</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$225,000	\$75.49	\$61.04
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$8.15	\$6.93
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaitiāia Transport Rate		\$15.47	\$15.62
<b>Total regional rates (including GST)</b>		<b>\$202.03</b>	<b>\$191.21</b>
<b>Residential/commercial/other</b>			
Council Services Rate		\$89.08	\$93.58
Land Management Rate	\$2,750,000	\$922.62	\$746.03
Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$99.62	\$84.71
Rescue Helicopter Service Rate		\$8.10	\$8.29
Kaitiāia Transport Rate		\$15.47	\$15.62
<b>Total regional rates (including GST)</b>		<b>\$1,140.64</b>	<b>\$953.98</b>

# Prospective Funding Impact Statement

The prospective Funding Impact Statement is stated excluding GST. The total estimated gross expenditure for the Northland Regional Council for 2014/15 is \$35,022,796. Total expenditure will be funded from the sources listed. These funding/financing sources are consistent with the Revenue and Financing Policy within the Long Term Plan 2012–2022.

Annual Plan 2013/14 \$	Draft Prospective Funding Impact Statement for period ending 30 June 2015:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>Sources of operating funding</b>			
13,006,215	General rates, uniform annual general charges, rates penalties	13,313,732	14,557,458	(1,243,726)
4,505,957	Targeted rates (other than a targeted water rates)	4,536,842	5,058,272	(521,430)
971,190	Subsidies and grants for operating purposes	1,068,508	1,395,526	(327,018)
4,172,467	Fees, charges and targeted rates for water supply	4,369,055	4,332,783	36,272
4,123,599	Interest and dividends from investments	5,452,119	3,440,561	2,011,558
3,819,454	Local authorities fuel tax, fines, infringement fees and other receipts	3,310,721	3,888,381	(577,660)
<b>30,598,882</b>	<b>Total operating funding</b> (see next page for breakdown)	<b>32,050,977</b>	<b>32,672,980</b>	<b>(622,003)</b>
	<b>Applications of operating funding</b>			
26,339,669	Payments to staff and suppliers	28,017,326	27,112,092	(905,234)
94,272	Finance costs	111,000	1,000	(110,000)
-	Other operating funding applications	-	-	-
<b>26,433,941</b>	<b>Total applications of operating funding</b> (see next page for breakdown)	<b>28,128,326</b>	<b>27,113,092</b>	<b>(1,015,234)</b>
<b>4,164,941</b>	<b>Surplus/(deficit) of operating funding</b>	<b>3,922,651</b>	<b>5,559,888</b>	<b>(1,637,237)</b>
	<b>Sources of capital funding</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase/(decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	-	-	-
	<b>Applications of capital funding</b>			
-	Capital expenditure	-	-	-
-	To meet additional demand	-	-	-
1,069,264	To improve levels of service	5,930,977	6,422,522	491,545
904,503	To replace existing assets	963,494	766,437	(197,057)
2,366,532	Increase/(decrease) in reserves	(3,189,043)	(1,967,953)	1,221,090
(175,359)	Increase/(decrease) of investments	217,223	338,882	121,659
<b>4,164,941</b>	<b>Total applications of capital funding</b>	<b>3,922,651</b>	<b>5,559,888</b>	<b>1,637,237</b>
<b>(4,164,941)</b>	<b>Surplus/(deficit) of capital funding</b>	<b>(3,922,651)</b>	<b>(5,559,888)</b>	<b>1,637,237</b>
-	<b>Funding balance</b>	-	-	-

Annual Plan 2013/14 \$	Reconciliation to the Prospective Statement of Comprehensive Revenue and Expense	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
1,973,767	Capital expenditure – included above, not in Comprehensive Revenue and Expense.	6,894,471	7,188,959	(294,488)
(175,359)	Investment movements – included above, not in Comprehensive Revenue and Expense.	217,223	338,882	(121,659)
147,447	Forestry Asset Revaluation – included in Comprehensive Revenue and Expense, not above.	177,000	98,891	78,109
30,686	Emission Trading Scheme income – included in Comprehensive Revenue and Expense, not above.	-	-	-
742,795	Infrastructural Asset Revaluation – included in Comprehensive Revenue and Expense, not above.	-	-	-
2,366,532	Transfers from/ (to) special reserves – included above, not in Comprehensive Revenue and Expense.	(3,189,043)	(1,967,953)	(1,221,090)
(1,131,791)	Depreciation expense – included in Comprehensive Revenue and Expense, not above.	(1,228,817)	(1,252,891)	24,074
<b>3,954,078</b>	<b>Total Comprehensive Revenue and Expense for the Years as per the Statement of Comprehensive Revenue and Expense</b>	<b>2,870,834</b>	<b>4,405,888</b>	<b>(1,535,054)</b>

Annual Plan 2013/14 \$	Breakdown of operating funding sources	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
7,691,495	Council Service Rate	7,725,314	8,525,519	(800,205)
5,314,720	Land Management Rate	5,588,418	6,031,939	(443,521)
611,353	Regional Infrastructure Rate	611,353	593,602	17,751
1,220,845	Regional Recreational Facilities Rate	1,243,310	1,239,466	3,844
2,673,759	Targeted Rates	2,682,179	3,225,204	(543,025)
971,190	Grants and subsidies	1,068,508	1,395,526	(327,018)
4,172,467	User charges	4,369,055	4,332,783	36,272
3,648,608	Rental income	3,310,721	3,758,416	(447,695)
2,020,022	Interest income	2,655,685	2,001,272	654,413
2,103,577	Dividend income	2,796,434	1,439,289	1,357,145
170,846	Sundry income	-	129,965	(129,965)
<b>30,598,882</b>	<b>Total operating funding</b>	<b>32,050,977</b>	<b>32,672,980</b>	<b>(622,003)</b>

Annual Plan 2013/14 \$	Breakdown of applications of operating funding sources	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
13,413,132	Resource management	14,500,285	14,293,123	(207,162)
2,894,340	Economic development	2,924,097	3,096,554	172,457
4,274,528	Transport	4,574,964	4,747,353	172,388
1,597,213	Hazard management	1,410,641	1,700,124	289,483
2,681,221	River management	3,122,989	2,012,257	(1,110,732)
2,314,426	Community representation and engagement	2,675,877	2,508,110	(167,767)
5,818,631	Support services	6,640,189	5,750,591	(889,599)
(6,559,550)	Less internal charges recovered	(7,720,716)	(6,995,021)	725,695
<b>26,433,941</b>	<b>Total applications of operating funding</b>	<b>28,128,326</b>	<b>27,113,092</b>	<b>(1,015,234)</b>

All the funding impact statements within this plan are presented for compliance with Local Government (Financial Reporting) Regulations 2011. It is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011. Please see the individual group of activity funding impact statements in Our Activities starting at page 47 for more detail.

# Summary table of rates

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2014/15. The actual and projected apportionment of rates between Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

## District Valuation Roll

Estimate – 30 June 2014

	Gross no. rating units (Kaipara) or SUIP (others)	Net no. rating units (Kaipara) or SUIP (others)	Capital value \$000s	Land value \$000s	Equalised capital value \$000s	Equalised land value \$000s	Equalised capital value%	Equalised land value%
Far North District	36,500	35,115	12,959,181	6,984,002	12,959,181	6,984,002	35.48	35.99
Kaipara District	13,066	12,957	5,999,366	3,557,955	6,016,824	3,517,287	16.48	18.12
Whāngārei District	41,844	40,118	17,589,338	8,942,089	17,544,590	8,905,605	48.04	45.89
<b>Total valuation – Northland</b>	<b>91,410</b>	<b>88,190</b>	<b>36,547,885</b>	<b>19,484,045</b>	<b>36,520,596</b>	<b>19,406,894</b>	<b>100.00</b>	<b>100.00</b>

	Budgeted rates 2014/15 (including GST)					Budgeted rates 2013/14 (including GST)				
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)
<b>Council Services Rate</b>										
Rate per SUIP	\$89.08			3,251,330	3,127,934	\$93.58			3,295,326	3,152,429
Rate per RU		\$112.08		1,464,487	1,452,270		\$106.75		1,393,835	1,383,694
Rate per SUIP			\$107.23	4,489,077	4,303,909			\$109.08	4,499,877	4,309,096
				<b>9,204,894</b>	<b>8,884,113</b>				<b>9,189,038</b>	<b>8,845,219</b>
<b>Land Management Rate</b>										
Rate per \$ of Actual LV	0.0003355			2,343,128	2,312,784	0.0002713			2,349,393	2,319,049
Rate per \$ of Actual LV		0.0003282		1,167,810	1,164,766		0.0002892		1,029,637	1,026,636
Rate per \$ of Actual LV			0.0003361	3,005,249	2,949,132			0.0003159	2,822,360	2,766,243
				<b>6,516,186</b>	<b>6,426,681</b>				<b>6,201,390</b>	<b>6,111,928</b>
<b>Regional Recreation Facilities</b>										
Rate per SUIP	\$5.75			209,877	201,911	\$5.75			202,481	193,700
Rate per RU		\$5.75		75,130	74,503		\$5.75		75,078	74,532
Rate per SUIP			\$28.75	1,203,015	1,153,393			\$28.75	1,186,023	1,135,740
				<b>1,488,021</b>	<b>1,429,807</b>				<b>1,463,582</b>	<b>1,403,972</b>



	Budgeted rates 2014/15 (including GST)					Budgeted rates 2013/14 (including GST)				
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)
<b>Regional Infrastructure Rate</b>										
Rate per \$ of Actual LV	0.00003623			253,009	253,009	0.0000308			266,769	266,769
Rate per \$ of Actual LV		0.00003581		127,421	127,421		0.0000332		118,111	118,111
Rate per \$ of Actual LV			0.00003608	322,623	322,623			0.0000356	318,176	318,176
				<b>703,053</b>	<b>703,053</b>				<b>703,056</b>	<b>703,056</b>
<b>Rescue Helicopter Service Rate</b>										
Rate per SUIP	\$8.10			295,651	284,431	\$8.29			291,977	279,316
Rate per RU		\$8.10		105,834	104,951		\$8.29		108,262	107,474
Rate per SUIP			\$8.10	338,935	324,955			\$8.29	342,049	327,547
				<b>740,421</b>	<b>714,337</b>				<b>742,288</b>	<b>714,337</b>
<b>Whāngārei Transport Rate</b>										
Rate per SUIP										
Rate per RU										
Rate per SUIP			\$12.58	526,437	504,722			\$12.78	527,069	504,723
				<b>526,437</b>	<b>504,722</b>				<b>527,069</b>	<b>504,723</b>
<b>Kaitiāia Transport Rate</b>										
Rate per SUIP	\$15.47			93,582	91,849	\$15.62			93,380	91,849
Rate per RU										
Rate per SUIP										
				<b>93,582</b>	<b>91,849</b>				<b>93,380</b>	<b>91,849</b>
<b>Whāngārei Urban Rivers Management Rate</b>										
Rate per SUIP										
Rate per RU										
Rate per SUIP				827,431	827,431				827,431	827,431
				<b>827,431</b>	<b>827,431</b>				<b>827,431</b>	<b>827,431</b>
<i>See page 30 for further details on the Whāngārei Urban Rivers Management Rate</i>										
<b>Awanui River Management Rate</b>										
Far North District – Rural				128,199	126,999				128,199	126,999

	Budgeted rates 2014/15 (including GST)					Budgeted rates 2013/14 (including GST)				
	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)	Far North District	Kaipara District	Whāngārei District	Total \$ (gross)	Total \$ (net)
Far North District Urban				358,089	353,589				358,089	353,589
				486,288	480,588				486,288	480,588
See page 27 for further details on the Awanui River Management Rate										
<b>Kaihū River Management Rate</b>										
Kaipara				90,404	90,404				90,404	90,404
See page 28 for further details on the Kaihū River Management Rate										
<b>Kaeo–Whangaroa Rivers Management Rate</b>										
Far North (Kaeo only)	\$74.53			154,352	154,352				147,868	147,868
See page 28 for further details on the Kaeo–Whangaroa Rivers Management Rate										
<b>Kerikeri–Waipapa Rivers Management Rate</b>										
Far North (Kerikeri – Waipapa only)	\$49.96			225,469	220,823				222,122	217,626
See page 29 for further details on the Kerikeri–Waipapa Rivers Management Rate										
<b>Total rates (including GST)</b>										
Far North District				7,312,686	7,127,681				7,355,603	7,149,194
Kaipara District				3,031,085	3,014,314				2,815,326	2,800,851
Whāngārei District				10,712,766	10,386,163				10,522,984	10,188,956
<b>TOTAL</b>				21,056,537	20,528,158				20,693,913	20,139,001

## Our activities

This section includes a full description of the council's activities, services and budgets for the 2014/15 year. It includes performance measures and targets, contribution to council objectives, asset information (where relevant) and comparative data from the previous year. It also has information about the council's council-controlled organisations and its subsidiary, Northland Port Corporation.

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

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

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

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

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

# Resource Management

This group of activities includes:

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

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

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

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

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

## Update on key projects



### Our programme to improve Northland’s freshwater management

Through Waiora Northland Water, we will protect and maintain Northland’s freshwater to suit a range of needs and values, and implement the National Policy Statement for Freshwater Management in Northland.

The council’s Environmental Management Committee provides governance oversight for this priority council programme.

Improving Northland’s freshwater is a huge job and it will take time, so we’re focussing first on the catchments and waterbodies that need it the most.

Waiora Northland Water is all about working together, for example, with industry on good management practice, with landowners on their farm water quality improvement plans, and community groups through our environment fund.

A key focus of the programme is local collaboration and decision-making, recognising that communities need to

be involved in the management of their freshwater resources, identifying local needs and values, issues to be managed, and the action to be taken.

Our catchment groups have nominated representatives from a range of local interests – for example, iwi/hapū, landowners, industry (like farming and forestry), environmental groups, recreational users and councils.

Council has previously recognised that future plan changes to both the Regional Water and Soil Plan, and Regional Coastal Plan will be required to ensure our plans give effect to the National Policy Statement for Freshwater. Catchment groups will help council design these plan changes to ensure we get the right objectives and management regimes in place. Our work last year on the lakes, wetlands and the development of good management practices will also continue and feed into these plan changes.

Council’s target date (adopted as part of the Long Term Plan 2012-2022) for notifying the first group of plan changes for priority water bodies and regional limits is the end of 2015.

### Better information in our priority catchments

During 2014/15 we are increasing our monitoring and science advice in the priority catchments.

Specific catchment monitoring is part of the council’s State of the Environment monitoring. It sits alongside region-wide monitoring for representative sites and land uses, permitted development and consent monitoring, and incident investigations.

The objective of this additional monitoring is to inform catchment management action and decision making and to meet council’s obligations under the National Policy Statement for Freshwater Management (including the amendments proposed) and the Environmental Reporting Bill introduced into Parliament on 20 February 2014.

Obtaining specific catchment information will enable people – landowners, iwi and hapu, community groups, industry and the council – to make good decisions about the types of action and planning that should occur within the catchment, including what the impacts on the environment and the economy of different choices might be as well as ensure council’s monitoring meets the additional legal duties imposed by national law and policy changes.

The proposed amendments to the National Policy Statement for Freshwater Management introduce

national objectives that council will need to apply regionally and within the priority catchments and the Environmental Reporting Bill introduces specific monitoring responsibilities across all areas of the environment including water (which will require additional monitoring to meet council's obligations).

Funding for extensions to our State of the Environment (SOE) monitoring programmes has often been secured by rationalising or fine tuning existing programmes and/or ceasing programmes that have 'run their course', are no longer providing useful information or have become unnecessary. However, council has concluded that further rationalisation can't be done this year without compromising the integrity and value of the information provided by its existing programmes.

Accordingly, council proposes to fund \$165,000 of additional monitoring and advice from the general rate, but offset this using the investment income that we propose not to transfer to the Investment and Growth Reserve. If funded this way this enhancement to our monitoring programme will have no effect on your rates.

Full details of the programme, the priority catchments and existing catchment groups can be found at [www.nrc.govt.nz/waiora](http://www.nrc.govt.nz/waiora) and in the Environmental Management Committee's agendas at [www.nrc.govt.nz/agendas](http://www.nrc.govt.nz/agendas)

### Environment Fund

The Environment Fund is council's primary non-regulatory mechanism for supporting water quality improvement, CoastCare, soil conservation, biodiversity and biosecurity. It is closely aligned with the delivery of Waioara Northland Water.

Demand for funding support has grown and during 2013/14 council used the Land Management Reserve to provide extra funding for projects that met the Environment Fund criteria. To maintain the momentum for the good management practices being achieved through the use of the fund, council proposes to increase the fund by \$235,000 during 2014/15 which means the total fund will be \$635,000.

We will continue to:

- target promotion of the Environment Fund to catchment and industry groups for water quality improvement actions
- focus on the development of larger scale projects in collaboration with multiple stakeholders/landowners.
- effectively and efficiently produce of Farm Water Quality Improvement Plans for individuals and on catchment and sub-catchment scales.

Should there be worthy projects that meet the criteria and insufficient total funds, council will consider

funding from the Land Management Reserve during the year.

### Pest Management Strategies

The purpose of the Northland Regional Pest Management Strategies 2010-2015 is to provide a strategic and statutory framework for the efficient and effective management of pests in Northland.

The primary objective of the strategies is to reduce or eliminate the impact of introduced pests on environmental, economic and social values. They cover plant, animal and marine pests and each strategy has an operational plan. The strategies contain rules that are additional to the requirements of the Biosecurity Act.

The implementation of the strategies is funded by rates because the pests in question have the potential to significantly impact the economic, biodiversity, recreation, amenity and cultural values of the region as a whole, and the regional community has an interest in protecting these values. However pest management is an individual's obligation in the first instance. Individuals are beneficiaries and exacerbators of pest problems, to varying degrees. Those that make the problems worse should be required to pay. (The Biosecurity Act provides for cost recovery and user charges.)

During 2013/14 council commenced the review of the Northland Regional Pest Management Strategies 2010-2015. The review looks at how well our strategies are working, future pressures, and how we are placed to respond to them. It will address issues such as:

- Are the right species covered?
- Do our rules work?
- Rapid response
- What effect will climate change have?
- What effect will more marine vessel movements have?
- Funding and are we doing as well as we can with our partnerships?
- New models and methods for community involvement in pest management particularly in western Northland.

The review is being integrated with the review of council's regional plans and will continue into 2014/15. It is anticipated that council will consult key stakeholders and the wider regional community on potential changes to the Northland Regional Pest Management Strategies during 2014/15 and that the Northland Regional Pest Management Strategies 2015-2020 and funding sources will be developed and adopted in time for the next council Long Term Plan.

### Kauri dieback

Kauri dieback is caused by a disease causing agent (pathogen) known as *Phytophthora taxon Agathis* (PTA),

or collar rot, and is capable of killing kauri of any age. It is identified in our Animal Pest Management Strategy as a 'containment animal', which means that eradication is not possible or cost effective.

A joint agency response to reduce the spread of the disease was formed in October 2008 comprising the Crown agencies of Ministry for Primary Industries (lead agency) and Department of Conservation, and regional councils - the Northland Regional Council, Auckland Council, Waikato Regional Council and Bay of Plenty Regional Council.

The Minister for Primary Industries is currently considering the joint agency team's business case for the programme post-June 2014. The proposed programme is based on the current one, but with strengthened programme management, research, operations and engagement and behaviour change work.

The council's share of the programme, if it is approved, would be an extra \$66,000 – bringing council's contribution to the programme for 2014/15 to \$87,000. Council's share represents a small percentage of the total funding considered necessary to fund the programme.

Again the additional funding will be rate funded but offset using the investment income that we propose not to transfer to the Investment and Growth Reserve.

#### **Mediterranean fanworm response and levels of service**

During 2013 council reprioritised some of its species and site led pest management work including its focus on Community Pest Control Areas (CPCAs) to address the discovery of Mediterranean fanworm – an internationally recognised significant marine pest.

This reprioritisation meant that the performance target of 5 CPCAs per year was unlikely to be met during the 2013/14 year. This year we have formally changed our target to 3 CPCAs in recognition of the need to continue to monitor for fanworm's presence, undertake control work as necessary, and work with others such as Auckland Council, industry and boaties to minimise incursion risks during 2014/15.

If you want to know more about pest management please see [www.nrc.govt.nz/pestmanagement](http://www.nrc.govt.nz/pestmanagement)

#### **New Regional Policy Statement**

This is arguably one of council's our most important planning document as it sets out how the region's natural and physical resources will be managed. We are currently in the middle of the appeal process on the

Proposed Regional Policy Statement. The resolution of these appeals will affect the timing of when the whole Regional Policy Statement will have legal force, however many provisions and the management direction for Northland's natural and physical resources are now beyond challenge.

#### **Regional Plan Review**

The law requires us to review and re-notify our regional plans at least every 10 years. In line with the Long Term Plan 2012-2022 and the Annual Plan 2013/14 in December 2013 the council commenced its review of its regional plans - the Regional Air Quality Plan, Regional Water and Soil Plan, and Regional Coastal Plan - in accordance with Section 79 of the Resource Management Act 1991.

The review process for our regional plans draws on the lessons learnt from the Regional Policy Statement process, and will involve key stakeholders including Northland councils and agencies, iwi groups, interest groups and industry organisations. It is also aligned with the review of council's Regional Pest Management Strategies and Waioira Northland Water to ensure council strategies, programmes and plans are mutually reinforcing.

It is important to note that (unlike district plans) unless our plans allow something then it can't go ahead. Similarly, there are many activities that could be permitted – but which aren't. Given the age of our plans they are no longer in step with good practice, national policy – which by law we must give effect to – and the current direction in the Proposed Regional Policy Statement (which we must implement). We also know there are some deficiencies in the current plans which are impacting on people now – the sooner they are fixed, the better – both for the protection of the environment and the enabling of development.

Changes to the National Policy Statement for Freshwater, such as the National Objective Framework, and to the Resource Management Act 1991 are already being incorporated into our thinking. (Signalled during 2013/14, these aim to enable collaborative processes and achieve fewer resource management plans.) The councils of Northland have agreed to explore one plan for the region.

The conclusions from the regional plan review should be available in the first quarter of the year. These conclusions will focus efforts in 2014/15 for Northland's next generation regional plan(s) and assist council to better meet the framework set by the Resource Management Act 1991, national policy statements and environmental standards, our Proposed Regional Policy Statement and Waioira Northland Water.

## How we measure our performance

### Variation to performance measures

During 2012/13 council reprioritised some of its species and site led pest management work including its focus on Community Pest Control Areas (CPCAs) to address the discovery of Mediterranean fanworm – an internationally recognised significant marine pest. This year we have formally changed our CPCA performance target to 3 CPCAs in recognition of the need to continue our focus on Mediterranean fanworm.

During 2012/13 council also changed the way it monitored its performance against the performance measure for ensuring the water in our priority harbours, rivers and at the coast is suitable for swimming except for 2–5 days after rain. Instead of using the Suitability for Recreation Grade it now uses the Ministry for the Environment's 'guideline values for bathing', which is a more robust national baseline and system for benchmarking purposes.

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Promote Māori participation in resource management and decision-making	Strong, effective and inclusive engagement and decision making that reflects kaitiakitanga responsibilities is likely to achieve better resource management outcomes that meet community aspirations and values.	Management and governance arrangements for resource management include Māori.	Maintain or increase the number of contracts, joint management agreements, joint decision making and planning arrangements, monitoring programmes, between council and iwi/hapū.  Note that: 2011/12: not measured 2012/13: 9	2010/11: 4
Reduce the impact of introduced pests on environmental, economic and social values	Reducing pests will contribute positively to the region's economy, environment and culture.	The number of community pest control areas (CPCAs) achieving their targets for pest reduction.	90%	New measure
Promote community involvement in pest management	Expanding the resources involved beyond council and government funds is necessary for successful pest management in Northland.	The number of active community pest control areas (CPCAs).	Increases by three annually.  (Please note this differs from the LTP 2012-2022 performance target as a result of this Annual Plan.) 2012/13: 42	2010/11: 36
Maintain and enhance water quality for swimming and shellfish collection	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	The water in our priority harbours, rivers and at the coast is suitable for swimming except for 2–5 days after rain.	The percentage of faecal indicator bacteria results that are within the Ministry for the Environment's guideline values for bathing will be maintained or improved at the 20 core bathing sites monitored for trend, compared to the benchmark results from the 2007/08 swimming season, which is 93%.*  * Please note this differs from the LTP 2012-2022 performance target.	New measure



Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Maintain and enhance water quality for swimming and shellfish collection	The community expects that water quality at popular bathing sites and at food collection spots is at a safe level not to cause ill-health. Swimming and other water recreational pursuits are integral to Northland's culture and attraction to visitors/tourists.	Shellfish collection is safe in open coastal areas.	Levels of indicator bacteria in open coastal waters at 15 popular shell fish collections sites is maintained or improved.	New measure  Measurements taken during 2012/13 act as the baseline for future reporting.  Please see our Annual Report 2013 for the sites and measurements.
Protect the life-supporting capacity of water, in-stream uses and values	Having healthy rivers support our region's biodiversity and is a community expectation.	The water in our streams supports a healthy habitat for flora and fauna.	The macroinvertebrate community index (MCI) at 10 regionally representative sites show improving or maintained trends.  The higher the score the better the condition of the stream.  30 June 2011: MCI 90.8 30 June 2012: MCI 91.15	New measure  The 10 sites (with their MCI median results) are listed on page 97 of the LTP 2012-2022 and were selected from the council's long-term river water quality monitoring network.
Maintaining and enhancing water quality in our rivers and coastal waters	Consented activities should operate within their consents and not lower downstream water quality to ensure the integrity of the regional plans and overall environment.	The number of annual significant non-compliance events resulting in a reduction in water quality of receiving waters.	2013: Less than 100 2014: Less than 80 2015-22: Less than 60	2010/11: 111  2012/13: 128
Maintaining and enhancing water quality in our rivers and coastal waters	Non-consented farms should comply with the permitted activity criteria which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	The number of annual significant non-compliance events resulting in any unauthorised/prohibited discharge to water.	2013: Less than 40 2014: Less than 30 2015-22: Less than 20	2010/11: 60  2012/13: 42
Efficient and effective compliance monitoring of resource consents	To ensure compliance with conditions which have been put in place to avoid/remedy/mitigate adverse effects on the environment.	Those consents requiring monitoring are monitored as per the council's monitoring programme.	100%	2010/11: 90%  2012/13: 96%
Efficient and effective compliance monitoring of resource consents	The community expect that consent conditions will be met so that the environment is protected.	The appropriate action is taken to rectify significant non-compliances.	100%	2010/11: 75%  2012/13: 99%
Maintaining a high standard of ambient air quality	The community expect that air quality will be maintained to acceptable levels.	Air sheds meet the national environmental standards.	100%	2010/11: 100%  2011/12: 100% 2012/13: 100%

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Efficient and effective response and resolution of reported environmental incidents	To ensure timely and appropriate response to environmental incidents that has the potential to result in significant environmental effects.	Incidents reported to the Environmental Hotline, where more than minor environmental effects have been confirmed, are resolved within 30 working days.	70%	New measure  Baseline to be determined in the 2012/13 year.  2012/13: 85%
Efficient and effective processing and administering of resource consents	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	98%+ of all applications processed within the statutory timeframes.	2010/11: 99.5% 2009/10: 98.8% 2008/09: 98.6% 2007/08: 98.1% 2006/07: 98.3% 2005/06: 98.4%  2011/12: 100% 2012/13: 100%
Efficient and effective processing and administering of resource consents.	Keeping to timeframes is important to applicants in order to manage their own business and personal endeavours.	All resource consent applications are processed in a timely manner.	All bore permits processed within five working days.	New measure  2011/12: Achieved 2012/13: 98%

## Funding Impact Statement for Resource Management

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
7,791,851	General rates, uniform annual general charges, rates penalties	7,995,668	9,110,226	(1,114,558)
-	Targeted rates (other than a targeted water rates)	-	-	-
-	Subsidies and grants for operating purposes	20,000	85,000	(65,000)
2,618,222	Fees, charges and targeted rates for water supply	2,656,285	2,703,210	(46,925)
-	Internal charges and overheads recovered	-	139,379	(139,379)
2,000	Local authority fuel tax, fines, infringement fees and other receipts	-	2,130	(2,130)
<b>10,412,073</b>	<b>Total operating funding</b>	<b>10,671,953</b>	<b>12,039,945</b>	<b>(1,367,992)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
9,712,062	Payments to staff and suppliers	10,274,717	10,416,825	142,108
-	Finance costs	-	-	-
3,701,070	Internal charges and overheads applied	4,225,568	3,876,299	(349,269)
-	Other operating funding applications	-	-	-
<b>13,413,132</b>	<b>Total applications of operating funding</b>	<b>14,500,285</b>	<b>14,293,123</b>	<b>(207,162)</b>
<b>(3,001,059)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(3,828,332)</b>	<b>(2,253,179)</b>	<b>(1,575,153)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
74,861	to improve levels of service	88,975	29,182	(59,793)
74,221	to replace existing assets	36,000	61,026	25,026
-	Increase / (decrease) in reserves	25,000	-	(25,000)
(3,150,141)	Increase / (decrease) of investments	(3,978,307)	(2,343,386)	1,634,921
<b>(3,001,059)</b>	<b>Total applications of capital funding</b>	<b>(3,828,332)</b>	<b>(2,253,179)</b>	<b>1,575,153</b>
<b>3,001,059</b>	<b>Surplus / (deficit) of capital funding</b>	<b>3,828,332</b>	<b>2,253,179</b>	<b>1,575,153</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Variations from Long Term Plan****Sources of operating funding**

General rating revenue is less than the amount forecasted in the Long Term Plan 2012–2022 due to the general rate funding provision for the Hydrology department being transferred (with the associated costs) to the River Management activity in 2013–2014 and continued in this plan. In addition, the proposal to reduce the general rate annual increase from 7.22% (as prescribed in the Long Term Plan) to 0% compounded with the reduced rate increase in 2013–2014 (from 6.45% signalled in the LTP to 3%) has resulted in less general rating revenue.

Subsidies and grants for operating purposes are less than the amount forecasted in the Long Term Plan. Bio–Condition funding (received from the Department of Conservation) has been removed due to the council's reprioritisation of its pest management activity.

Internal charges and overheads recovered are less than the amount forecasted in the Long Term Plan due to the elimination of an internal transfer for a cross–

departmental service performed by the hydrology department. The hydrology department was originally forecast as part of the Resource Management activity; however, the transfer of this department to the River Management activity means that there is now no requirement for the cross–department transfer.

**Applications of operating funding**

Payments to staff and suppliers are less than the amount forecasted in the Long Term Plan, mainly due to the costs associated with the Hydrology department being transferred from the Resource Management activity to the River Management activity, and the removal of the costs associated with the Bio–Condition projects. These reductions are partially offset by increased budget provisions for the Environment fund, water quality initiatives, and Kauri dieback.

Internal charges and overhead applied are greater than the Long Term Plan due to the increased organisational support costs allocated to this activity as a result of an increased corporate budget for doubtful debts and the redirection of depreciation charges from other activities.

# River Management

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

## Update on key projects

### Whāngārei detention dam

The proposed Kotuku flood detention dam is located at the ends of Raumanga Valley Road and Kotuku Street, Whāngārei.

The dam is a dry dam, only detaining water for short periods of time (typically less than 48 hours), and reduces flooding in the Whāngārei CBD by reducing flow in the Raumanga Stream. The dam will be approximately 18m high and contain approximately 1.3 million m<sup>3</sup> of water during the design 1% annual exceedence probability (plus climate change) flood event.

Following on from the granting of the resource consents and designation for the dam, and the relocation of services (sewage, water, gas, power, fibre) and progress with the property acquisition during 2013/14, council expects construction of the dam to occur in summer 2014/15. Demolition of eight dwellings is scheduled for September 2014 and dam construction should commence in October 2014. (This timetable may however be affected by the timeframes associated with the land acquisition.)

### Update on costs

The Long Term Plan 2012-2022 estimate for the flood detention dam was \$6,876,728 (excluding GST). This total estimate has been further refined based on completion of the detailed dam design, peer review outcomes, quotations for service relocation (gas and power/fibre) and progress with land acquisitions. The revised dam construction cost (inclusive of contingency and consents /authorization requirements) and the revised land purchase estimate (inclusive of contingency on unsecured properties) give a total project estimate of \$8,483,689.

The construction aspects that have had estimated cost increases are:

- Embankment and spillway earthworks
- Spillway and plunge pool
- Culvert and inlet/outlet works
- Services relocation
- Demolition of dwellings
- Supervision and contract
- Requirements arising from consents/authorisations.

(There have additionally been some construction aspects that have decreased in estimated cost.)

An overall contingency has been allowed for in the revised project capital estimate. The net effect is an increase in estimated capital cost of \$1,606,689 over the original Long Term Plan estimate.

We have estimated the potential revenue from the disposal of properties. (Council needs to acquire three properties to enable registration of storm water ponding easements over them, but it does not need to own the properties forever.) Assuming the anticipated revenue from these disposals is realised, council intends to use this revenue to offset some of the increase in estimated capital costs. (This is in line with council's approach to funding capital expenditure and reducing debt from the sale of surplus assets as detailed in its Revenue and Financing Policy and its Treasury Management Policy in the council's Long Term Plan 2012-2022, please see pages 195 and 208 respectively).

As a result of this offsetting council estimates that the overall increase in the estimated capital cost will be less than \$1 Million.

In addition, since 2012 the cost of borrowing and available investment returns has changed.

These increases have been publically reported in council meeting agendas (28 January 2014) and considered by the Urban Whāngārei Rivers Liaison Committee (made up of regional council and Whāngārei District Council councillors, and representatives of iwi, ratepayers and other stakeholders) at its meetings between July 2012 and now.

At this stage there are still some uncertainties around the final land acquisition and construction costs, as well as the revenue from disposal. For example as the Draft Annual Plan goes to print, the contract for construction has not been agreed and as with any large build there will need to be contingency measures for unforeseen construction risks (e.g. due to ground conditions). The actual offset from property sales and therefore overall project costs is also unknown and won't be known until later in the 2014/15 financial year. What we do know, after taking independent advice, is that with capital works planned for 2014/15 the internal interest rate that should be applied to borrowing is 6.15% (based on the current costs of borrowing and available investments).

Rather than try and predict the overall project costs now for 2014/15 council has decided to continue the Whāngārei Urban Rivers Management Rate as a

targeted rate differentiated by location (CBD flood area and contributing catchment) and category (commercial or residential property in CBD) set as a fixed amount per SUIP based on the LTP estimate for the dam construction of \$6,876,728 (excluding GST) but apply a 6.15% internal cost of borrowing.

This in effect delays any adjustments to the targeted rate until the LTP 2015-2025, when there will be more certainty on the overall project costs, including the capital amount of the project and sales proceeds, and the project completion date. Council will also be in a better position at that time to assess whether the loan term of 25 years is still equitable and affordable.

This adjustment to the internal cost of borrowing avoids imposing a cost on ratepayers not benefiting from the scheme (as it adjusts the internal rate of borrowing in the year that the construction costs occur i.e. the year the loan "drawdown" occurs). This is considered fair and equitable.

The effect of this delay is that affected ratepayers will pay an extra dollar each year (based on a 25 year repayment period) but it also means that an audit of the targeted rating model (which determines the rate over the term of the repayment) can be combined with the audit of the LTP. This will enable financial prudence and risk assurance, and provide better integrated financial planning.

A public information session for Whāngārei residents and ratepayers will occur as part of the council's consultation on this Draft Annual Plan 2014/15 to ensure people have the opportunity to be updated and ask questions on the project's progress and costs. This will occur on 16 April and will be publically notified.

Work to replace the Rust Avenue bridge in summer 2014 will create additional capacity so floodwaters can flow more safely downstream of the CBD. The next steps are:

- Complete construction of the Kotuku Flood Detention dam
- Reassess residual flood risk and evaluate other options for further mitigation of river flood risk including the potential for the staged development of grass lined flood corridors (enlarged channels with grass banks/floodway areas) that further reduce river flood risk in the CBD

Maintenance works on the rivers are ongoing, with works focusing on removal of accumulated sediment from key pinch points in the lower river systems to help reduce flood risk. These works will continue in 2014/15.

#### **Kaihū River Flood Management Scheme**

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

works will include removal of accumulated sediment and ricegrass from the channel and other channel maintenance works.

#### **Kerikeri-Waipapa Rivers Flood Management Scheme**

A uniform targeted rate was established in 2012/13 for properties within the Kerikeri, Waipapa and Wairoa River catchments to fund river maintenance and detailed design for river scheme options to reduce flood risk.

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

Preliminary design and assessment of a spillway flood scheme on the Kerikeri River has been undertaken. The proposed spillway, with an estimated construction cost of \$2.1 million, is located on the Kerikeri River downstream of the State Highway bridge. The purpose of the spillway is to divert excess river flow from the Kerikeri River to the Rainbow Falls, reducing flood risk to those properties located downstream of the spillway to the Rainbow Falls. The Kerikeri-Waipapa Liaison Committee has requested further assessment of the spillway, with a focus on maximising flood mitigation while also further assessing benefit against costs. This work is in progress and will be presented to the committee before confirming to progress with the construction of the spillway scheme.

Pending the support of the liaison committee, the proposed flood scheme spillway works are scheduled for 2014/15. However this timeframe is dependent on the committee's support, resource consents and land use negotiations.

The uniform rate has been discussed with the liaison committee, including the option of reassessing the rate to consider alternative rating options such as a differentiated rate based on the level of benefit or contribution to the flooding. The committee has confirmed a preference for maintaining the uniform rate, and as such it is proposed that the present uniform rate be maintained to fund the proposed spillway works and ongoing maintenance. The spillway works would be funded via a loan and repaid with a targeted rate extending over 25 years.

#### **Kaeo-Whangaroa Rivers Flood Management Scheme**

As of late summer 2014, construction of Stage 1 of the Kaeo flood scheme was more than 50% complete and full completion was scheduled for March.

Construction of Stage 2 of the Kaeo flood scheme, which also includes improvements to Waikara Creek, was previously scheduled for 2015/16. The revised



costs for the Stage 2 works are estimated to be in the vicinity of \$1.55M, which is significantly higher than earlier estimates provided in the Long Term Plan 2012-2022. Based on this information, and in consideration of the benefits and costs of the Stage 2 works, the Kaeo-Whangaroa River Liaison Committee at its meeting of June 2013 recommended to Council to 'Hold Stage 2 and monitor performance of Stage 1 in order to make a more informed decision on Stage 2 options and prevent over capitalising'. On this basis it is intended that the performance of the Stage 1 works will be evaluated following a significant flood before progressing with the Stage 2 works.

River maintenance works have continued, on a reduced scale, on the Kaeo-Whangaroa Rivers. The reduced scale of works reflects the progress made in recent years to river systems and also a redirection of funding from operational to capital works. However, in 2014/15 an additional \$20,000 has been budgeted for targeted gravel management in the Kaeo River system at the request of the Kaeo-Whangaroa River Liaison Committee. This additional \$20,000 will be funded from the Kaeo-Whangaroa Rivers targeted rate.

### Awanui River Flood Management Scheme

Preliminary design and assessment of the effect of proposed upgrades to the Awanui flood control scheme, roughly estimated at \$3.9 million, are currently being progressed. The programme has been delayed due to technical issues in resolving the catchment hydrology and representing this accurately in a hydraulic flood model from which to simulate design options and assess benefits and effects. It is important that the scheme hydrology is resolved, and that the hydraulic model accurately represents the functioning

of the scheme, to ensure that the design and costs can be optimised and effects and benefits determined with sufficient accuracy to progress to further consultation with stakeholder and affected parties, and ultimately to resourcing consenting, detailed design and construction.

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

Maintenance works on the existing scheme will continue to be undertaken during 2014/15, including channel maintenance, floodgate maintenance and stopbank maintenance.

### Minor river works

Minor river works were progressed throughout Northland in 2013/14. Additional minor river works are proposed for 2014/15, which will generally involve the following work and other unscheduled works that are identified during the course of the year either following changes that occur in the condition of river channels or requests for service from the community:

- Hokianga priority rivers general channel maintenance, including Waimā gravel management
- Otiria spillway works
- Waitangi channel maintenance including removal of willows
- Ngunguru maintenance.
- Otaika River general maintenance
- Helena Bay general maintenance
- Maungaturoto channel maintenance.

### How we measure our performance

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Building flood protection schemes to protect life and property	Well-designed flood protection systems protect human life and damage to property and infrastructure.	Number of failures of flood protection system for the Awanui, Whāngārei, and Kaeo, schemes below specified design levels.	Zero failures.	New measure  2012/13: Achieved
Maintaining flood protection schemes to protect life and property	Implementing the minor works programme ensures the river systems work to their best ability.	Implement the programmed minor flood control works for other rivers in accordance with the approved annual budgets.	100% of programmed minor works completed.	New measure  2012/13: Not achieved

## Funding Impact Statement for River Management

Annual Plan 2013/14 \$	Prospective Funding Impact Statement For period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
1,162,884	General rates, uniform annual general charges, rates penalties	1,257,769	710,615	547,154
1,533,838	Targeted rates (other than a targeted water rates)	1,542,258	2,053,462	(511,204)
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
-	Local authority fuel tax, fines, infringement fees and other receipts	12,000	-	12,000
<b>2,696,722</b>	<b>Total operating funding</b>	<b>2,812,027</b>	<b>2,764,077</b>	<b>47,950</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,963,486	Payments to staff and suppliers	1,986,783	1,265,964	(720,819)
221,690	Finance costs	470,627	495,749	25,122
496,045	Internal charges and overheads applied	665,579	250,545	(415,035)
-	Other operating funding applications	-	-	-
<b>2,681,221</b>	<b>Total applications of operating funding</b>	<b>3,122,989</b>	<b>2,012,257</b>	<b>(1,110,732)</b>
<b>15,500</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(310,962)</b>	<b>751,820</b>	<b>(1,062,783)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
534,369	to improve levels of service	5,644,002	5,992,890	348,888
52,805	to replace existing assets	87,544	58,409	(29,135)
(133,783)	Increase / (decrease) in reserves	(5,334,481)	(5,320,086)	14,395
(437,891)	Increase / (decrease) of investments	(708,027)	20,607	728,635
<b>15,500</b>	<b>Total applications of capital funding</b>	<b>(310,962)</b>	<b>751,820</b>	<b>1,062,783</b>
<b>(15,500)</b>	<b>Surplus / (deficit) of capital funding</b>	<b>310,962</b>	<b>(751,820)</b>	<b>1,062,783</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

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

Targeted rating revenue is less than the forecasted amount in the Long Term Plan as the increase signalled for the Awanui Scheme River rates for 2014/2015 is not required as part of this year's Draft Annual Plan due to the programme delays explained in the update to key projects – Awanui River Flood Management Scheme.

### **Applications of operating funding**

Payments to staff and suppliers are greater than the forecasted amount in the Long Term Plan. This is mainly due to the costs associated with the Hydrology department being transferred from the Resource Management activity to the River Management activity.

Internal charges and overheads applied to this activity are greater than the Long Term Plan due to the increased allocation of organisational support costs as a result of the increased corporate budget for doubtful debts and the transfer of additional Hydrology staff (main driver of the allocation of support costs) from the Resource Management Activity.

# Economic Development

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

## Update on key projects

The council will continue to directly support economic development by:

- Embedding economic wellbeing into the key planning documents of the council.
- Implementing internal improvement processes to build a business friendly environment that encourages business and employment opportunities.
- Collating and producing a quarterly 'State of the Economy' report tracking regional economic performance and trends  
[www.nrc.govt.nz/economicquarterly](http://www.nrc.govt.nz/economicquarterly)
- Investing in economic development projects that are eligible for funding from the Investment and Growth Reserve.

## Investment and growth reserve

In the Long Term Plan 2012–2022 for 2014/15 council anticipated that 60% of the council's investment income would fund operations and 40% would go into the Investment and Growth Reserve to fund economic development projects.

The objective of the council's Investment and Growth Reserve is to invest in economic projects/ventures within Northland to increase:

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

Applications for funding from the reserve are administered by Northland Inc (a council-controlled organisation) [www.northlandinc.co.nz](http://www.northlandinc.co.nz).

At the time of preparing this Draft Annual Plan council had not agreed to fund an economic development project. If no economic projects are funded during 2013/14 the closing reserve balance at June 2014 will be about \$4.5M. We have therefore reduced the amount of investment income to be transferred during 2014/15 from \$2.7M down to \$1.7M (plus interest). Council is confident that the balance of the reserve will be sufficient for the type of projects that are likely to be submitted to it for consideration during 2014/15.

The council made the following changes to the Investment and Growth Reserve criteria during 2013/14:

- Provision of impact investment funding for projects that have the potential to lift the economic performance of Northland.
- An increase in the operational expenditure cap for Northland Inc. to \$1.15M per annum (which takes effect from 1 July 2014 and will be adjusted annually by the Local Government Cost Index adjuster for operational expenditure).
- An additional \$200,000 for feasibility assessment and business case development.

These changes were made to ensure that research, infrastructure and information / data projects were not automatically excluded from funding, that there was sufficient funding to Northland Inc to carry out business case development and project assessment, and that tourism was treated the same as other economic development activities and funded from the reserve not rates. The criteria are available on council's website [www.nrc.govt.nz/economicdevelopment](http://www.nrc.govt.nz/economicdevelopment) and people are encouraged to approach Northland Inc if they have projects they think match these criteria.

## Northland Inc – council controlled organisation

Northland Inc is the regional economic development agency for Northland encompassing the roles and functions of a Regional Tourism Organisation (RTO).

Northland Inc submitted its draft Statement of Intent 2014-2017 (SOI), including draft key performance indicators, to council on 28 February 2014. Under the draft SOI Northland Inc will focus on:

- Facilitating increased productivity in primary industries
- Facilitating the development of increased processing and manufacturing that leverages Northlands key sectors and comparative advantages
- Looking for and supporting innovation and developing sunrise industries, clusters or business networks that build on comparative and competitive advantages to take advantage of market opportunities
- Supporting the development of new enabling infrastructure
- Promoting the region to visitors and investors and as an attractive place to invest, live, work and play and increasing the value gained from visitors, support and promotion of events of regional significance
- Developing an economic development action plan for Northland (Northland 2025) with the aim of strengthening and diversifying the economy and taking a leadership role in its implementation

- Provide a continual deal flow of well researched and well prepared economic development projects for consideration of Northland Regional Council's Investment and Growth Reserve.

The draft SOI contains the following draft key performance indicators:

- Financial – comply with annual budget
- Northland 2025 Regional Action Plan developed
- Minimum of 150 unique business engagements and \$500,000 invested in building capacity in Northland firms

- Investments made in strengthening and diversifying the Northland economy facilitated by Northland Inc – board recommendation made on a minimum of 4 projects
- Minimum of two partner projects with Iwi, hapu and/or Māori collective organisations
- Minimum of 5% increase in website traffic on Northlandnz.com.

Council's has until 30 April to give its feedback to Northland Inc on the draft SOI and the final SOI must be delivered to council by 30 June 2014.

### How we measure our performance

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Investing in economic projects and ventures within Northland to increase Northland's economic performance	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Employment rate – the proportion of the labour force that is in paid employment.	Increases annually.	2010/11: 91.5% 2012/13: 90.8% New measure
Investing in economic projects and ventures within Northland to increase Northland's economic performance	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Business growth – the ratio of business start-ups to business closures. (A ratio below 1 means there were fewer businesses in operation than previously.)	Increases annually	2010/11: 0.80 * 2012/13: 0.66 New measure  * The baseline differs from the one published in the Long Term Plan 2012-2022 due to revised figures being provided by Statistics New Zealand.
Investing in economic projects and ventures within Northland to increase Northland's economic performance	Increasing Northland's economic performance is seen as a key outcome to improving Northlanders' quality of life.	Economic growth – real GDP per usual resident population.	Increases annually.	2010/11: \$20,495* 2012/13: \$21,305  * The baseline differs from the one published in the Long Term Plan 2012-2022 due to revised figures being provided by Statistics New Zealand.

## Funding Impact Statement for Economic Development

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
458,270	General rates, uniform annual general charges, rates penalties	261,296	714,173	(452,877)
2,453,361	Targeted rates (other than a targeted water rates)	2,475,826	2,455,878	19,948
-	Subsidies and grants for operating purposes	-	-	-
-	Fees, charges and targeted rates for water supply	-	-	-
-	Internal charges and overheads recovered	-	-	-
1,150,355	Local authority fuel tax, fines, infringement fees and other receipts	1,457,561	1,244,984	212,577
<b>4,061,986</b>	<b>Total operating funding</b>	<b>4,194,683</b>	<b>4,415,035</b>	<b>(220,352)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
2,123,339	Payments to staff and suppliers	2,199,843	2,384,634	184,791
723,021	Finance costs	667,847	587,073	(80,774)
47,980	Internal charges and overheads applied	56,407	124,847	68,441
-	Other operating funding applications	-	-	-
<b>2,894,340</b>	<b>Total applications of operating funding</b>	<b>2,924,097</b>	<b>3,096,554</b>	<b>172,457</b>
<b>1,167,646</b>	<b>Surplus / (deficit) of operating funding</b>	<b>1,270,586</b>	<b>1,318,481</b>	<b>(47,895)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
-	to improve levels of service	-	-	-
-	to replace existing assets	-	-	-
634,572	Increase / (decrease) in reserves	419,508	750,253	330,745
533,075	Increase / (decrease) of investments	851,078	568,228	(282,850)
<b>1,167,646</b>	<b>Total applications of capital funding</b>	<b>1,270,586</b>	<b>1,318,481</b>	<b>47,895</b>
<b>(1,167,646)</b>	<b>Surplus / (deficit) of capital funding</b>	<b>(1,270,586)</b>	<b>(1,318,481)</b>	<b>47,895</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

General rating revenue is less than the forecasted amount in the Long Term Plan. This is due to the proposal to reduce the general rate annual increase from 7.22% (as forecast in the Long Term Plan) to 0%, compounded by the reduced rates increase in 2013/14 from 6.45% (as proposed in the Long Term Plan) to 3%.

Local authority's fuel tax, fines, infringement fees and other receipts are greater than the forecasted amount in the Long Term Plan due to increased interest income from the Community Investment Fund.

### **Applications of operating funding**

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan predominantly due to the transfer of two staff from the council's Economic Development activity and the interest expense for the Marsden Point rail link joint venture being transferred out of the payments to staff and suppliers to the Finance costs line.

Correspondingly finance costs are greater than those forecasted in the Long Term Plan due to the transfer of the interest expense for the Marsden Point Rail Link joint venture from payments to staff and suppliers to the Finance costs line.

Internal charges and overhead recoveries are less than the forecasted amount in the Long Term Plan mainly due to two staff (the main driver of the allocation of support costs) transferring from the Economic Activity.



# Hazard Management

This group of activities includes:

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

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

## Update on key projects

Our key focus areas for the coming year will be to:

- Participate in the National Civil Defence Emergency Management plan review.
- Work with the Ministry of Civil Defence Emergency Management on the information and standards that will be used in and prepare for the Northland region Monitoring and Evaluation study (anticipated to start in July 2014).

- Review the existing and prepare a new Civil Defence Emergency Management Group Plan for Northland, in accordance with the Civil Defence Emergency Management Act. (Timing depends on the national plan review and the monitoring and evaluation study.)
- Review Emergency Operating Centre arrangements.
- Review welfare arrangements.
- Continue the development, review and alignment of:
  - Community Response Plans
  - Visitor Action Plans
  - Business Continuity Project and improve engagement with Māori.
- Evaluate and expand the “shared services” arrangements for the entire region, with a particular focus on the far north.
- Continue the production of natural hazard maps, including uploading them to the council’s website, and assisting Northland’s councils to incorporate them in their land use plans and processes.

## How we measure performance

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Maintaining a responsive and efficient Civil Defence emergency management system	Providing timely information and warnings helps protect the public and property.	Nationally issued warnings are acknowledged within 30 minutes.	100%	New measure 2012/13: 100%
Maintaining an effective Civil Defence emergency management system	Maintaining effective plans and response procedures is an important way to reduce the impact of any emergency situation.	Emergencies are debriefed within one month and noted improvements are incorporated into the appropriate emergency operating procedures and response plans.	100%	2010/11: 100% 2012/13: No events
Providing accurate and timely flood warnings	Timely warnings are important to enable communities to take precautionary measures and safeguard property and livestock.	Accurate and timely flood warnings issued.	100%	New measure 2012/13: 100%
Maintaining an efficient and responsive and efficient oil pollution response	There is a high public expectation that our response will be effective and efficient.	Evaluate and respond to a report of an oil spill within one hour of the report being received.	100%	2010/11: 100% 2012/13: 100%
Maintaining natural hazard information and assessments to protect life and property	Identification of natural hazards and risk reduction options enables people to make an informed decision	Maintain hazard information for river flooding and beach profiles.	Priority beach profile sites updated biennially.	New measure 2012/13: Achieved

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
	about the risks and what level of risk they are prepared to accept or mitigate. This information also flows into policy and land use planning which help to reduce risk where risk is deemed unacceptable.			
Maintaining natural hazard information and assessments to protect life and property	Identification of natural hazards and risk reduction options enables people to make an informed decision about the risks and what level of risk they are prepared to accept or mitigate. This information also flows into policy and land use planning which help to reduce risk where risk is deemed unacceptable.	Maintain hazard information for river flooding and beach profiles.	Flood level monitoring at priority rivers updated within one month following every large flood event.	New measure  2012/13: No large events

## Funding Impact Statement for Hazard Management

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
982,079	General rates, uniform annual general charges, rates penalties	810,309	1,257,789	(447,480)
-	Targeted rates (other than a targeted water rates)	-	-	-
73,408	Subsidies and grants for operating purposes	81,952	75,757	6,195
1,032	Fees, charges and targeted rates for water supply	195,876	1,065	194,811
-	Internal charges and overheads recovered	-	-	-
170,732	Local authority fuel tax, fines, infringement fees and other receipts	12,000	129,398	(117,398)
<b>1,227,251</b>	<b>Total operating funding</b>	<b>1,100,137</b>	<b>1,464,009</b>	<b>(363,872)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,227,148	Payments to staff and suppliers	1,010,895	1,214,558	203,663
-	Finance costs	-	-	-
370,065	Internal charges and overheads applied	399,746	485,566	85,820
-	Other operating funding applications	-	-	-
<b>1,597,213</b>	<b>Total applications of operating funding</b>	<b>1,410,641</b>	<b>1,700,124</b>	<b>289,483</b>
<b>(369,962)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(310,504)</b>	<b>(236,115)</b>	<b>(74,389)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
5,000	to improve levels of service	-	-	-
1,250	to replace existing assets	-	-	-
20,553	Increase / (decrease) in reserves	-	-	-
(396,765)	Increase / (decrease) of investments	(310,504)	(236,115)	74,389
<b>(369,962)</b>	<b>Total applications of capital funding</b>	<b>(310,504)</b>	<b>(236,115)</b>	<b>74,389</b>
<b>369,962</b>	<b>Surplus / (deficit) of capital funding</b>	<b>310,504</b>	<b>236,115</b>	<b>74,389</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

General rating revenue is less than the forecasted amount in the Long Term Plan. This is due to the proposal to reduce the general rate annual increase from 7.22% (as forecast in the Long Term Plan) to 0%, compounded by the reduced rates increase in 2013/14 from 6.45% (as proposed in the Long Term Plan) to 3%.

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

Payments to staff and suppliers are less than the forecasted amount in the Long Term Plan mainly due to a reduction in hazard management consultancy.

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

# Transport

This group of activities includes:

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

## Update on key projects

The year ahead will focus on:

- the preparation and completion of the Regional Land Transport Plan 2015-2018.
- the review of the Regional Public Transport Plan 2012 – 2018.
- the review into national Funding Assistance Rates.

The timing and delivery of these plans is dependent on the government, and their release of the new Government Policy Statement in June 2014, the delivery of the National Investment and Revenue Strategy, national guidelines for the preparation of regional land transport plans and completion of the national Financial Assistance Rates Review.

We will continue to:

- deliver the third year of the Northland Regional Land Transport Programme 2012-2015
- deliver the Whāngārei urban bus service and assist with the BusAbout Kaitiāia Service
- administer the Total Mobility Scheme
- undertake road safety initiatives and projects
- play our role in regional issues such as a potential shared service for roading, the proposed continuation of the Regional Funding allocation (after July 2015) and addressing dust from unsealed roads
- investigate if any additional stock effluent disposal sites are necessary in Northland (to complement the existing network of sites across the region).

## How we measure performance

### Variation to performance measures

During 2012/13 it was identified that the performance target and baseline data for the performance measure 'reducing the annual number of serious injury motor vehicle crashes in Northland' included in the Long Term Plan was incorrect. Council reported against the corrected data in its Annual Report 2013 and included the revised targets in its Annual Plan 2013/14.

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Embed safety in the thinking of all Northland road users	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of fatal motor vehicle crashes in Northland.	2012: <20 2013: <18 2014: <17 2015-22: <17	2010/11: 21*  * Based on average fatal crashes for the four years up to June 2011.  2011/12: 7 2012/13: 15
Embed safety in the thinking of all Northland road users	There is a community expectation and national directive to make our roading network safer.	Reducing the annual number of serious injury motor vehicle crashes in Northland.	2012: <90* 2013: <85* 2014: <80* 2015-22: <80*  * The performance target and baseline data that was published in the Long Term Plan for this measure was incorrect; the target shown above is based on the correct data.	2010/11: 92*+  + Based on average serious injury crashes for the four years to June 2011.  2012/13: 79

Levels of service	Why it is important	Performance measure	Performance target	Baseline in LTP
Providing an efficient and effective public bus service	A reliable and effective bus service will have an increasing number of patrons.	Number of passengers for the Whāngārei urban bus service.	Increases annually.	2010/11: 287,006 2012/13: 305,737
Maintaining navigation aids for safe navigation	Safety of harbour and coastal waters. Also mitigates environmental problems of oil spills from wrecks.	Failures to navigation aids are repaired within five working days of reporting.	100%	New measure 2012/13: 100%
Providing safe pilotage services for vessels entering the Bay of Islands.	Pilotage provides additional safety. Large ships carry large amounts of oil.	Number of incidents from providing pilotage services within Bay of Islands harbours.	Zero incidents related to pilotage.	2010/11: 0 2012/13: 0

## Funding Impact Statement for Transport

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
1,088,149	General rates, uniform annual general charges, rates penalties	1,164,256	1,084,255	80,001
518,758	Targeted rates (other than a targeted water rates)	518,758	548,931	(30,173)
897,782	Subsidies and grants for operating purposes	966,556	1,170,867	(204,311)
1,500,996	Fees, charges and targeted rates for water supply	1,454,131	1,589,102	(134,971)
-	Internal charges and overheads recovered	-	-	-
10,114	Local authority fuel tax, fines, infringement fees and other receipts	-	10,437	(10,437)
<b>4,015,799</b>	<b>Total operating funding</b>	<b>4,103,701</b>	<b>4,403,593</b>	<b>(299,892)</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
3,621,560	Payments to staff and suppliers	3,856,529	4,071,468	214,939
-	Finance costs	-	-	-
652,968	Internal charges and overheads applied	718,435	675,885	(42,550)
-	Other operating funding applications	-	-	-
<b>4,274,528</b>	<b>Total applications of operating funding</b>	<b>4,574,964</b>	<b>4,747,353</b>	<b>172,388</b>
<b>(258,729)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(471,263)</b>	<b>(343,760)</b>	<b>(127,503)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
20,000	to improve levels of service	18,000	11,716	(6,284)
222,451	to replace existing assets	78,901	100,112	21,211
48,539	Increase / (decrease) in reserves	14,934	14,746	(188)
(549,719)	Increase / (decrease) of investments	(583,098)	(470,335)	112,764
<b>(258,729)</b>	<b>Total applications of capital funding</b>	<b>(471,263)</b>	<b>(343,760)</b>	<b>127,503</b>
<b>258,729</b>	<b>Surplus / (deficit) of capital funding</b>	<b>471,263</b>	<b>343,760</b>	<b>127,503</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



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

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

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

Fees, charges and targeted rates for water supply are less than the forecasted amount in the Long Term Plan due to lower than forecasted pilotage and navigational

bylaw charge income combined with lower than anticipated bus fare revenue.

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

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

# Community Representation and Engagement

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

## Update on key projects

### Local government reorganisation

The Local Government Commission produced its Draft Proposal for Local Government Reorganisation in Northland in 2013, with submissions closing on 21 February 2014 and hearings scheduled for March 2014.

The Commission has proposed a single council for Northland with seven community boards. This would be a new entity and the council would cease to exist. The council has told the Local Government Commission it can't support its draft proposal in its current form – and has asked it to do more work, then issue a fresh draft.

The Commission's proposal is available on its website and further information on council's position can be found at [www.nrc.govt.nz/lgreform](http://www.nrc.govt.nz/lgreform).

At the time of consulting the public on this Draft Annual Plan the outcomes of this process are far from certain. Council has therefore prepared this Draft Annual Plan in line with the Long Term Plan and intends to deliver its services and activities on a business as usual basis. As documented in our forecasting assumptions, council has not budgeted for specific costs associated with reorganisation, such as poll or transition.

The one exception to this is that council has included a small budget (\$50,000) for communication on reorganisation. During 2013/14 council received positive feedback from the public on the information it provided to Northland communities on the process and the commission's proposal and we see value in making

a specific budget available for this work to continue during 2014/15 should it be necessary.

Council will continue to examine whether this budget will be required (or would be sufficient) based on information from Local Government Commission and parliamentary processes that emerges before the end of May 2014, submissions and communications advice. This information and advice will be considered as part of deliberations and adoption of the Annual Plan.

### Governance - Te Taitokerau Regional Māori Advisory Committee

Council is committed to establishing a relationship based on genuine partnership with Māori. It wants to promote Māori (whanau, hapu and iwi) participation and engagement in council processes and decision making and ensure it takes appropriate account of the principles of the Treaty of Waitangi.

Council therefore set up a working party in December 2013 and that working party then engaged with recognised iwi authorities in Tai Tokerau on the potential membership of a new committee, tentatively named 'Te Tai Tokerau Regional Māori Advisory Committee', and its terms of reference.

Council considers that this approach – collaboratively developing the purpose, mandate, functions and work programme of the committee with Māori – will enable lasting and meaningful relationships between Māori and council and create a commitment to the success of the committee.

It is envisaged that the committee will identify issues of regional significance to Māori including issues of significance to whanau, hapu and iwi which may be rohe specific during 2014.

### How we measure performance

Level of service	Why it is important	Performance measure	Performance target	Baseline performance in LTP
Maintaining effective, open and transparent democratic processes	This is council in action – facilitating community participation in decision-making.	Submissions received on council's long term plan and annual plan.	Increasing number of submissions for Annual Plans and Long Term Plans	2010/11: 220 2012/13: 18
Maintaining effective, open and transparent democratic processes	Providing responses to submitter feedback enhances the experience of submitters and encourages their ongoing participation in local government decision making processes.	Time to respond to submitters post adoption of annual plans and long term plans.	Within one month of adoption	2010/11: One month 2012/13: Achieved
Providing effective advocacy on behalf of Northlanders on matters of regional significance	This is council in action – advocating for Northlanders on issues of importance to them.	Level of advocacy undertaken on issues of importance to Northland over and above government submission processes.	10 submissions made annually	New measure 2012/13: 13

## Funding Impact Statement for Community Representation and Engagement

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
1,522,982	General rates, uniform annual general charges, rates penalties	1,824,434	1,680,399	144,035
-	- Targeted rates (other than a targeted water rates)	-	-	-
-	- Subsidies and grants for operating purposes	-	63,901	(63,901)
-	- Fees, charges and targeted rates for water supply	-	-	-
-	- Internal charges and overheads recovered	-	-	-
-	- Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
<b>1,522,982</b>	<b>Total operating funding</b>	<b>1,824,434</b>	<b>1,744,301</b>	<b>80,133</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
1,891,164	Payments to staff and suppliers	2,069,261	2,026,399	(42,862)
-	- Finance Costs	-	-	-
423,262	Internal charges and overheads applied	606,616	481,711	(124,905)
-	- Other operating funding applications	-	-	-
<b>2,314,426</b>	<b>Total applications of operating funding</b>	<b>2,675,877</b>	<b>2,508,110</b>	<b>(167,767)</b>
<b>(791,444)</b>	<b>Surplus / (deficit) of operating funding</b>	<b>(851,443)</b>	<b>(763,810)</b>	<b>(87,634)</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	- Subsidies and grants for capital purposes	-	-	-
-	- Development and financial contributions	-	-	-
-	- Increase / (decrease) in debt	-	-	-
-	- Gross proceeds from sale of assets	-	-	-
-	- Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	- to meet additional demand	-	-	-
-	- to improve levels of service	-	-	-
-	- to replace existing assets	-	-	-
(165,000)	Increase / (decrease) in reserves	-	-	-
(626,444)	Increase / (decrease) of investments	(851,443)	(763,810)	87,634
<b>(791,444)</b>	<b>Total applications of capital funding</b>	<b>(851,443)</b>	<b>(763,810)</b>	<b>87,634</b>
<b>791,444</b>	<b>Surplus / (deficit) of capital funding</b>	<b>851,443</b>	<b>763,810</b>	<b>87,634</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

General rates are higher than budgeted in the Long Term Plan predominantly due to an increased distribution of general rates (based on net cost) allocated to fund this Activity.

Subsidies and grants for operating purposes is less than budgeted in the Long Term Plan as the Treaty Settlement process for Te Hiku iwi has not progressed as quickly as anticipated when the Long Term Plan 2012–2022 was adopted. The constitution of the Beach Management Board for Te Oneroa–a–Tōhe and the Crown subsidy of \$60,000 to administer it may not occur during the 2014/15 financial year, and is therefore not shown as subsidy and grant income associated with this activity.

If the legislation implementing the settlements takes effect during 2014/15, the anticipated subsidy should be available at the same time that expenditure on the Beach Management Board administration occurs and therefore this will have nil effect on the costs of administration associated with the Board. (The funding becomes available 60 business days after the date on which the settlement legislation comes into force.) The Deeds of Settlement also anticipate that the council will hold on behalf of the Beach Management Board a one off payment from the Crown to the Board (\$400,000). These funds are not council funds and are not and are not shown as council operating funding.

Within the Draft Annual Plan the non-councillor committee membership costs (for the committee tentatively named 'Te Tai Tokerau Regional Māori Advisory Committee') are funded from growth (in SUIPS and Rating Units) and the first year of the committee's work programme from our existing budgets for working with Māori and iwi liaison.

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

Internal charges and overhead applied are greater than the Long Term Plan due to the increased organisational support costs allocated to this activity as a result of an increased corporate budget for doubtful debts.

# Support Services

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

Annual Plan 2013/14 \$	Prospective Funding Impact Statement for period ending 30 June 2015	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>SOURCES OF OPERATING FUNDING</b>			
-	General rates, uniform annual general charges, rates penalties	-	-	-
-	Targeted rates (other than a targeted water rates)	-	-	-
-	Subsidies and grants for operating purposes	-	-	-
52,217	Fees, charges and targeted rates for water supply	62,763	39,406	23,357
6,559,550	Internal charges and overheads recovered	7,720,716	6,855,642	865,074
6,609,852	Local authority fuel tax, fines, infringement fees and other receipts	7,281,279	5,941,993	1,339,286
<b>13,221,619</b>	<b>Total operating funding</b>	<b>15,064,758</b>	<b>12,837,041</b>	<b>2,227,717</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>			
5,800,911	Payments to staff and suppliers	6,619,298	5,732,245	(887,053)
1,000	Finance Costs	1,000	1,000	-
16,720	Internal charges and overheads applied	19,891	17,346	(2,545)
-	Other operating funding applications	-	-	-
<b>5,818,631</b>	<b>Total applications of operating funding</b>	<b>6,640,189</b>	<b>5,750,591</b>	<b>(889,599)</b>
<b>7,402,988</b>	<b>Surplus / (deficit) of operating funding</b>	<b>8,424,569</b>	<b>7,086,450</b>	<b>1,338,119</b>
	<b>SOURCES OF CAPITAL FUNDING</b>			
-	Subsidies and grants for capital purposes	-	-	-
-	Development and financial contributions	-	-	-
-	Increase / (decrease) in debt	-	-	-
-	Gross proceeds from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>			
	Capital expenditure			
-	to meet additional demand	-	-	-
435,034	to improve levels of service	180,000	388,734	208,734
553,776	to replace existing assets	761,049	546,890	(214,159)
1,961,651	Increase / (decrease) in reserves	1,685,996	2,587,134	901,138
4,452,527	Increase / (decrease) of investments	5,797,524	3,563,692	(2,233,832)
<b>7,402,988</b>	<b>Total applications of capital funding</b>	<b>8,424,569</b>	<b>7,086,450</b>	<b>(1,338,119)</b>
<b>(7,402,988)</b>	<b>Surplus / (deficit) of capital funding</b>	<b>(8,424,569)</b>	<b>(7,086,450)</b>	<b>(1,338,119)</b>
-	<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Variations from Long Term Plan**

### **Sources of operating funding**

Local authorities' fuel tax, fines, infringement fees and other receipts are greater than the Long Term Plan forecast predominantly due to the Northland Port Corporation dividend being greater than originally forecast. Originally a \$0.065 per share dividend was incorporated into the Long Term Plan; however, the dividend was revised in this Draft Annual Plan to \$0.115 per share (additional \$1.1M). In addition, a dividend from Regional Software Holdings limited of \$250,000 has been introduced into the Draft Annual Plan that was not included in the Long Term Plan.

The increase in internal charges and overheads recovered represents the larger level of support services costs (above the Long Term Plan) charged out to other council activities as part of our Support Service cost allocation process.

### **Applications of operating funding**

Payments to staff and suppliers are higher than budgeted in the Long Term plan due an increase in doubtful debts provision, increased audit fees, the redirection of depreciation and an allowance for aerial photography.

During 2014/15 council intends to acquire new aerial imagery through a broad partnership model – as it has in the past. Each of the district councils in Northland are preparing their draft annual plan budgets with funding for this acquisition. Northpower is also committed to the project.

Council will coordinate the project and receive funding from the partners. As this Draft Annual Plan is being prepared there is the opportunity for the councils of Northland and Northpower to leverage funding from LINZ (with potentially other central government departments also contributing) during 2014 and 2015 to complete this project. Council is assuming that there will be a \$200,000 contribution from LINZ to council in the 2013/14 year and that this funding will be carried over from 2013/14 to 2014/15 to part fund the project.

Council anticipates that the district councils of Northland and Northpower will contribute a further \$150,000 during 2014/15 and council's contribution of approximately \$100,000 is funded from general rates.



# Significant financial forecasting assumptions

The financial forecasts within this Draft Annual Plan are based on a range of assumptions about our future situation – in particular, assumptions that impact on our revenue and expenditure levels. The forecasting assumptions listed in this plan reflect the assumptions within the Long Term Plan 2012–2022 applying to 2014/15; and have been updated where appropriate. For a complete list of the long-term forecasting assumptions, refer to the Long Term Plan 2012–2022 which is available on our website: [www.nrc.govt.nz/ltf](http://www.nrc.govt.nz/ltf)

Schedule 10 of the Local Government Act 2002 requires the council to identify the significant forecasting assumptions and risks underlying the financial information set out in the Long Term Plan. Where there is a high level of uncertainty, council must state the reason for that level of uncertainty and provide an estimate of its potential effects on the financial estimates provided. The level of uncertainty is determined by reference to both the likelihood of the occurrence and the financial materiality.

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

The financial forecast information disclosed is future focused for the purposes of the Financial Reporting Standard FRS–42: Prospective Financial Statements and accordingly, there are a number of budget assumptions that, at the time of preparing the forecast information the council reasonably expects to occur. These assumptions are necessary as the Long Term Plan covers a 10 year period and to ensure that there is a

consistent and justifiable basis for the preparation of the financial forecasts.

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

The council has assumed that the actual results for the 2013/2014 financial year are largely in accordance with the Annual Plan 2013/2014 (second year of the Long Term Plan 2012–2022).

The council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The prospective financial statements were authorised for consultation on 11 March 2014 by council resolution. The council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## General assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<p>The Northland <b>economy</b> will take longer to recover than in other parts of New Zealand, in terms of employment and the real estate market.</p> <p>Over the 10 year period from June 2012 to June 2022, we had assumed a slower gross domestic product (GDP) growth rate of 1.5%.</p> <p>However Northland's GDP growth has been stronger than expected (around 3% in both 2011/12 and 2012/13 financial years). We are therefore now assuming that the 2013/14 GDP growth figure will be around 3% as well.</p>	The current recovery stalls, is slower than expected or significantly deepens.	Low to medium	A 1 % reduction in general rating revenue in 2014-15 is \$133,137, equivalent to 0.4% of our total operating budget.	A slow economy has the effect of perpetuating affordability issues and potentially resulting in increased rating arrears.
<p><b>Population growth</b> will remain slow; also assuming 2.4% increase in the number of separately used or inhabited parts of a property and rating units (SUIP's/RU's).</p> <p>Impact: No additional expenditure has been provided in this plan for addressing issues related to population growth.</p>	Population growth and/or growth in properties will be significantly different from projected.	Low	Low  This equates to an increase of 2037 SUIP's/RU's in 2014/15. The average general rate per SUIP/RU is \$173.61. If the projected 2.4% increase in SUIP/RU did not eventuate the average general rate would be \$177.71.	Short term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments. A greater demand for public transport services may result in the urban areas, particularly Whāngārei, as it is likely to expand at a greater rate than other areas within the region.
<p><b>Resource consents</b> Conditions for existing resource consents held by council will not be significantly altered. Any resource consent due for renewal during the year will be renewed accordingly.</p>	Conditions of resource consents are altered significantly. Council is unable to renew existing resource consents upon expiry.	Low	Low	The final effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the council needing to spend additional funds to enable compliance. Generally, the council considers that it is fully compliant with existing resource consents and does not contemplate any material departure from these requirements over 2014/15.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<b>Changes to council's business</b> There will be no significant change to council business dictated by as yet unknown/unconfirmed legislation or central government policy change.	Changes to council business significantly alter operations and activities carried out by council.	Medium	Low	The final effect of any change to council's business would depend upon the extent of the change. A significant change could result in the council altering its activities or spending additional funds to enable compliance.  Council has made some adjustments this year, e.g. adjusted its SOE monitoring in anticipation of the Environmental Reporting Bill, to minimise the likelihood of significant changes being required.
<b>Local government reorganisation in Northland won't happen before 1 November 2015.</b>  For the purposes of this Annual Plan, it is assumed that the council continues to exist for the period 2014/15.  We have assumed that the financial costs associated with the proposed reorganisation and any transition (should that occur during this financial year) are able to be met using existing council cash, investments (including income) and reserves and will not have any material effect on the overall financial forecasts in this plan.  We have assumed that council uses a mix of staff and contractors to deliver the services and activities as per the council's LTP and Annual Plan.	Council ceases to exist. (The timing and extent of any changes is not certain. However if change occurs it is probable that the council will cease to exist.)  Council may incur costs associated with referendum / poll during 2014/15 and may be in the early stages of a transition phase with consequent financial costs.  The council's ability to retain and recruit staff is likely to be affected and may impact on levels of service.	Medium	Low	Delivery of services and funding will become a matter for the new council if council ceases to exist.  The rating arrangements provided for in council's LTP revenue and financing policies and funding impact statements continue to apply.  Council will work with any transition body on the transition change management plan to implement any final proposal, including delivering services and activities as per the council's LTP and Annual Plan.  Variations to long term budget forecasts and levels of service may be required before the first long term plan of the new council.

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

## Financial assumptions

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk
<b>Inflation</b> Council has adjusted base financial projections to reflect the estimated impact of inflation. Council has used a base increase of 2.4% on operating expenditure determined by using Business and Economic Research Ltd.'s (BERL) projected expectation of inflationary effects on local authority expenditure.	The actual rate of inflation varies from the assumed rate of inflation.	Low to medium	Low to medium 1% increase in inflation over and above the BERL rates will increase council's total operating expenditure by \$284,172.  Should operating expenditure increase and council is not able to achieve savings to offset the increase it is likely there will be a proportional impact on all of council's funding sources in the following year.	Inflation is affected by external factors, most of which are outside of council's control and influence.  Actual individual indices will at times vary from what has been assumed in this plan. The council has relied on the Reserve Bank's use of monetary controls to keep inflation within the 1% to 3% range.
<b>Forecast return on council investments</b> <ul style="list-style-type: none"> <li>Cash investments Interest income derived from cash deposits is calculated upon an assumption 2.9% per annum for current/call accounts and 3.25 -6.25% for term deposits.</li> <li>Stocks and bonds (fixed) investments Interest income derived from fixed Investments is calculated at the relevant coupon rate until maturity of such investment.</li> </ul> Reinvestment into Fixed Investments has had interest calculated at 4.71-6.25% per annum.	Actual interest rates vary from those projected.	Low to medium	Low to medium  An increase or decrease of 1% above or below forecast returns on cash deposits will result in a variance in interest income of \$190,545	If actual interest rates are lower than the forecast rates, then the Growth and Investment Reserve will receive reduced allocations. Rating levels will not be affected.
<b>Forestry Investment Revenue</b> Forestry revenue is projected in line with the forestry management plan.  The forestry is revalued annually. The valuation adjustments are provided by an independent forestry consultant. These are non-cash and as the forest is a long term asset, the adjustments do impact on funding or expenditure requirements.	Projected forestry returns differ significantly from those estimated.	Low to medium	Low	If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk						
<p><b>Forecast return on investments made from the Investment and Growth Reserve</b></p> <p>It is assumed funding set aside in the Investment and Growth Reserve will earn a return of 6.15% per annum.</p> <p>Investment and Growth Reserve funds will be invested in accordance with council’s Treasury Management Policy criteria until such time as they are invested in accordance with the Investment and Growth Reserve Criteria.</p> <p>Actual return on investments could vary significantly. Council recognises higher risk investments, may result in potential higher returns, but there is also a risk of the project not delivering the expected return. It is also possible that council will accept a lower return on projects that contribute positively to social and cultural well-beings.</p>	Actual returns vary from those projected.	Medium	Low to medium	If actual investment returns are lower than forecasted rates there will be less funding available to invest in further projects. This may have an impact on council’s ability to make a positive contribution towards promoting economic development in Northland. Rating levels will not be affected.						
<p><b>Borrowing costs (external and internal)</b></p> <p>The borrowing costs for qualifying assets are calculated assuming the following average interest rates.</p> <table><tr><td></td><td>New borrowing</td><td>Existing Borrowing</td></tr><tr><td>2014/15</td><td>6.15%</td><td>6.15%</td></tr></table>		New borrowing	Existing Borrowing	2014/15	6.15%	6.15%	The prevailing interest rate varies from those assumed.	Medium	Low	<p>Council is not forecasting any external borrowing in 2014/15. If any actual borrowing should eventuate, an unbudgeted interest expense will also eventuate and this may affect the level of rating income increase required to fund such expenditure.</p> <p>Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.</p>
	New borrowing	Existing Borrowing								
2014/15	6.15%	6.15%								

Assumption and impact of assumption	Risk	Likelihood	Financial impact	Impact of risk										
<b>Dividends</b> It is assumed that council will maintain its shareholding in Northland Port Corporation (NZ) Limited.  It is assumed that the dividend received from this shareholding will be 11.5 cents per share.  Council is also anticipating an RSHL dividend.	Council chooses not to maintain its shareholding.  The actual dividend per share will vary from the assumed amount.  No dividend return from RSHL.	Low   Low	Low An alternative investment would be sought with an annual return.  Low  A one cent per share movement in the declared Northland Port Corporation (NZ) Limited dividend will have an impact on council's dividend income by \$221,429.	If actual dividend income is lower than the forecast other funding sources or savings will be considered to offset the difference.  Investment revenue, including dividends are to be transitioned to the Investment and Growth Reserve over a ten year period. If in any one year, the actual investment revenue is less than \$6.7M, council will calculate the amount to be transferred to the Investment and Growth Reserve based on the actual revenue and the stage of phasing.										
<b>Investment property rental income</b> It is assumed the council's investment property portfolio will be tenanted throughout the plan at the current occupancy rates and that rents will be increased at review date by the corresponding CPI change since the previous review as per the table below: <table><tr><td>5 Year CPI Change</td><td>10.2%</td></tr><tr><td>7 Year CPI Change</td><td>17.9%</td></tr><tr><td>10 Year CPI Change</td><td>29.4%</td></tr><tr><td>20 Year CPI Change</td><td>56.8%</td></tr><tr><td>21 Year CPI Change</td><td>59.1%</td></tr></table>  CPI figures are drawn from the Statistics NZ web site and are expressly calculated for the period.  It is further assumed the disposition of any investment property will have no financial impact as the proceeds will be reinvested in an investment that provides a similar revenue stream.  Council has assumed the sale of a significant building within the portfolio. This has had the result of reducing income on the portfolio by \$412,869. The proceeds from this sale have been added to cash investments and the expected interest income calculated and budgeted.	5 Year CPI Change	10.2%	7 Year CPI Change	17.9%	10 Year CPI Change	29.4%	20 Year CPI Change	56.8%	21 Year CPI Change	59.1%	Occupancy rates decline and /or rent reviews are less than forecast – resulting in less than forecast rental income.	Low	Low  A 1% reduction in council's investment property rental income equates to \$34,145.	All rentals are subject to contractual obligations which have varying renewal and review periods. The large majority of rental properties have 5, 7 and 21 year rent reviews, and the reviews falling due in any one year will not have an material impact on the annual rental income.
5 Year CPI Change	10.2%													
7 Year CPI Change	17.9%													
10 Year CPI Change	29.4%													
20 Year CPI Change	56.8%													
21 Year CPI Change	59.1%													



## Financial Prudence

There is an expectation that councils will act with financial prudence. To assess whether a local authority is measuring its financial dealings prudently a number of measures have been recommended as part of the better Local Government Reform programme. Council has adopted these measures, however given that council carries no external debt the external debt measures are not applicable.

	Target	2014/15 Draft Annual Plan
<b>Affordability</b>		
Rates Benchmark		
i) Total rates as % of total revenue	<65%	56%
ii) Total rates increase as % of total expenditure	<10%	1% #
Rates Indicator		\$232.37 (incl. GST)
<b>Sustainability</b>		
Benchmark		
a) Balanced budget benchmark *	>1%	1.11
b) Essential services benchmark **	>1%	69.93
<b>Predictability</b>		
Benchmark		
Operations control benchmark (results to be published in the annual report)		N/A
# The rating revenue increase is due to growth in rating units.		
* Revenue, excluding income from development contributions and financial contributions, revaluations and vested assets, exceeds operating expenditure.		
** Capital expenditure on the five network infrastructure services equals or exceeds depreciation on those 5 services. The draft annual plan result of 69.93 is largely due to the capital expenditure in relation to the Kotuku dam and the Kerikeri-Waipapa and Awanui River works, which are all funded by targeted rates.		

# Financial statements

## Prospective Statement of Comprehensive Revenue and Expense

Annual Plan 2013/14 \$	Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>REVENUE</b>			
971,190	Grants and Subsidies	1,068,508	1,395,526	(327,018)
4,172,467	User charges	4,369,055	4,332,783	36,272
<b>5,143,657</b>	<b>Revenue from activities</b>	<b>5,437,563</b>	<b>5,728,308</b>	<b>(290,745)</b>
7,691,495	Council Service Rate	7,725,314	8,525,519	(800,205)
5,314,720	Land Management Rates	5,588,418	6,031,939	(443,521)
611,353	Targeted Regional Infrastructure Rate	611,353	593,602	17,751
1,220,845	Targeted Regional Recreational Facilities Rate	1,243,310	1,239,466	3,844
2,673,759	Other Targeted Rates	2,682,179	3,225,204	(543,025)
<b>17,512,172</b>	<b>Total Rating revenue</b>	<b>17,850,574</b>	<b>19,615,730</b>	<b>(1,765,156)</b>
3,648,608	Rental Income	3,310,721	3,758,416	(447,695)
2,020,022	Interest Income	2,655,685	2,001,272	654,413
2,103,577	Dividend Income	2,796,434	1,439,289	1,357,145
170,846	Sundry Income	-	129,965	(129,965)
<b>7,943,053</b>	<b>Other Revenue</b>	<b>8,762,840</b>	<b>7,328,942</b>	<b>1,433,898</b>
<b>178,133</b>	<b>Other gains/(losses)</b>	<b>177,000</b>	<b>98,891</b>	<b>78,109</b>
<b>30,777,015</b>	<b>TOTAL REVENUE</b>	<b>32,227,977</b>	<b>32,771,871</b>	<b>(543,894)</b>
	<b>EXPENSE</b>			
10,930,498	Personnel Costs	11,226,622	11,018,526	(208,096)
1,131,791	Depreciation	1,228,817	1,252,891	24,074
94,272	Finance Costs	111,000	1,000	(110,000)
15,409,171	Other expenditure on activities	16,790,704	16,093,566	(697,138)
<b>27,565,732</b>	<b>TOTAL EXPENSE</b>	<b>29,357,143</b>	<b>28,365,982</b>	<b>(991,161)</b>
<b>3,211,283</b>	<b>NET SURPLUS FOR THE YEAR</b>	<b>2,870,834</b>	<b>4,405,888</b>	<b>(1,535,054)</b>
	<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>			
742,795	Gain/(Loss) on Infrastructure Asset Revaluation	-	-	-
<b>3,954,078</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>	<b>2,870,834</b>	<b>4,405,888</b>	<b>(1,535,054)</b>
	Total Comprehensive Revenue and Expense for the year attributable to:			
3,954,078	Northland Regional Council	2,870,834	4,405,888	(1,535,054)
	Non-Controlling interest in Surplus/(Deficit) of Northland Port Corporation (NZ) Limited	-	-	-
<b>3,954,078</b>		<b>2,870,834</b>	<b>4,405,888</b>	<b>(1,535,054)</b>

## Prospective Statement of Financial Position

Annual Plan 2013/14 \$	Prospective Statement of Financial Position as at 30 June:	Annual Report 2012/13 \$	Forecast Movements 2013/14 \$	Forecast 2013/14 \$	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>EQUITY</b>						
107,269,799	Accumulated funds	111,540,028	5,728,627	117,268,655	123,328,532	115,938,399	7,390,133
18,143,888	Other Reserves	9,876,301	(1,941,791)	7,934,510	4,745,467	13,917,302	(9,171,835)
<b>125,413,687</b>	<b>TOTAL EQUITY</b>	<b>121,416,329</b>	<b>3,786,836</b>	<b>125,203,165</b>	<b>128,073,999</b>	<b>129,855,701</b>	<b>(1,781,702)</b>
	<b>CURRENT ASSETS</b>						
7,000,725	Cash and cash equivalents	15,889,952	(5,288,018)	10,601,934	2,763,676	1,505,894	1,257,782
4,893,100	Trade and other receivables	4,896,707	117,521	5,014,228	5,134,569	5,657,897	(523,328)
3,165,500	Inventories	3,127,987	-	3,127,987	3,204,860	1,627,614	1,577,246
11,190,362	Other investments (current portion)	9,222,258	-	9,222,258	8,397,258	75,000	8,322,258
<b>26,249,687</b>	<b>TOTAL CURRENT ASSETS</b>	<b>33,136,903</b>	<b>-5,170,497</b>	<b>27,966,407</b>	<b>19,500,363</b>	<b>8,866,405</b>	<b>10,633,958</b>
	<b>NON CURRENT ASSETS</b>						
5,256,299	Other receivables	5,395,453	-	5,395,453	5,395,453	5,201,500	193,953
47,674,256	Investment property	48,296,000	(4,277,498)	44,018,502	44,018,502	48,320,999	(4,302,497)
7,840,467	Investments in subsidiaries and associates	7,827,563	-	7,827,563	7,827,563	8,940,541	(1,112,978)
14,247,205	Other investments	9,859,589	7,969,363	17,828,952	23,599,952	27,200,152	(3,600,200)
-	Investments in CCOs	753,950	63,507	817,457	817,457	-	817,457
27,226,723	Property, plant and equipment	20,186,617	5,449,225	25,635,842	31,526,390	34,912,581	(3,386,191)
1,443,846	Intangible assets	1,110,168	(78,504)	1,031,664	806,770	1,262,874	(456,104)
1,798,149	Biological assets	1,731,775	147,447	1,879,222	2,056,222	1,817,575	238,647
-	Capital projects in progress	56,420	-56,420	-	-	-	-
<b>105,486,945</b>	<b>TOTAL NON CURRENT ASSETS</b>	<b>95,217,537</b>	<b>9,217,120</b>	<b>104,434,655</b>	<b>116,048,309</b>	<b>127,656,222</b>	<b>(11,607,913 )</b>
<b>131,736,632</b>	<b>TOTAL ASSETS</b>	<b>128,354,440</b>	<b>4,046,622</b>	<b>132,401,061</b>	<b>135,548,672</b>	<b>136,522,627</b>	<b>(973,955)</b>
	<b>CURRENT LIABILITIES</b>						
4,617,350	Trade and other payables	5,114,871	216,029	5,330,900	5,566,603	4,981,461	585,142
1,656,126	Employee benefit liabilities current	1,787,191	42,893	1,830,084	1,870,345	1,631,588	238,757
<b>6,273,475</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>6,902,062</b>	<b>258,921</b>	<b>7,160,983</b>	<b>7,436,948</b>	<b>6,613,049</b>	<b>823,899</b>
	<b>NON CURRENT LIABILITIES</b>						
49,470	Employee benefit liabilities term	36,048	865	36,913	37,725	53,877	(16,152)
<b>49,470</b>	<b>TOTAL NON CURRENT LIABILITIES</b>	<b>36,048</b>	<b>865</b>	<b>36,913</b>	<b>37,725</b>	<b>53,877</b>	<b>(16,152)</b>
<b>6,322,945</b>	<b>TOTAL LIABILITIES</b>	<b>6,938,110</b>	<b>259,787</b>	<b>7,197,897</b>	<b>7,474,674</b>	<b>6,666,926</b>	<b>807,748</b>
<b>125,413,687</b>	<b>TOTAL NET ASSETS</b>	<b>121,416,329</b>	<b>3,786,836</b>	<b>125,203,165</b>	<b>128,073,999</b>	<b>129,855,701</b>	<b>(1,781,702)</b>

**Prospective Statement of Changes in Net Assets/Equity**

Annual Plan 2013/14 \$	Prospective Statement of Changes in Net Assets /Equity for the year ending 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
<b>121,459,609</b>	<b>Total Net Assets/ Equity - Opening Balance</b>	125,203,165	125,449,813	(246,648)
3,954,078	Net Surplus for the Year	2,870,834	4,405,888	(1,535,054)
<b>125,413,687</b>	<b>Total Net Assets/ Equity - Closing Balance</b>	<b>128,073,999</b>	<b>129,855,701</b>	<b>(1,781,702)</b>
	Total Balance at 30 June attributable to			
125,413,687	Northland Regional Council	128,073,999	129,855,701	(1,781,702)
-	Non-controlling Interest	-	-	-
<b>125,413,687</b>	<b>Balance at 30 June 2014</b>	<b>128,073,999</b>	<b>129,855,701</b>	<b>(1,781,702)</b>

**Prospective Statement of Cash Flows**

Annual Plan 2013/14 \$	Prospective Statement of Cash Flows for the year ending 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
7,903,873	Receipts from customers	7,559,435	8,038,934	(479,499)
971,190	Receipts from subsidies and grants	1,068,508	1,395,526	(327,018)
2,103,577	Receipts from dividends	2,796,434	1,439,289	1,357,145
1,774,908	Receipts from interest	2,655,685	1,654,523	1,001,162
17,512,172	Receipts from rates	17,850,574	19,615,730	(1,765,156)
(26,274,311)	Payments to suppliers and staff	(27,927,422)	(26,968,593)	(958,829)
(1,000)	Interest payments	(1,000)	(1,000)	-
<b>3,990,408</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,002,213</b>	<b>5,174,408</b>	<b>(1,172,197)</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
-	Receipt from sale of stocks & bonds	-	4,000,000	(4,000,000)
-	Purchase of stocks & bonds	(4,946,000)	(2,000,000)	(2,946,000)
(1,973,767)	Purchase of fixed assets	(6,894,471)	(7,188,958)	294,487
<b>(1,973,767)</b>	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(11,840,471)</b>	<b>(5,188,958)</b>	<b>(6,651,513)</b>
<b>2,016,642</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(7,838,258)</b>	<b>(14,550)</b>	<b>(7,823,710)</b>
<b>4,984,083</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>10,601,934</b>	<b>1,520,444</b>	<b>9,081,490</b>
<b>7,000,725</b>	<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>2,763,676</b>	<b>1,505,894</b>	<b>1,257,780</b>

## Prospective Schedule of Reserves of Changes in Special Reserves

Annual Plan 2013/14 \$	Prospective Schedule of Changes in Reserves as at 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>Asset Revaluation Reserve</b>			
2,000,201	Opening Balance	2,802,996	2,767,996	35,000
742,795	Transfers to reserve	-	-	-
-	Transfers from reserve	-	-	-
<b>2,742,996</b>	<b>Closing Balance</b>	<b>2,802,996</b>	<b>2,767,996</b>	<b>35,000</b>
	<b>Financial assets at Fair Value</b>			
238,079	Opening Balance	137,759	419,212	(281,453)
-	Transfers to reserve	-	-	-
-	Transfers from reserve	-	-	-
<b>238,079</b>	<b>Closing Balance</b>	<b>137,759</b>	<b>419,212</b>	<b>(281,453)</b>
	<b>Land Management Reserve</b>			
1,236,513	Opening Balance	1,392,534	1,773,039	(380,505)
-	Transfers to reserve	25,000	-	25,000
-	Transfers from reserve	-	-	-
<b>1,236,513</b>	<b>Closing Balance</b>	<b>1,417,534</b>	<b>1,773,039</b>	<b>(355,505)</b>
	<b>Awanui River Scheme Reserve</b>			
(212,159)	Opening Balance	(275,057)	(312,994)	37,937
-	Transfers to reserve	-	300,769	(300,769)
(101,550)	Transfers from reserve	(245,046)	(3,862,842)	3,617,796
<b>(313,709)</b>	<b>Closing Balance</b>	<b>(520,103)</b>	<b>(3,875,067)</b>	<b>3,354,964</b>
	<b>Kaihū Urban River Scheme Reserve</b>			
10,995	Opening Balance	48,728	(3,937)	52,665
-	Transfers to reserve	-	44	(44)
(2,295)	Transfers from reserve	(4,942)	-	(4,942)
<b>8,701</b>	<b>Closing Balance</b>	<b>43,786</b>	<b>(3,893)</b>	<b>47,679</b>
	<b>Kaeo-Whangaroa Rivers Scheme Reserve</b>			
(490,654)	Opening Balance	(500,664)	(110,700)	(389,964)
47,178	Transfers to reserve	28,289	61,834	(33,545)
-	Transfers from reserve	-	-	-
<b>(443,476)</b>	<b>Closing Balance</b>	<b>(472,375)</b>	<b>(48,866)</b>	<b>(423,509)</b>
	<b>Whāngārei Urban Rivers Scheme Reserve</b>			
(4,557,651)	Opening Balance	(4,889,971)	(6,760,248)	1,870,277
432,169	Transfers to reserve	232,861	174,149	58,712
(534,369)	Transfers from reserve	(3,265,954)	-	(3,265,954)
<b>(4,659,851)</b>	<b>Closing Balance</b>	<b>(7,923,064)</b>	<b>(6,586,099)</b>	<b>(1,336,965)</b>

Annual Plan 2013/14 \$	Prospective Schedule of Changes in Reserves as at 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>Kerikeri-Waipapa River Scheme Reserve</b>			
(25,084)	Opening Balance	25,130	-	25,130
25,084	Transfers to reserve	50,359	136,008	(85,649)
-	Transfers from reserve	(2,130,048)	(2,130,048)	-
-	<b>Closing Balance</b>	<b>(2,054,559)</b>	<b>(1,994,040)</b>	<b>(60,519)</b>
	<b>Priority Rivers Reserve</b>			
(20,553)	Opening Balance	-	-	-
20,553	Transfers to reserve	-	-	-
-	Transfers from reserve	-	-	-
-	<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Infrastructure Facilities Reserve</b>			
(1,102,931)	Opening Balance	(997,013)	(1,045,912)	48,899
132,895	Transfers to reserve	80,150	161,621	(81,471)
-	Transfers from reserve	-	-	-
<b>(970,036)</b>	<b>Closing Balance</b>	<b>(916,863)</b>	<b>(884,291)</b>	<b>(32,572)</b>
	<b>Recreation Facilities Reserve</b>			
(5,041,512)	Opening Balance	(4,216,494)	(5,190,521)	974,027
829,321	Transfers to reserve	944,828	848,642	96,186
-	Transfers from reserve	-	-	-
<b>(4,212,191)</b>	<b>Closing Balance</b>	<b>(3,271,666)</b>	<b>(4,341,879)</b>	<b>1,070,213</b>
	<b>Investment Fund Reserve</b>			
8,335,297	Opening Balance	8,335,297	8,335,297	-
-	Transfers to reserve	-	-	-
-	Transfers from reserve	-	-	-
<b>8,335,297</b>	<b>Closing Balance</b>	<b>8,335,297</b>	<b>8,335,297</b>	<b>-</b>
	<b>Forest Income Equalisation Fund</b>			
1,992,197	Opening Balance	1,355,928	1,405,319	(49,391)
-	Transfers to reserve	-	-	-
(596,848)	Transfers from reserve	(345,035)	(356,572)	11,537
<b>1,395,349</b>	<b>Closing Balance</b>	<b>1,010,893</b>	<b>1,048,747</b>	<b>(37,854)</b>
	<b>Hātea River Reserve</b>			
43,969	Opening Balance	186,094	160,442	25,652
48,539	Transfers to reserve	14,934	14,746	188
-	Transfers from reserve	-	-	-
<b>92,508</b>	<b>Closing Balance</b>	<b>201,028</b>	<b>175,188</b>	<b>25,840</b>

Annual Plan 2013/14 \$	Prospective Schedule of Changes in Reserves as at 30 June:	Draft Annual Plan 2014/15 \$	LTP Year 3 2014/15 \$	Variance to LTP \$
	<b>Northland Investment and Growth Reserve</b>			
2,414,754	Opening Balance	4,522,086	3,805,541	716,545
2,393,499	Transfers to reserve	2,031,031	2,943,706	(912,675)
(572,759)	Transfers from reserve	(605,470)	(606,759)	1,289
<b>4,235,495</b>	<b>Closing Balance</b>	<b>5,947,647</b>	<b>6,142,488</b>	<b>(194,841)</b>
	<b>Community Investment Fund Reserve</b>			
10,213,100	Opening Balance	-	10,642,720	(10,642,720)
245,114	Transfers to reserve	-	346,749	(346,749)
-	Transfers from reserve	-	-	-
<b>10,458,214</b>	<b>Closing Balance</b>	<b>-</b>	<b>10,989,469</b>	<b>(10,989,469)</b>
	<b>Kaitiāia Bus Reserve</b>			
-	Opening Balance	7,158	-	7,158
-	Transfers to reserve	-	-	-
-	Transfers from reserve	-	-	-
-	<b>Closing Balance</b>	<b>7,158</b>	<b>-</b>	<b>7,158</b>
<b>18,143,889</b>	<b>TOTAL RESERVES</b>	<b>4,745,467</b>	<b>13,917,302</b>	<b>(9,171,834)</b>

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

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

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

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



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

**Capital expenditure**

The proposed capital expenditure for 2014/15 Annual Plan is:

<b>Annual Plan 2013/14 \$</b>	<b>Group of activities</b>	<b>Draft Annual Plan 2014/15 \$</b>	<b>LTP Year 3 2014/15 \$</b>	<b>Variance to LTP \$</b>
	<b>Resource Management</b>			
149,082	Plant and Equipment	124,975	90,208	(34,767)
	<b>Transport</b>			
242,451	Plant and Equipment	96,901	111,828	14,927
	<b>Hazard Management</b>			
6,250	Plant and Equipment	-	-	-
	<b>River Management</b>			
-	Plant and Equipment	94,490	-	(94,490)
587,174	Infrastructural Assets	5,637,056	6,051,299	414,243
	<b>Support</b>			
415,896	Information Systems	315,000	452,635	137,635
263,314	Plant and Equipment	202,049	163,481	(38,568)
309,600	Vehicles	424,000	319,507	(104,493)
<b>1,973,767</b>	<b>Total Proposed Capital Expenditure</b>	<b>6,894,471</b>	<b>7,188,958</b>	<b>294,487</b>

# Statement of Accounting Policies

For the year ended 30 June 2015.

## Statement of compliance

These prospective financial statements have been prepared in accordance with NZ GAAP (with the exception of the funding impact statements). The prospective financial statements have been prepared to comply with Public Entity Standards (PBE standards) for a tier 1 entity. The council is adopting the PBE standards for the first time.

## Reporting period

The prospective financial statements are prepared for the period 1 July 2014 to 30 June 2015, and were authorised for issue by council on 11 March 2014.

## Judgements and estimates

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

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

## Reporting entity

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

These prospective financial statements are for Northland Regional Council (the council) as a separate legal entity. Consolidated prospective financial statements comprising the council and its subsidiaries and associates have not been prepared.

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).

## Basis of preparation

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

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

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

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

## Measurement base

The financial statements have been prepared on an 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). The accrual basis of accounting has been used unless otherwise stated.

## Functional and presentation currency

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

## Changes in accounting policies

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

## Significant accounting policies

### Revenue

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

Revenue may be derived from either exchanged or non-exchange transactions.

### Exchange transactions

Exchange transactions are transactions where the council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of

goods, services, or use of assets) to another entity in exchange.

### **Non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below:

#### **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. Where these are 100% funded by users they are classified as exchange revenue.

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

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

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. These are classified as exchange revenue.

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

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

### **Vested assets**

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

### **Construction contracts**

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

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

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

### **Expenditure**

Expenditure is recognised when goods and services have been received.

### **Borrowing costs**

The council and group have elected to defer the adoption of NZ IAS 23 borrowing costs (revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

### **Grant expenditure**

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

### **Income tax**

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

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

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

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the

transaction, affects neither accounting surplus nor taxable surplus.

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

### **Leases**

#### **Operating leases**

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

#### **Finance leases**

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

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

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

### **Cash and cash equivalents**

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

### **Debtors and other receivables**

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

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

### **Derivative financial instruments and hedging accounting**

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

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

The council 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 probably forecast transactions (cash flow hedge).

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

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

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

- **Fair value hedge**

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

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

- **Cash flow hedge**

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

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

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

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

that remains recognised in other comprehensive income from the period when the hedge was effective will be from other comprehensive income to the surplus or deficit.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The accounting policies detailed above are applied.

### Financial assets

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

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

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

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

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

- **Financial assets at fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking.

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

The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values. Gains or losses on re-measurement are recognised through other comprehensive revenue and expense.

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

- **Loans and receivables**

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

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

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

- **Held to maturity investments**

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

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

- **Financial assets at fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expenses are those

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

This category includes:

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

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

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

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

### Impairment of financial assets

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

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

Impairment of a loan or a receivable is established when there is objective evidence that council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rates. For debtors and other receivables, the carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is,

not past due). Impairment in term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount.

- **Financial assets at fair value through other comprehensive revenue and expense**

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

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

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

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

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

### Inventories

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

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

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

When land held for development and future resale is transferred from investment property/property, plant



and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

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

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

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

#### **Non-current assets held for sale**

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

#### **Property, plant and equipment**

Property, plant and equipment consist of:

- **Operational assets** – these include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.
- **Infrastructure assets** – infrastructure assets are the assets that comprise the Awanui River flood management system, including stop-banks and floodgates.
- **Restricted assets** – there are no restrictions on the assets of the Northland Regional Council. There are no restrictions on the assets of the Northland Port Corporation (NZ) Ltd.

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

#### **Revaluation**

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

#### **Land and buildings**

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

#### **Infrastructure assets**

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

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

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

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

#### **Additions**

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

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

**Subsequent costs**

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

**Disposals**

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

**Depreciation**

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

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

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

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

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

**Operational land and buildings**

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

**Capital projects in progress**

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

**Intangible assets****Goodwill**

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

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

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

**Software acquisition and development**

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

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

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

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

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

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

Computer software	4–5 years	20–25%
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**Impairment of property, plant and equipment and intangible assets**

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

its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

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

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

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

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

### **Easements**

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

### **Amortisation**

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

### **Biological assets**

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

Fair value is derived using a combination of the expectation value (or income) approach and the cost-based approach. Under the expectation value approach, the net present value is calculated by discounting to the

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

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

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

### **New Zealand Units (Forestry) – Emissions Trading scheme**

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

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

Compensation is to be provided to forestry owners, via the allocation of compensation units, known as New Zealand Units (NZUs) in two tranches. Council received the first tranche of 6,693 units in December 2010 and a second tranche allocation of 10,767 units in 2013.

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

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

After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or

losses on re-measurement recognised in the surplus or deficit.

### **Investment property**

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

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

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

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

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

### **Creditors and other payables**

Creditors and other payables are recorded at their face value.

### **Employee entitlements**

#### **Short term employee entitlements**

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

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

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

Council recognises that a liability and an expense are recognised for bonuses where contractually obliged, or

where there is a past practice that has created a constructive obligation.

### **Long term employee entitlements**

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

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

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

### **Presentation of employee entitlements**

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

### **Superannuation schemes**

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

### **Provisions**

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

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

### **Equity**

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

The components of equity are:

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

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

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

### **Goods and services tax (GST)**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **Comparative figures**

Certain comparative information has been reclassified where there has been a change of accounting policy.

### **Cost allocation**

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

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

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

### **Financial risk management objectives and policies**

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

The council'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 councils financial instruments are cashflow interest rate risk, liquidity risk, foreign currency risk and credit risk.

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

### **Financial instrument risk**

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

### **Market risk**

#### **Price risk**

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

**Fair value interest rate risk**

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

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

**Cash flow interest rate risk**

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

**Currency risk**

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

**Credit risk**

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

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

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

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

**Liquidity risk**

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

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

**Capital management**

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

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

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

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

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

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

reserves. Self-insurance reserves are built up annually from general or sometimes targeted rates and are made available for specific unforeseen events. The release of these funds is approved by council.

**Public Benefit Entity Financial Reporting Standard 42: Prospective Financial Statements (PBE FRS 42)**

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

In accordance with PBE FRS 42, the following information is provided:

- (i) Description of the nature of the entity's current operation and its principal activities  
The council is a local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Annual Plan.
- (ii) Purpose for which the prospective financial statements are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 1 year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- (iii) Basis for assumptions, risks and uncertainties  
The financial information has been prepared on the basis of best estimate assumptions as to the future events which the council expects to take place. The council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this Annual Plan.
- (iv) Cautionary note  
The financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.
- (v) Other disclosures  
The council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

# Proposed amendments to the Navigation, Water Transport and Maritime Safety bylaw charges 2013 (to take effect for 2014/15 year)

## 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) to amend any clauses of the Navigation, Water Transport and Maritime Safety Bylaw Charges (last adopted in June 2013) and to re-adopt the Bylaw Charges.

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

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

## Reasons for the proposal

As signalled in the Long Term Plan 2012-22 council adjusts its user fees and charges each year to keep up with inflation. This year a 2.4% increase will apply to all our user fees and charges that are affected by price level changes. (2.4% is the forecast cost adjustor for operational expenditure in local government for the 2014/2015 year.)

Council considers that it would be inequitable to not apply the 2.4% adjustment to the Navigation, Water Transport and Maritime Safety Bylaw charges, given we are applying them elsewhere. This applies to **sections 3, 4, 5, 7, 8 and 9**. (Section 6 is set by Auckland Council.)

In addition to this change, council proposes to change:

- **Section 3(b)(3)(b) and (c)** - to clarify the existing fee for the situation where 10 to 24 swing and/or pile moorings are owned by one person or organisation and ensures (b) and (c) apply a consistent threshold
- **Section 3(b) 5** – to remove the reference to private accommodation and replace it with the phrase “non-commercial structures”.

- **Section 3(b) 13(a) & (b)** - to include charges for applications to modify mooring licence conditions and owner benefit inspections. Actual officer time will be charged in accordance with the council's charging policy
- **Section 7(c)** – to remove references to vessels from 100 to 500 GT as these are not typically piloted by council. Consequently 7(c)(iii) becomes section 7(c)(ii)
- **Section 9** - to provide for full cost recovery.

These changes

- clearly articulate and clarify the charges for small groupings of moorings (it is not a new charge)
- allow council to recover the actual costs of modification of mooring licence conditions and special events in line with the beneficiary pays principle, and
- remove an unnecessary references to private accommodation in the bylaw (as all buildings in the coastal marine area incur a charge under the council charging policy) and council pilotage that does not normally occur. There are no other proposed changes to the bylaw.

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



## Draft amendments

### Navigation, Water Transport and Maritime Safety Bylaw Charges 2014

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2014:

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

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

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

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

**“Owner”** includes:

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

### 3. Navigation Safety Bylaw Fees

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

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

	<u>GST Exclusive</u>
(b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp up to 15 m x 4.5 m, minor structure, and any group of piles with 74 berths or less owned by one organisation.	\$61.30
(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.	\$61.30
(3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$51.30
(b) For every berth in marinas containing 25 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 plus GST per berth.	\$57.39
(c) Swing and pile moorings owned by one person or organisation comprising 10 to 24 moorings (per mooring)	\$61.30
(4) Boatsheds, per additional berth.	\$61.30
(5) Community and boating club structures, jetties and “non-commercial structures” in the coastal marine area.	\$61.30
(6) Marine farms.	\$61.30
(7) Boat ramps/slipways over 15 metres and grids.	\$122.61
(8) High use structures and jetties, marine-related, not more than 300 m <sup>2</sup> in plan area within the coastal marine area.	\$343.04
(9) High use commercial slipways with a maximum capacity of less than 50 tonnes.	\$343.04

**GST Exclusive**

- |   |            |
|---|------------|
| (10) High use structures and jetties, marine-related and more than 300 m2 but less than 1,000 m2 in plan area within the coastal marine area.   | \$1,490.00 |
| (11) High use structures and jetties, marine-related and more than 1,000 m2 in plan area within the coastal marine area.  | \$2,636.96 |
| (12) High use commercial slipways with a maximum capacity of more than 50 tonnes.   | \$2,636.96 |
| (13) (a) Mooring license amendment fee<br>Any changes to the mooring license conditions, such as position, size or design of a mooring, or the maximum length of vessel allowed to use the mooring must be approved by the harbourmaster as required by the Navigation Safety Bylaws. The fee relates to the actual work involved in processing the application, including checking the effect on adjacent mooring holders.   | \$163.48   |
| (b) On site assessment of Moorings<br>Mooring holders who require an on-site assessment or inspection of their mooring, or proposed mooring, by the maritime staff for their own benefit will receive a fee based on the actual officer's time, charged at an hourly rate comprising actual employment costs plus a factor to cover administration costs.   |            |
| Actual officer time will be charged in accordance with the council's charging policy.   |            |
| (14) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the council has the right to sell the mooring and/or vessel to recover the debt. |            |

**4. Hot Work Permits**

For vessels alongside wharves or at anchor, per permit. \$73.91

**5. Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of procedures and safety equipment, up to one hour. \$73.91

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

**6. Jet Ski Registration Fees**

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

		<b><u>GST Exclusive</u></b>
<b>7.</b>	<b>(a) Pilotage<sup>1</sup></b>	
	<b>(i) Inwards/outwards to wharf, Ōpua – per visit</b>	
	Where GT is greater than 500 but less than 3000	\$1,536.00
	Where GT is greater than 3000 but less than 18,000	\$2,969.50
	<b>(ii) Ships to anchor in Bay of Islands – per visit</b>	
	Where GT is greater than 500 but less than 3000	\$1,536.00
	Where GT is greater than 3000 but less than 18,000	\$2,969.50
	Where GT is greater than 18,000 but less than 40,000	\$3,544.00
	Where GT is greater than 40,000 but less than 100,000	\$3,962.00
	Where GT is greater than 100,000	\$4,378.50
		<b><u>GST Exclusive</u></b>
	<b>(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</b>	
	Where GT is less than 3000	\$1.02/GT
	Where GT is greater than 3000 but less than 18,000	\$2,969.50
	Where GT is greater than 18,000 but less than 40,000	\$3,336.00
	Where GT is greater than 40,000 but less than 100,000	\$3,648.50
	Where GT is greater than 100,000	\$4,169.50
		<b><u>GST Exclusive</u></b>
	<b>(c) Shipping</b>	
	<b>(i) Navigation and Safety Services Fee Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage</b>	
	Up to 3000 GT	\$1.02/GT
	<b>(ii) Navigation and Safety Services Fee Per ship visiting the Poor Knights Area To Be Avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.</b>	
	Over 45 metres length overall	\$1.02/GT
	<b>(d) Shipping</b>	
	<b>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</b>	\$1,024.00
<b>8.</b>	<b>Harbourmaster's Navigation Safety Services Fee</b>	
	<b>(a)</b> North Port Ltd	\$110,000.00
	<b>(b)</b> For water transport operators not serviced by a port company, at actual time and cost.	
	<b>(c)</b> 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.	
<b>9.</b>	<b>Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)</b>	
	Special Event Processing Fee	\$148.50
	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. 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.	
<b>10.</b>	All navigation and other fees specified herein are exclusive of Goods and Services Tax.	

These bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed when the Annual Plan is adopted (date to be determined). Following confirmation, the bylaws will come into force on 1 July 2014.

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

# Draft charging policy 2014/15

The Charging Policy is reviewed on an annual basis. Fees and Charges that require formal adopting under Section 150 of the Local Government Act 2002 may be set during either a Long Term Plan or Annual Plan process. The proposed fee amendments are set out in the policy included in the plan and will come into effect on 1 July 2014 and will continue until superseded.

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

## Proposed amended fees and charges

The review of the 2013/2014 Charging Policy has resulted in proposed changes to the following areas:

All Sections: Increase in hourly staff charges and all fees and charges by approximately 2.4% due to inflationary increases.

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

- **Section 3(b)(3)(b) and (c)** - to clarify the existing fee for the situation where 10 to 24 swing and/or pile moorings are owned by one person or organisation and ensures (b) and (c) apply a consistent threshold
- **Section 3(b) 5** – to remove the reference to private accommodation
- **Section 3(b) 13(a) & (b)** - to include charges for applications to modify mooring licence conditions and owner benefit inspections. Actual officer time will be charged in accordance with the council's charging policy
- **Section 7(c)** – to remove references to vessels from 100 to 500 GT as these are not typically piloted by council. Consequently 7(c)(iii) becomes section 7(c)(ii)
- **Section 9** - to provide for full cost recovery.

(These are signalled in the proposed bylaw amendment preceding this policy.)

Minor amendments to the description of activities or uses, such as low use versus minor structures, that do not affect the charges involved but promote consistency within the terminology of the policy. These terms are also now defined within the policy.

Change to **appendix 6** coastal structures to clarify that a fee for buildings in the coastal marine area applies not just to private accommodation but to all buildings.

The proposed charging policy 2014/2015 is as follows:

## Resource and user fees

Pursuant to:

- The Biosecurity Act 1993;
- The Building Act 2004;
- The Local Government Act 2002;
- The Local Government Official Information and Meetings Act 1987;
- The Property Law Act 2007
- The Resource Management Act 1991; and
- The Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

### 1. Introduction

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

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

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

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

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

- (i) The Building Act 2004.
- (ii) The Biosecurity Act 1993:
  - Cost recovery schedule for Northland Regional Pest Management Strategy for Nassella Tussock.
- (iii) The Local Government Act 2002:
  - Inspections, investigations and/or environmental incidents.
  - Management charges for laboratory and miscellaneous services.
  - Navigation and safety activities.
  - Inspections of dairy farms operating under the permitted activity rules for discharges to land.
- (iv) The Local Government Official Information and Meetings Act 1987:
  - Information charges.
- (v) The Property Law Act 2007
  - Navigation Water Transport and Maritime Safety Bylaw Charges.
- (vii) The Resource Management Act 1991:
  - Application fees for resource consents, certificates of compliance and existing use certificates.
  - Application fees for preparing or changing a policy statement or plan.
  - Charges payable by submitters making a request under section 100A.
  - Charges payable by resource consent holders for the council to undertake reviews of consent conditions under sections 127(1), 128(1)(a), 12B(1)(c) or 128(2).
  - Resource consent annual administration and monitoring charges.
  - Additional supervision charges for investigation of potential non-compliances and non-compliance with consent conditions.
  - Charges set by regional rules.
  - Applications for offsite farms and reviews of deemed coastal permits for marine farms pursuant to the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

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

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

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

**Discharges to Water (including):**

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

**Water Permits (including):**

- water takes of high potential effects
- other water takes

**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<sup>2</sup>.

## 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)] except for charges under section 36(1)(ab)(ii).

### 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.

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

## **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 \$82.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.
- (vi) In any case where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual costs of monitoring activities to the date of expiry or surrender, subject to Clause (v) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.
- (vii) Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.
- (viii) Where non-compliance with resource consent conditions is encountered, or unprogrammed additional monitoring is necessary, the costs will be recovered in addition to the set annual fee.
- (ix) Bonafide community organisations that own community structures in the coastal marine area, which are available for unimpeded public use free of charge; or consent holders undertaking activities for the principal purposes of protecting and enhancing the natural environment, may apply to the council to waive the annual charges, and the council may remit all or part of the user fees, pursuant to Section 36 of the Resource Management Act.
- (x) Upon application and the approval of the Chief Executive Officer, all or part of the council's user charges for structures in the coastal marine area or activities undertaken for the purposes of protecting or enhancing the natural environment, may be remitted where cases of genuine hardship are proved.

## **3. Application fees**

### **3.1 Introduction**

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

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

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

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

### **3.2 Prepare or change a policy statement or plan**

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

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

- the underlying reason for the change; and
- the extent to which the applicant will benefit; and
- the extent to which the general community will benefit.

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

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

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

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

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

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

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

<b>Labour</b> (standard charge rates includes mileage)	<b>Excluding GST cost per hour</b>
• Policy Analyst	\$80.50
• Policy Specialist	\$90.50
• Senior Programme Manager	\$118.00
• Manager	\$153.50

### 3.3 Resource consents and Building Act applications

Applicants will be charged for the actual and reasonable costs, including disbursements, of receiving and processing applications for resource consents, reviews of resource consent conditions, certificates of compliance, existing use certificates, building consents and project information memoranda.

These costs will include:

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



- (viii) The costs of processing applications to change, cancel or review consent conditions under Sections 127 and 128 of the Resource Management Act 1991 and Sections 10, 20, 21 and 53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.
- (ix) All applications for a project information memorandum and a building consent, as well as the issuing of notices to rectify, will be subject to a minimum estimated charge as set out in Appendix 2 Standard Charges Under the Building Act 2004.
- (x) Charges for Building Act functions other than the issuing of project information memoranda and building consents, will be charged a set fee per individual element, or on the basis of actual and reasonable cost, as set out in Appendix 2. These functions include the issue of compliance schedules, requests for information on building consent applications, extension of valid term, actions re dangerous buildings, inspections and technical processing.
- (xi) Withdrawn applications are subject to the minimum fees set out in Section 2.8(vi), Appendix 1 or Appendix 2 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).
- (xii) All processing costs which exceed the application deposit may be progressively charged on a monthly basis. [Note: Section 36(7) of the Resource Management Act 1991 and 243 of the Building Act 2004.]
- (xiii) Applications for consents may incur any additional Crown charges or levies as prescribed in relevant legislation or Regulations fixed from time to time.

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

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

#### 4. Resource consent holder and other resource user charges

##### 4.1 Introduction

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

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

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

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

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

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

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

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

## 4.2 Annual charges

### 4.2.1 Basis of charges

The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the council. In setting these charges, the council has duly considered that their purpose is to recover the reasonable costs in relation to the council's administration, supervision and monitoring of resource consents and for undertaking its functions under Section 35 of the Resource Management Act. The estimated full costs of the council's supervision role and planned monitoring of consents will be recovered.

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

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

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

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

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

### 4.2.2 Resource user charges

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

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

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

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

### 4.2.3 Scale charges

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

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

#### 4.2.4 Large scale activities

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

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

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

	Excluding GST
<b>Labour</b> (standard charge rates includes mileage)	
• Monitoring Technician/Administrator	\$68.50
• Monitoring Officer Scale 1	\$80.50
• Monitoring Officer Scale 2	\$90.50
• Monitoring Officer Scale 3	\$101.00
• Senior Monitoring Officer Scale 1	\$107.50
• Senior Monitoring Officer Scale 2	\$118.00
• Manager	\$153.50

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

#### Sampling and testing costs

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

#### Monitoring equipment costs

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

Administration Fee	Excluding GST per hour
Per consent or consent "package"	\$83.00

#### State of the environment (SOE) costs

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

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

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

#### 4.2.5 Additional supervision charges

##### Introduction

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

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

Additional supervision charges relate to those situations where:

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

##### Procedure

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

##### Calculation

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

The costs that make up the charge will include:

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

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

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

#### 4.2.6 Invoicing – non-scale fees

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

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

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

#### 4.3 Change in resource consent status

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

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

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

#### 4.4 Timing

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

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

#### 4.5 Permitted activity dairy shed effluent systems – fees

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

The charges are as follows:

	Excluding GST
(i) Inspection and monitoring fee:	
Grades 1P, 2P, 3P (fixed fee)	\$171.00
Grades 4P, 5X, C (fixed fee)	\$256.00
(ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4P, 5X and C)	\$83.00 per hour

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

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

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

#### 4.6 Permitted activity monitoring/inspections – fees

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

	Excluding GST per hour
• Monitoring Technician/Administrator	\$68.50
• Monitoring Officer Scale 1	\$80.50
• Monitoring Officer Scale 2	\$90.50
• Monitoring Officer Scale 3	\$101.00
• Senior Monitoring Officer Scale 1	\$107.50
• Senior Monitoring Officer Scale 2	\$118.00
• Manager	\$153.50

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

#### 4.7 Fees for emergency works and environmental incidents

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

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

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

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

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

	Excluding GST per hour
The charges are as follows:	
• Monitoring Technician/Administrator	\$68.50
• Monitoring Officer Scale 1	\$80.50
• Monitoring Officer Scale 2	\$90.50
• Monitoring Officer Scale 3	\$101.00
• Senior Monitoring Officer Scale 1	\$107.50
• Senior Monitoring Officer Scale 2	\$118.00
• Manager	\$153.50

## 5. Biosecurity Act 1993

### 5.1 Northland Regional Pest Management Strategies Cost Recovery Policy

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

#### 5.1.1 Request for work

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

#### 5.1.2 Legal directions

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

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

#### 5.1.3 Failure to comply with a legal direction

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

#### 5.1.4 Recovery of Costs Incurred by Management Agency

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

### 5.2 Regional Pest Management Strategy (RPMS) for Nassella Tussock

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

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

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

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

	<b>Excluding GST</b>
The charges levied are as follows:	<b>per hour</b>
• Biosecurity Technician/Administrator	\$68.50
• Biosecurity Officer Scale 1	\$80.50
• Biosecurity Officer Scale 2	\$90.50
• Biosecurity Officer Scale 3	\$101.00
• Senior Biosecurity Officer Scale 1	\$107.50
• Senior Biosecurity Officer Scale 2	\$118.00
• Manager	\$153.50

## 6. Local Government Act charges

### 6.1 Fees for Maritime Related Incidents

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

	<b>Excluding GST</b>
The charges are as follows:	<b>per hour</b>
• Technician/Administrator	\$68.50
• Officer Scale 1	\$80.50
• Officer Scale 2	\$90.50
• Officer Scale 3	\$101.00
• Senior Officer Scale 1	\$107.50
• Senior Officer Scale 2	\$118.00
• Manager	\$153.50

For incidents occurring outside normal business hours, a minimum call out fee of three hours at the above rates shall apply (includes oil spill response, training exercises, and emergency response).

## 7. Charges set by regional rules

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

Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in Section 108 of the Resource Management Act. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

The council therefore reserves the right to set other charges pursuant to regional rules in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; matters pertaining actions required under the Maritime Transport Act 1994 or Biosecurity Act and any other regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

## 7.1 Actual and Reasonable costs for charges arising from regional rules

Actual and reasonable costs will be charged for fees set by regional rules. These costs will include:

- Staff costs – Officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs.
- Hearings – The costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and Committee Members' fees or the actual costs of independent commissioners at formal hearings will be charged.
- For applications relating to restricted coastal activities, the applicant will also be charged the council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
- External costs, disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

## 8. Provision of information and technical advice

### A. Information provided under the RMA – consents, hearings etc.

The council recognises that it has a significant advisory and information role. The council has the right, under legislation, to recover the costs of providing certain information.

Pursuant to the Local Government Act, and sections 36(e) and (f) of the Resource Management Act, the council may charge for the provision of information as follows:

- Actual and reasonable charges will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:
  - staff costs related to making the information available – i.e., officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs;
  - any additional costs incurred, for example, photocopying, printing binding; and computer processing costs – refer Appendix 16 (item 6).
- Where an inquiry requires less than 30 minutes of staff time, no staff costs will be charged. Additional costs of less than \$10.00 will not be charged.
- Photocopying (per page)

	Excluding GST Colour		Excluding GST Black	
	A4	A3	A4	A3
Consents, hearing agendas				
Cost to applicants	\$0.31	\$0.44	\$0.09	\$0.18
Other parties	\$0.44	\$0.88	\$0.18	\$0.26

Note: A double-sided page is equivalent to two pages.

### B. Guidelines for staff – charging for advice/information and technical data

Charging for the cost of time and disbursements incurred when providing information to prospective applicants for resource consents, or third parties, shall be charged in accordance with Section 8A and 8C herein. This guideline is provided so that all officers are conversant with the principles of cost recovery, and how to distinguish chargeable technical information from freely available educational material.

#### (i) Consistency, distance, location



**All time after the first half hour<sup>3</sup>** and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost at the rates set out in Section 8A. This policy is consistent with that applied in Local Government, except when information is requested under the Official Information Act (refer to Section 8C).

**There is no concession for time or distance travelled** by the council's officers to provide technical information. No such concession is provided by other technical consultants.

Information given **by telephone** is to be treated exactly the same as information provided at an interview. Technical data provided by hydrology, the laboratory etc, for the purposes of assessing the criteria for a consent application is commercial data with an economic value (i.e., private benefit).

**(ii) Advise the cost in advance**

Officers must **warn the person seeking information in advance**, that a cost will be incurred after the first half hour, and the estimated cost per hour to be charged. This process allows the applicant to weigh the value of his requirements, and will effectively control the level of information sought and deflect frivolous requests.

The provision of information should be **charged separately** from the cost of processing any future resource application.

**(iii) Community and environmental groups**

Where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available should be **extended to one hour**, and be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer section 8C) unless a Regulation or Plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to a Senior Programme Manager for a decision on charging.

**(iv) Educational information and materials, and consent holders**

It is important to distinguish environmental "incidents" that relate to the 24/7 Environmental Hotline, as these are generally within the educational activity/monitoring roles of the council. It is unlikely that information will be sought in this area.

When the council's officers are involved in Resource Management Act workshops or public promotions aimed at increasing the public's awareness of the Resource Management Act consent procedures, the council's environmental role, liaison on planning issues, etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the council and is not charged for.

**Consent Holders:** All consent holders are entitled to information arising from the monitoring of their consents, including district councils and other corporate bodies.

Other information sought by district councils is to be assessed on individual merit, and referred to the Department Manager for a decision, to ensure political appropriateness.

**C. Information provided under the Local Government and Official Information and Meetings Act**

The purposes of the Local Government and Official Information and Meetings Act (LGOIMA) are set out in section 4 of that Act. In summary they enable the public to have access to any official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy.

**Reasons for withholding information requested under LGOIMA**

The following paraphrases some of the reasons from sections 6, 7, and 17 for withholding or refusing information requested under LGOIMA. For example to:

- Avoid prejudicing the maintenance of the law ... and the right to a fair trial;
- Protect the privacy of natural persons, including that of deceased natural persons;
- Protect information where making it available, would disclose a trade secret, or would prejudice the commercial position of the person who supplied/is the subject of the information;
- In certain circumstances detailed in the Act, avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu;
- Maintain the effective conduct of public affairs...;

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<sup>3</sup> in relation to a specific matter (or related matters) regardless of whether a single staff member or multiple staff members are approached or deal with it.

- Protect information which is subject to an obligation of confidence...etc.;
- Maintain legal professional privilege;
- To enable a local authority to carry out, without disadvantage, commercial activities;
- Prevent the disclosure or use of official information for improper gain or advantage;
- The document alleged to contain the information does not exist or cannot be found;
- The information requested cannot be made available without substantial collation or research;
- The request is frivolous or vexatious, or that the information requested is trivial.

Only the Chief Executive Officer (or other officer or employee specifically authorised by the council) may refuse an official information request.

Section 13 provides for the recovery of the cost of making information available under LGOIMA.

Black and white photocopying or printing on standard A4 or foolscap paper where the total number of pages is in excess of 20 pages will be charged out at 20c for each page after the first 20 pages. All other photocopying and printing charges will recover the actual and reasonable costs involved.

**For staff time:**

First Hour: No charge.

Additional Hours: Ministry of Justice, Charging Guidelines

**Excluding GST**

First half hour (after the initial free hour)	\$34.00
Per hour	\$67.50

**Note:** Under Section 13(1) of LGOIMA the council has 20 days to make a decision (and communicate it to the requestor) on whether we are granting or withholding the information, including how the information will be provided and for what cost. We will also tell the requester that they have the right to seek a review by an Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. We may request a deposit be paid under the 2002 Charging Guidelines issued by Secretary for Justice. We will recover actual costs involved in producing and supplying information of commercial value. In stating our fee schedule we reserve discretion to waive a fee if the circumstances of the request suggest this is appropriate for example in the public interest or in cases of hardship.

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

Pursuant to the general provisions in section 12 of the Local Government Act and section 227 (2) of the Property Law Act 2007, council can require a charge to cover reasonable legal or other expense of the lesser in giving consent.

The charges are as follows:

**Excluding GST**

(a) transfer or assign the lease	\$153.50
(b) enter into a sublease	\$153.50

**10. Standard charges under the Building Act 2004**

The Building Act 2004 allows the council to impose fees and charges for and recover costs of exercising or performing any of its functions, powers, or duties under the Act or under the regulations.

Section 243 of the Act specifically allows for the council to impose a fee or charges for:

- Issuing a project information memorandum.
- The performance of any other function or service under this Act.
- Recover its costs from the owner if it carries out building work under Section 156 of this Act.
- Where a fee or charge is payable for the performance of a function or service, then the Council may decline to perform the function or service, unless the fee or charge is paid.

The minimum estimated charges and set fees are the standard charges and are exclusive of GST. Costs incurred beyond the minimum estimated charges are to be recovered on the basis of actual and reasonable costs incurred by the council.

The minimum fees for the different consent activities are set out in Appendix 2.

## 11. Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2014

**Note:** The following text is based on the proposed amendments to the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2013, which is also being consulted on as part of this Draft Annual Plan.

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2014:

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

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

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

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

**“Owner”** includes:

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

### 3. Navigation Safety Bylaw Fees

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

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

	<u><b>GST Exclusive</b></u>
(b) (1) For every mooring, jetty, jetty berth, boatshed, boat ramp up to 15 m x 4.5 m, minor structure, and any group of piles with 74 berths or less owned by one organisation.	\$61.30
(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.	\$61.30
(3) (a) For every berth in a marina containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 per berth.	\$51.30
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to \$60.00 plus GST per berth.	\$57.39
(c) Swing and pile moorings owned by one person or organisation comprising 10 to 24 moorings (per mooring)	\$61.30
(4) Boatsheds, per additional berth.	\$61.30
(5) Community and boating club structures, jetties and non-commercial structures in the coastal marine area.	\$61.30
(6) Marine farms.	\$61.30
(7) Boat ramps/slipways over 15 metres and grids.	\$122.61

**GST Exclusive**

- |      |  |            |
|------|--|------------|
| (8)  | High use structures and jetties, marine-related, not more than 300 m <sup>2</sup> in plan area within the coastal marine area.   | \$343.04   |
| (9)  | High use commercial slipways with a maximum capacity of less than 50 tonnes.   | \$343.04   |
| (10) | High use structures and jetties, marine-related and more than 300 m <sup>2</sup> but less than 1,000 m <sup>2</sup> in plan area within the coastal marine area.   | \$1,490.00 |
| (11) | High use structures and jetties, marine-related and more than 1,000 m <sup>2</sup> in plan area within the coastal marine area.  | \$2,636.96 |
| (12) | High use commercial slipways with a maximum capacity of more than 50 tonnes.   | \$2,636.96 |
| (13) | <p>(a) Mooring license amendment fee</p> <p>Any changes to the mooring license conditions, such as position, size or design of a mooring, or the maximum length of vessel allowed to use the mooring must be approved by the harbourmaster as required by the Navigation Safety Bylaws. The fee relates to the actual work involved in processing the application, including checking the effect on adjacent mooring holders.</p> <p>(b) On site assessment of Moorings</p> <p>Mooring holders who require an on-site assessment or inspection of their mooring, or proposed mooring, by the maritime staff for their own benefit will receive a fee based on the actual officer's time, charged at an hourly rate comprising actual employment costs plus a factor to cover administration costs.</p> | \$163.48   |

**Labour** (standard charge rates includes mileage)**Excluding GST  
per hour**

- |                                       |          |
|---------------------------------------|----------|
| • Monitoring Technician/Administrator | \$68.50  |
| • Monitoring Officer Scale 1          | \$80.50  |
| • Monitoring Officer Scale 2          | \$90.50  |
| • Monitoring Officer Scale 3          | \$101.00 |
| • Senior Monitoring Officer Scale 1   | \$107.50 |
| • Senior Monitoring Officer Scale 2   | \$118.00 |
| • Manager                             | \$153.50 |

- (14) Pursuant to the provisions of Navigation Safety Bylaw clause 3(1)(6), should any mooring licence fees or other charges due to the council under the provision of this bylaw remain unpaid for a period of 60 days, then the Harbourmaster may remove, or cause to be removed, the mooring and detain the vessel using the mooring, until such fees and charges, including the cost of removing the mooring and storing the vessel, have been fully paid and discharged. Should such debts have not been paid and discharged within a further 60 days, the council has the right to sell the mooring and/or vessel to recover the debt.

**4. Hot Work Permits**

- |   |         |
|---|---------|
| For vessels alongside wharves or at anchor, per permit. | \$73.91 |
|---|---------|

**5. Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of

procedures and safety equipment, up to one hour. \$73.91

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

## 6. Jet Ski Registration Fees

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

### GST Exclusive

## 7. (a) Pilotage<sup>4</sup>

### (i) Inwards/outwards to wharf, Ōpua – per visit

Where GT is greater than 500 but less than 3000	\$1,536.00
Where GT is greater than 3000 but less than 18,000	\$2,969.50

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

Where GT is greater than 500 but less than 3000	\$1,536.00
Where GT is greater than 3000 but less than 18,000	\$2,969.50
Where GT is greater than 18,000 but less than 40,000	\$3,544.00
Where GT is greater than 40,000 but less than 100,000	\$3,962.00
Where GT is greater than 100,000	\$4,378.50

### GST Exclusive

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

Where GT is less than 3000	\$1.02/GT
Where GT is greater than 3000 but less than 18,000	\$2,969.50
Where GT is greater than 18,000 but less than 40,000	\$3,336.00
Where GT is greater than 40,000 but less than 100,000	\$3,648.50
Where GT is greater than 100,000	\$4,169.50

### GST Exclusive

## (c) Shipping

### (i) Navigation and Safety Services Fee Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage

Up to 3000 GT	\$1.02/GT
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### (ii) Navigation and Safety Services Fee Per ship visiting the Poor Knights Area To Be Avoided under Maritime NZ approval for exemption from applicable Marine Protection Rules.

Over 45 metres length overall	\$1.02/GT
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## (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	\$1,024.00
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## 8. Harbourmaster's Navigation Safety Services Fee

- |   |              |
|---|--------------|
| (a) North Port Ltd  | \$110,000.00 |
| (b) For water transport operators not serviced by a port company, at actual time and cost.  |              |
| (c) Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the council will recover any balance on an actual cost basis. |              |

## 9. Applications for Reserved Area for Special Event (clause 3.13 of the Navigation Safety Bylaw 2012)

Special Event Processing Fee	\$148.50
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<sup>4</sup> Charges for Bay of Islands apply for vessels entering inside the pilotage limits as marked on chart NZ 5125.

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. 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.

- 10.** All navigation and other fees specified herein are exclusive of Goods and Services Tax.

The bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and will be confirmed when the Annual Plan is adopted (date to be determined). Following confirmation, the bylaws will come into force on 1 July 2014 and the fees shall apply for the period 1 July 2014 to 30 June 2015 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.

**12. Standard Charges under the Maritime Transport Act 1994 – Marine Tier 1 Oil Transfer Sites**

Maritime Rule Part 130B requires that the operator of an oil transfer site obtain the approval for a site marine oil spill contingency plan from the Director of Maritime New Zealand. The power to approve these plans has been delegated by the Director to the Chief Executive Officer (sub-delegated to council employees) of the Northland Regional Council in an Instrument of Delegation pursuant to Section 444(2) of the Maritime Transport Act 1994.

Section 444(12) of the Maritime Transport Act 1994 allows the council to charge a person a reasonable fee for:

- i. Approving Tier 1 site marine oil spill contingency plans and any subsequent amendments
- ii. Inspecting Tier 1 sites and any subsequent action taken thereafter in respect of preparation of inspection reports or reporting on non-conformance issues.

The fee set is based on officer's actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs. Should travel be required, additional costs for mileage will be charged the standard rate as approved by the Inland Revenue Department.

# Appendices to draft charging policy 2014/15

## Appendix 1 – Resource Consent Applications

Fixed initial deposits and consents staff hourly processing rates

### Schedule of fixed initial deposits

Description	Fixed initial deposit \$ excluding GST	\$ including GST
<b>Notified and limited notified applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits	2,666.96	3,067.50
• Moorings	1,333.04	1,533.50
<b>New non-notified applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents (excluding Bore Drilling Permits), Water Permits, and Discharge Permits (including Farm Dairy Effluent and Domestic On-site Wastewater)	711.30	818.00
• Moorings	488.70	562.00
• Bore Drilling Permits	246.96	284.00
• plus per additional bore	29.57	34.50
• Existing Moorings within High Priority Marine 4 Mooring management Areas. Application fee (minimum charge)	110.43	127.50
• <b>Fixed Fee</b> for Discharge Permit for burning of specified materials, including vegetation, by way of open burning or incineration device (e.g. backyard burning) (see Note 8)	53.04	61.50
<b>Replacement non-notified applications</b>		
• Coastal Permits (excluding moorings), Land Use Consents, Water Permits, and Discharge Permits (excluding Domestic On-site Wastewater)	622.61	716.00
• Moorings (includes moorings that have previously had a licence and are seeking to be authorised under the RMA)	400.00	460.50
• Domestic On-site Wastewater Discharge Permits	444.35	511.50
<b>Certificate of compliance</b>	400.00	460.50
<b>Existing use certificate</b>	400.00	460.50
<b>Transfer of consents from the consent holder to another person</b> (payable by the person requesting the transfer)	49.57	57.00
<b>Transfer existing water permit between sites within catchment</b>		
• Notified (including limited notification)	622.61	716.00
• Non-notified	246.96	284.00
<b>S127 Change or cancellation of consent conditions</b>		
• Notified (including limited notification)	933.04	1,073.00
• Non-notified	400.00	460.00
• Minor administrative change	89.05	102.50

<b>Request to review deemed coastal permit to reflect actual space (off-site review) under s53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004</b>		
• Notified (including limited notification)	2,666.96	3,067.50
• Non-notified	711.30	818.00
<b>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)</b>		
• Notified (including limited notification)	933.04	1,073.00
• Non-notified	400.00	460.00
<b>Extension of period until a consent lapses</b>	246.96	284.00
<b>Hearing costs</b> (per hearing day per committee member) <b>at hourly rates set by the Remuneration Authority*</b> or the <b>actual costs</b> 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).		
<b>Mooring licence amendment fee</b>	163.48	188.00
<b>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:</b>		
<ul style="list-style-type: none"> <li>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.</li> <li>In cases where one or more submitter requests independent commissioner(s), the council will charge as follows: <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul> </li> <li>Notwithstanding the above, in cases where the applicant <u>and</u> any submitter(s) request independent commissioner(s) all the costs for the application to be heard and decided will be charged to the applicant.</li> </ul>		

Note: Approved resource consents attract annual charges. For Building Consent Application Fees – Refer Appendix 2.

#### Consents Hourly Processing Rates

Description	Hourly Rate excluding GST	Hourly Rate including GST
• Secretarial/Admin	\$68.50	\$78.78
• Consents Officer Scale 1	\$80.50	\$92.58
• Consents Officer Scale 2	\$90.50	\$104.08
• Consents Officer Scale 3	\$101.00	\$116.15
• Programme Manager Scale 1	\$107.50	\$123.63
• Programme Manager Scale 2	\$118.00	\$135.70
• Consents Manager	\$153.50	\$176.53
• Consultants	Actual Costs	



**Note 1:** Complex applications for resource consent(s): Notwithstanding the above schedule, the Chief Executive Officer may require an additional charge pursuant to Section 36(3) based on the council's estimate of actual and reasonable cost for the processing of complex applications.

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

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

**Note 4:** All applications will be publicly notified unless the consent authority is satisfied that the adverse effect on the environment of the activity for which consent is sought will be minor. Where the adverse effects are considered to be minor the application will be processed on a limited notified basis unless the written approval has been provided from every person whom the consent authority is satisfied may be adversely affected by the granting of the consent, in which case the application will qualify to be processed on a non-notified basis.

**Note 5:** Where an application is for multiple activities involving more than one type of consent, deposits are required for each type with the following exceptions:

- The fee for land use consents for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, and gravel extraction) also includes the water and discharge permits to divert and discharge stormwater where these are required;
- The fee for discharge permits for sewage volumes greater than 3 cubic metres per day (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.

**Note 8:** This 'fixed fee' only applies where such an application is able to be processed on a non-notified basis and no additional charges will be invoiced for such applications even if the costs exceed the fixed fee. However, in the event that the application is required to be limited notified or publicly notified then the council will require the applicable fixed initial deposit for notified & limited notified applications (as outlined in the box above) before notification of the application.

## Appendix 2 – Standard charges under the Building Act 2004

Charges fixed under the Building Act 2004 are resolved by the council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

### 1. Project and Land Information Memoranda (PIM/LIM)

Estimated value of work	Minimum estimated charge (MEC) excluding GST	(MEC) including GST
All Applications	\$1,068.70	\$1,229.00

- Notes:**
1. MEC is payable upon application for a PIM/LIM.
  2. Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on Standard Labour Charges in Section 4 of this appendix.

### 2. Building consents and certificates of approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council (WRC). Fees will be charged in accordance with the Fees and Charges policy set by WRC. All fees and charges for consent processing will be invoiced directly to the applicant by WRC.

### 3. Requests for information on building consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 4 of this appendix.

### 4. Technical processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the deposit will be recovered in accordance with the additional hourly charges.

Function	Deposit including GST	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary		Standard labour charge rates shown below.
Issue of a Notice to Fix		Minimum charge of \$97.00 and further charges for inspections and other action to confirm compliance based on standard labour charge rates shown overleaf.
Lodge Building Warrant of Fitness	\$106.50	Standard labour charge rates shown overleaf.
Amendment to compliance schedule	\$1,068.00	Standard labour charge rates shown overleaf. Actual and reasonable for expert advice
Building warrant of fitness audit		Standard labour charge rates shown overleaf.
Certificate of Acceptance	Large dam (above \$100,000 value) \$4,270.00 Medium dam (\$20,000 – \$100,000 value) \$2,135.00 Small Dam (\$0 to \$20,000 value) \$532.00	Standard labour charge rates shown below. Actual and reasonable for expert advice.
Lodge dam potential impact category	\$106.50	Standard labour charge rates shown below.
Lodge dam safety assurance programme	\$106.50	Standard labour charge rates shown below.
Lodge annual dam safety compliance certificate	\$106.50	Standard labour charge rates shown below.
Other functions		Standard labour charge rates shown below.

#### Standard labour charge rates

#### Excluding GST per hour

• Technician/Administrator	\$68.50
• Officer Scale 1	\$80.50
• Officer Scale 2	\$90.50
• Officer Scale 3	\$101.00
• Senior Officer – scale 1	\$107.50
• Senior Officer – scale 2	\$118.00
• Manager	\$153.50

**Note:** All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty. Progressive charging may be used where costs are greater than \$500 (excluding GST).

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

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under section 229 of the Building Act 2004 to issue an infringement notice.

## Appendix 3 – Water Takes Fee Scales

### Scale of Annual Charges for Water Takes

**Note:** Appendix 15 identifies water take consents that have fees set outside these scales.

Fee level	Description/Criteria	Administration charge \$ including GST	Compliance monitoring/ supervision \$ including GST	Resource user charge \$ including GST	Total annual charge \$ including GST
ADM001 RUC001	1. Negligible potential effect: minor abstraction from water resource low level of allocation and limited future potential demand; no water use returns; limited benefit from existing SOE monitoring. (Minimum fee)	98.00	0.00	25.00	123.00
ADM001 WAT001 RUC002	2. Minor potential effect: minor abstraction from water resource with low to moderate level of allocation; moderate abstraction from water resource with low level of allocation; water use returns; small benefit from existing SOE monitoring and limited monitoring in the catchment.	98.00	26.00	74.00	198.00
ADM001 WAT002 RUC003	3. Moderate potential effect: minor abstraction from water resource with moderate to high level of allocation; moderate abstraction from a water resource with moderate levels of allocation; major abstraction from water resource with low level of allocation; water use returns, resource monitoring by consent holder; moderate benefits from existing SOE monitoring, data likely to be used for flow allocation management purposes and/or replacement of consent.	98.00	58.00	147.00	304.00

ADM001 WAT003 RUC004	4. Medium potential effect: moderate abstraction from water resource with high level of allocation; major abstraction from resource with moderate level of allocation; water use returns, resource monitoring by consent holder; continuation flow conditions; existing SOE monitoring has greater benefits to consent holder for management, security of supply and/or replacement of consent; Total estimated staff time relating to monitoring, supervision and reporting of compliance 1–2 hours.	98.00	131.00	246.00	475.00
ADM001 WAT004 RUC004	5. Medium potential effect – moderate inspection time: Same criteria as Category 4. However total estimated staff time relating to monitoring, supervision and reporting of compliance 2–3 hours.	98.00	202.00	246.00	546.00
ADM001 WAT005 RUC004	6. Medium potential effect – significant inspection time: same criteria as Category 4 but total estimated staff time relating to monitoring, supervision and reporting of compliance 3–4 hours	98.00	274.00	246.00	618.00
ADM001 WAT006 RUC005	7. Medium to high potential effect – significant inspection time: moderate to major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance > 4 hours; Existing SoE monitoring has considerable benefits to consent holder for management, security of supply and/or replacement of consent.	98.00	332.00	430.00	860.00
ADM001 WAT007 RUC006	8. High potential effect – significant inspection time: major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance >4 hours; existing SOE monitoring has direct benefits to consent holder for management, security of supply, replacement of consent, and specific compliance monitoring of consent.	98.00	406.00	860.00	1,364.00

## Appendix 4 – Minor to moderate discharges to air, water and land, and land use activities including quarries

### Scale of annual charges for consents for minor to moderate discharges to air, water, and land (no or minor sampling and/or testing planned) and consents for land use activities including quarries

The fee levels provided below allow for the appropriate recovery of costs by the council based on the degree of work required by the council in monitoring each consent. The appropriate fee level will be determined using the formula outlined in Section 4.2.3 of the charging policy with the estimated cost then rounded to the appropriate fee level.

Fee level	Annual charge \$ excluding GST	Annual charge \$ including GST	Fee code narration
	0.00	0.00	Invoiced manually
	0.00	0.00	Waived or remitted annual charges
	0.00	0.00	Charged under another consent
	0.00	0.00	Post billed (non-scale)
	0.00	0.00	Special arrangement
	0.00	0.00	Domestic sewage discharges (Post billing)
MON001	85.65	98.50	Minimum loaded with additional fees post monitoring
MON002	85.65	98.50	Annual monitoring charge (and for all the following fees)
MON003	92.17	106.00	
MON004	103.91	119.50	
MON005	122.17	140.50	
MON006	134.35	154.50	
MON007	152.61	175.50	
MON008	183.91	211.50	
MON009	196.09	225.50	
MON010	213.04	245.00	
MON011	231.30	266.00	
MON012	244.78	281.50	
MON013	256.52	295.00	
MON014	274.78	316.00	
MON015	305.22	351.00	
MON016	317.39	365.00	
MON017	336.52	387.00	
MON018	397.39	457.00	
MON019	366.96	422.00	
MON020	427.39	491.50	
MON021	458.70	527.50	
MON022	488.70	562.00	
MON023	519.57	597.50	
MON024	550.87	633.50	
MON025	580.00	667.00	
MON026	611.30	703.00	
MON027	642.61	739.00	

MON028	672.17	773.00	
MON029	703.04	808.50	
MON030	733.04	843.00	Annual monitoring charge (and for all the following fees)
MON031	763.48	878.00	
MON032	795.22	914.50	
MON033	824.78	948.50	
MON034	855.65	984.00	
MON035	886.09	1,019.00	
MON036	916.09	1,053.50	
MON037	947.83	1,090.00	
MON038	978.26	1,125.00	
MON039	1,008.26	1,159.50	
MON040	1,038.70	1,194.50	
MON041	1,069.57	1,230.00	
MON042	1,100.43	1,265.50	
MON043	1,130.43	1,300.00	
MON044	1,161.74	1,336.00	
MON045	1,191.30	1,370.00	

## Appendix 5 – Farm Dairy Effluent Charges

**Scale of charges for consents for farm dairy effluent discharges (full and minor non-compliance and significant non-compliance)**

### Full and minor non-compliance

Sampling and testing required where indicated.

Description/criteria	Charge \$ excluding GST	Charge \$ including GST
Per inspection – (no sampling or testing)	251.74	289.50
Per inspection – (single sample only)	299.13	344.00
Per inspection – (two samples)	346.52	398.50
Per inspection – (three samples)	393.91	453.00
Per inspection – (four samples)	441.30	507.50
Per inspection – (five samples)	488.70	562.00
Per inspection – (six samples)	536.09	616.50

### Significant non-compliance

Sampling and testing required where indicated.

Description/criteria	Charge \$ excluding GST	Charge \$ including GST
Per inspection – (no sampling or testing)	336.52	387.00
Per inspection – (single sample only)	383.91	441.50
Per inspection – (two samples)	431.30	496.00
Per inspection – (three samples)	478.70	550.50
Per inspection – (four samples)	526.09	605.00

Per inspection – (five samples)	573.48	659.50
Per inspection – (six samples)	620.87	714.00

Second and subsequent visit, including follow-up inspections, for non-complying systems will be at \$83.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

**Note:** For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to Section 4.5 of the Charging Policy.

## Appendix 6 – Coastal structures (post construction or installation)

### Scale of annual charges for coastal structures

Fee level	Description/criteria	RMA administration fee or mooring licence fee \$ including GST	Navigation safety bylaw fee \$ including GST	Total fee \$ including GST
MOR001 MOR002	Individual swing, pile and jetty moorings with or without resource consents.	98.50	70.50	169.00
MOR004 MOR002	Swing and pile moorings owned by one person or organisation, comprising 10 to 24 moorings (per mooring and berths). <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	84.00	70.50	154.50
MOR005 MOR002	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). <b>Note:</b> No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	54.00	66.00	120.00
	Marinas comprising more than 75 berths. Navigation fee reverts to \$60.00 plus GST if fees are not paid within 60 days (per berth)		59.00	59.00
MOR003	Dinghy pulls	131.00		131.00
CST001	Cables and pipes	125.50		125.50
CST002	Buildings in the coastal marine area	131.00		131.00
CST003	Seawalls and reclamations up to 100 m	131.00		131.00
CST004	Seawalls and reclamations over 100 m	140.00		140.00
CST005 NAV001	Community and boating club structures and jetties, and non-commercial public structures	131.00	70.50	201.50
CST006 NAV001	Boatsheds	131.00	70.50	201.50
CST007 NAV002	Boatsheds with additional berth	137.00	141.00	278.00
CST008 NAV001	Boat ramps up to 15 m	131.00	70.50	201.50
CST009 NAV002	Boat ramps/slipways over 15 m and grids	131.00	141.00	272.00

CST010 NAV001	Low use structures not more than 10 m <sup>2</sup>	125.50		125.50
CST011 NAV001	Low use structures more than 10 m <sup>2</sup> and up to 300 m <sup>2</sup>	131.00	70.50	201.50
CST012 NAV001	Low use structure over 300 m <sup>2</sup>	137.00	70.50	207.50
CST013	High use structures not marine related	131.00		131.00
CST014 NAV003	High use structures not more than 300 m <sup>2</sup> and slipway not more than 50 tonnes	131.00	394.50	525.50
CST015 NAV004	High use structures more than 300 m <sup>2</sup> but not more than 1,000 m <sup>2</sup>	137.00	1713.50	1850.00
CST016 NAV005	High use structures more than 1,000 m <sup>2</sup> and slipways with a maximum capacity of more than 50 tonnes	140.00	3,032.50	3,172.50
CST017 NAV001	Marine farm	*251.00	70.50	321.50

\*Per farm for amalgamated consents.

**Note:** All structures may be subject to additional charges that recover the costs incurred by the council for extra monitoring, such as sampling a discharge. Where the costs of monitoring the structure and discharge exceed the annual charge herein, the council will recover the balance in accordance with Section 36(3) of the Resource Management Act 1991.

Low use structures are typically privately owned and High use structures are typically commercially owned.

Consent Holders of multiple structures authorised under a single resource consent for contiguous facilities, will be charged one annual fee for the most significant authorised by that consent.

## Appendix 7 – Coastal structures (construction or installation phase)

### Monitoring inspection charges for consents for coastal structures during their construction or installation phase

Inspection charge	Excluding GST per hour
<b>All coastal structures</b>	
(per officer, plus costs of sampling/testing)	
Monitoring Officer Scale 1	\$80.50
Monitoring Officer Scale 2	\$90.50

**Note:** Refer to Section 4.2.2 of the Charging Policy for bases of charges.



## Appendix 8 – Land Use Consents for boating-related structures in waters upstream of the coastal marine area (post construction)

Scale of annual charges for land use consents for boating-related structures in waters upstream of the Coastal Marine Area (CMA) with minor environmental effects (amended to match fees for similar structures in the CMA, Appendix 6).

Fee level	Description/criteria	RMA \$ excluding GST	Total fee \$ including GST
MON046	Minor structures and jetties: not more than 10 m2 in plan area.	138.70	159.50
MON047	Jetties and other structures: more than 10 m2 in plan area.	197.83	227.50

**Note:**

1. Consents for new boat-related structures or to alter boat related structures in waterbodies will be subject to an inspection charge of \$66.50 per hour (plus GST) per officer during their construction phase.
2. Refer to Section 4.2.2 of the Charging Policy for bases of charges.

## Appendix 9 – Major industries

### Estimated annual charges for resource consents for major industries

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
AFFCO Moerewa	7381(1), (2), (4–11)	2934.35	3,364.00
Ballance Agri-Nutrients Ltd	7247	1,222.61	1,406.00
GBC (Portland Cement Works)	5059 (1–6), (8)	1,222.61	1,406.00
NZMP Ltd (Kauri) (part of Fonterra Co-op Group Ltd)	4373, 4375, 4377, 4836, 7532, 7671, 8159	7,945.65	9,137.50
NZMP Ltd (Maungaturoto)	4204, 5139, 5140, 5145, 5146, 5147, 7119, 7155	10,390.00	11,948.50
Imerys Tableware NZ Ltd (Matauri Bay Plant)	1345, 2773, 5042, 6751, 6780, 6908, 8050	1,222.61	1,406.00
NZRC (Marsden Point Oil Refinery)	8319	14,668.26	16,868.50

## Appendix 10 – Timber treatment plants

### Estimated annual charges for resource consents for significant timber treatment plants

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
McEwing Enterprises Ltd (Oturei Timber)	4721	600.43	690.50
North Pine Ltd (Waipū)	7651	1,200.87	1,381.00
Donnellys Crossing Sawmills Ltd	4652	1,200.87	1,381.00
Kaihu Valley Sawmill	4653	1,200.87	1,381.00
Carter Holt Harvey Forests Ltd	7921	900.43	1,035.50
Croft Pole Distributors Ltd	8528 (incorporates 4758)	1,200.87	1,381.00
Sheppard, B (Matakohe)	7622	1,200.87	1,381.00
Kaitiāia Timber Co Ltd	4655	2,041.74	2,348.00

**Note:** For the basis of charging, refer Section 4.2.4 of the Charging Policy.

## Appendix 11 – Major effluent discharges or discharges to sensitive receiving environments

### Estimated annual charges for resource consents for major effluent discharges

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North District Council	3839, 2577, 2635, 3775, 7203, 7205	*1,833.91	*2,109.00
Far North District Council	2337, 4007, 7205, 1108, 7399	*2,444.78	*2,811.50
Far North District Council	4111, 2667	*2,750.00	*3,162.50
Far North District Council	2417, 932	*3,177.39	*3,654.00
Far North District Council	1168	8,066.96	9,277.00
Kaipara District Council	1102, 1115, 1116	*2,322.61	*2,671.00
Kaipara District Council	3666	4,889.57	5,623.00
Kaipara District Council	3780	1,222.61	1,406.00
Whāngārei District Council	4509	1,222.61	1,406.00
Whāngārei District Council	7403	1,955.22	2,248.50
Whāngārei District Council	4155	1,222.61	1,406.00
Whāngārei District Council	2576	2,444.78	2,811.50
Whāngārei District Council	7445	2,078.70	2,390.50
Whāngārei District Council	4352	3,667.39	4,217.50
Ministry of Education	Administration charge, schools charged separately for monitoring costs.	**3,300.87	**3,796.00
Ota Point Effluent Society	2724	3,055.65	3,514.00

\* Each consent

\*\* Combined charge

**Note:** For the basis of charging, refer Section 4.2.4 of the Charging Policy.

## Appendix 12 – Refuse landfills

### Estimated annual charges for resource consents for closed and operating refuse landfills

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North District Council	1824	733.04	843.00
Kaipara District Council	4816	1,222.61	1,406.00
Kaipara District Council	4809, 4814, 7234, 2257, 4433	*732.17	*842.00
Far North District Council	7503	1,466.96	1,687.00
Far North District Council	4789	1,588.70	1,827.00
Kaipara District Council	7562	7,333.91	8,434.00
Far North District Council	2918	1,955.22	2,248.50
Far North District Council	7502	4,889.57	5,623.00

\* Each consent

## Appendix 13 – Large scale discharges to air

### Estimated annual charges for resource consents for large scale discharges to air

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
AFFCO (Moerewa) Ltd	7381(34)	#3,055.65	#3,514.00
Ballance Agri-Nutrients Ltd (Whāngārei plant)	7068	#4,889.57	#5,623.00
Golden Bay Cement Ltd	5059(7)	#3,667.39	#4,217.50
Juken Nissho Ltd	7062	23,224.78	26,708.50
NZ Refining Co Ltd	8319(2) prev. 7075	2,078.70	2,390.50
NZMP Ltd (Kauri)	7072	#5,500.00	#6,325.00
NZMP Ltd (Maungaturoto)	7073	#5,500.00	#6,325.00
Richmond (Effluent Ponds)	7088	1,222.61	1,406.00
Croft Timber	8528	4,889.57	5,623.00
TDC Sawmills	8417	4,889.57	5,623.00

# Industries requiring stack testing

**Note:** For the basis of charging, refer Section 4.2.4 of the Charging Policy.

## Appendix 14 – Marinas

### Estimated annual charges for resource consents for major coastal activities

Consent holder	Consent no(s)	Annual charge \$ excluding GST	Annual charge \$ including GST
Far North Holdings Ltd, Ōpua Marina	8385	4,889.57	5,623.00
Kerikeri Cruising Club	6260	4,889.57	5,623.00
Riverside Drive Marina Ltd	7926	366.96	422.00
Tutukākā Marina Management Trust	2093, 6267, 7836	*4,889.57	*5,623.00
Whāngārei Marina Management Trust	7958, 8089, 8517	*4,889.57	*5,623.00
Whangaroa Marina Trust	7940	4,889.57	5,623.00

\* Each consent

**Note:** The basis for charging are described in Section 4.2.4 of the Charging Policy.

Navigation, Water Transport and Maritime Safety Bylaw charges also apply to marinas as detailed in Appendix 6.

## Appendix 15 – Water takes of high potential effects

### Estimated annual charges for water take consents for high potential effects

Consent holder	Consent no(s)	Annual admin/ supervision/ monitoring charge \$ including GST	Resource user charge \$ including GST	Annual charge \$ including GST (Total)	Fee level
Whāngārei District Council	2960	*2,556.00	860.00	3,416.00	ADM002 RUC006
Fonterra Kauri	437304	*2,940.00	860.00	3,800.00	ADM003 RUC006
Far North District Council	4369	*2,811.50	430.00	3,241.50	ADM004 RUC005
Maungatapere Water Supply Co	4607	*383.50	860.00	1,243.50	ADM005 RUC006
Murphy Prosperity Trust	4715	*383.50	430.00	813.50	ADM005 RUC005
North Power	4845	*958.50	430.00	1,388.50	ADM006 RUC005
Ngāwhā Geothermal Resource Company Ltd	488312	*639.00	#1,290.00	1,929.00	ADM007 RUC007
Kokich & Anderson	4965	*766.50	860.00	1,626.50	ADM008 RUC006
Northern Dairylands Ltd	5004	*639.00	430.00	1,069.00	ADM007 RUC005
A B Kevey & L J Christie	5014	*447.00	430.00	877.00	ADM009 RUC005
McBeth Farms Ltd	5021	*447.00	430.00	877.00	ADM009 RUC005
Brown Trust Partnership	5022	*447.00	430.00	877.00	ADM009 RUC005
Leeuwenburg J A & G M Leewenburg	5027	*447.00	430.00	877.00	ADM009 RUC005
Bryant Fischer Family Trust	7330	*639.00	430.00	1,069.00	ADM007 RUC005
Whāngārei District Council	7398	*1,278.00	860.00	2,138.00	ADM010 RUC006
Whāngārei District Council	7404	*3,194.50	860.00	4,054.50	ADM011 RUC006
Whāngārei District Council	7405	*894.50	430.00	1,324.50	ADM012 RUC005
Woodbury Farming Ltd	7411	*894.50	430.00	1,324.50	ADM012 RUC005
Kaipara District Council	7582	*958.50	430.00	1,388.50	ADM006 RUC005

Burke Farms Ltd	7642	*766.50	430.00	1,196.50	ADM008 RUC005
Kaipara District Council	8032	*766.50	430.00	1,196.50	ADM008 RUC005
Kaipara District Council	8134	*894.50	430.00	1,324.50	ADM012 RUC005

\* Includes a charge pursuant to Section 36(1)(c) towards the costs of specific investigations (flow and/or water quality monitoring) within catchment relating to consent and compliance monitoring (see section 4).

# Multiple consents taking from different catchments and/or resources.

**Note:** For the basis of charging, refer to section 4.2.4 of the Charging Policy.

## Appendix 16 – Miscellaneous management charges

The council's Resolution of 8 December 2004, "that pursuant to Section 150(6) of the Local Government Act 2002, council managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the council as necessary from time to time." The council's labour, plant and equipment charges to external parties are as follows:

### 1. Laboratory services – laboratory test charges

Job Ref. No.	Description/criteria	Per sample \$ excluding GST	Per sample \$ including GST
7346	Absorbance % transmittance	5.22	6.00
7369	Conductivity	10.00	11.50
7349	Deposited air particulate	63.91	73.50
7368	Dissolved oxygen	5.22	6.00
7377	E coli/total coliforms – colilert	30.00	34.50
7378	Enterococci – enterolert	30.00	34.50
7373	Faecal coliforms by MF	23.48	27.00
7381	Microscopic examination	25.22	29.00
7374	Faecal coliforms by MPN	42.61	49.00
7370	pH	5.22	6.00
7348	PM10	32.17	37.00
7371	Salinity	5.22	6.00
7358	Suspended solids	18.26	21.00
7372	Temperature	1.30	1.50
7365	Turbidity	6.52	7.50
7346	UV% transmittance	5.22	6.00

Any further tests required, please contact laboratory staff for prices.

### 2. Labour – general

Labour costs for the council's staff not previously specified in this Policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.\*

### 3. Plant

#### 3.1

Where any of the council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc., shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the council are payable by the hirer.

**3.2 Water quality monitoring devices**

	<b>\$ excluding GST</b>	<b>\$ including GST</b>
YSI Sondes per day	63.91	73.50
ISCO Automated Sampler per day	53.48	61.50

All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in Section 4.2.

**3.3 Vehicles/quads**

Inland Revenue approved mileage rates	<b>External rate</b>	<b>Internal rate</b>
Annual work related kilometres travelled	<b>per km</b>	<b>per km</b>
	<b>\$ excluding GST</b>	<b>\$ excluding GST</b>

**Motor vehicles**

1 – 3000 km (total kms for a job)	0.62	0.28
3001 kms and over (for each km over 3000)	0.19	0.28
Transit van or similar (public service rate)	1.00	0.41
Light truck (public service rate)	1.20	0.55
Motor vehicles – flat rate	0.28	0.26

\* When tradesmen are called out, and their service is cancelled, all costs incurred by the council are payable by the hirer, at the above charge-out rates.

**Motor cycles/quad bikes**

1 – 3000 km	0.31	0.14
3001 kms and over (for each km over 3000)	0.10	0.14
Transit van or similar (public service rate)	0.14	0.14
Light truck (public service rate)	1.20	0.55
Motor vehicles – flat rate	0.28	0.26

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

<b>3.4 Waterblaster</b> (Labour Additional)	<b>\$ excluding GST</b>	<b>\$ including GST<sub>2</sub></b>
Large 4000 p.s.i. per hour	40.00	46.00
Medium 3000 p.s.i. per hour	27.83	32.00

**3.5 Floating plant – standard rates**

<b>(a) Workboat hire</b>	<b>\$ excluding GST</b>	<b>\$ including GST</b>
Workboat – Waikare per hour	600.00	690.00
Standby – Waikare per hour	265.22	305.00

For significant commercial projects, the council will negotiate hire, standby and total costs with contractors and other parties.

<b>(b) Small launch hire</b>	<b>\$ excluding GST</b>	<b>\$ including GST</b>
BOI Patrol Boat Karetu per hour	180.00	207.00
Standby – Karetu per hour	100.00	115.00
5 metre Lazercraft per hour	150.00	172.50
Standby – Lazercraft per hour	100.00	115.00
Whāngārei Work Boat per hour	180.00	207.00
Standby – Whāngārei Work Boat per hour	130.00	149.50

All labour and transport costs incurred in the hire of vessels, are additional and charged at \$72.00 per hour per crew member.

**NB:** (Additional rates may apply in overtime hours)

**Other plant not specified above**

Each request to hire other council plant or equipment is to be referred to the appropriate manager for approval, who shall apply a realistic charge-out rate and notify the Finance Manager so that an invoice can be raised.

**4. Hire charge – council, committee, training/meeting rooms**

Catering is the responsibility of the hirer. Any refreshments provided by the council will be on charged at cost.

		<b>\$ excluding GST</b>	<b>\$ including GST</b>
Council Room	per day	153.48	176.50
Committee Room	per day	51.30	59.00
Council & Committee Rooms	per day	184.35	212.00
Kaipara Training Room	per day	153.48	176.50
Whangaroa Meeting Room	per day	51.30	59.00
Kaipara/Whangaroa Rooms	per day	184.35	212.00

**5. Hire charge – council video conference facilities**

Hire charge includes a meeting room.

	<b>\$ excluding GST</b>	<b>\$ including GST</b>
Price Per Hour	\$153.48	\$176.50

Bookings will be subject to the availability of a meeting room and the video conferencing unit. Priority will be given to council business. video conferencing unit is a tandberg unit with a 47 inch screen. Connection is IP only and is not configured for ISDN.

**6. Photocopying (per page)**

<b>\$ excluding GST</b>	<b>Colour A4</b>	<b>Colour A3</b>	<b>Black A4</b>	<b>Black A3</b>
Applicants/Staff	0.31	0.44	0.09	0.18
Other Parties	0.44	0.88	0.18	0.26

**Note:** Double-sided is equivalent to two pages.  
Labour costs also to be recovered.

**7. Biosecurity – sale of pest control products**

Northland landowners are entitled to a one off free issue of 2.5kg bag of Pestoff and 2kg bag of rabbit pindone. Landowners are also entitled to a one off free issue of a 5-gram sachet of herbicide to control wild ginger.

All other pest control products such as traps, pesticides, prefeed, bait stations, and associated equipment are resold at a 10% mark-up on the price they are purchased from the manufacturer. This 10% mark-up is to cover the administrative costs of supplying these products.

**8. Digital colour aerial ortho-photography**

The council, through a partnership with the other councils in the region, is currently acquiring digital colour aerial ortho-photography for the region. Geo-referenced tiff images are available for purchase or use. Any purchase or use is subject to a licensing agreement, available on request.

The agreement may vary depending on the purchase or use and it is at the council's sole discretion whether such an agreement is entered into.

Typical clauses in purchase agreements:

1. The owners will supply the aerial photography to the purchaser as GIS compatible geo-referenced tiff tiles and the associated registration file, with each tile scale covering 2500m x 3750m.
2. The said aerial photography is supplied to the purchaser for internal use only and may not be sold or distributed in any format.
3. The purchaser will not make the said aerial photography available to any other organisation or person in any form.
4. The purchaser will refer any request for derived or associated products by any third party, to the owners.

All hardcopies of the aerial photography produced by the purchaser for its own use shall be endorsed with a statement that the aerial photography is copyright and may not be reproduced in any form without the consent of the "Owners".

Purchase of small sets of 1:5000 tiles, for an organisation's own internal use: \$50 per tile plus compilation costs at the standard charge rate per hour and GST.

Purchase of large sets of 1:5000 tiles: Price negotiable, including recovery of compilation costs at the standard charge rate per hour and GST.

Use of sets for research purposes: Price negotiable, including compilation costs at the standard charge rate per hour and GST.

**9. Publication charges for RMA and miscellaneous documents**

<b>Plan</b>	<b>\$ including GST</b>
Regional Policy Statement	47.00
Regional Coastal Plan	211.50
Regional Air Quality Plan	47.00
Regional Water & Soil Plan	169.50
Integrated Transport Study	37.00
Regional Land Transport Strategy	57.50
Heavy Traffic Volumes in Northland	21.00
Oakleigh–Marsden Point Rail Link Project	21.00
On-site Wastewater Disposal from Households & Institutions	21.00
CDs of Plans	21.00

Any council publications not made freely available to ratepayers may be purchased at cost from the council. Contact the council for further details.





## Putting Northland first

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