

ANNUAL PLAN 2022/23

MAHERE-A-TAU 2022/23



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Katete Moving forward

Nau mai Welcome

Nau mai, haere mai, piki mai rā Welcome

Toitū te Whenua	If the land is well
Toitū te Moana	If the sea is well
Toitū te Tangata	The people will thrive

Nau mai, haere mai! Welcome to our annual plan process.

This supporting information document is part of the process for developing our Annual Plan 2022/23. In here, you'll find details on a couple of changes we're proposing to make from our Long Term Plan 2021-2031.

We adopted our Long Term Plan 2021-2031 in June 2021. This plan is our roadmap for the next 10 years, to support Northland's growth and wellbeing while navigating the unpredictable world we now live in so that future generations can thrive. The plan is to continue addressing complex water issues, working with tangata whenua and the community on this and other important mahi, formally introduce Māori representation on the council, manage pest animals and weeds, and adapt to and prepare for climate change and extreme weather events. It was built with the help of Northland communities via a series of events around the region, where we listened to people's ideas about priorities for Northland, along with over 170 formal submissions.

The long term direction set out in the plan is summarised in our strategic direction document 'Te Pae Tawhiti: Our vision', which you can find on our website: nrc.govt.nz/strategicsummary

This is our first year following the adoption of the Long Term Plan 2021-2031. Annual plans offer an opportunity to account for real-time challenges that pop up as we progress our work, and year-to-year fluctuations that are a natural part of financial planning. We work hard to be as efficient as possible in the face of change, and to absorb as much of the unforeseen inflationary and interest increases as we can.

Even if we're largely sticking to the plan, we think it's important to talk to you whenever we are making changes that have the potential to impact on our communities and, importantly, your rates bill.

This supporting information document is presented in two sections:

- **Katete | Moving forward** - this tells you a bit about what we said we would do in our Long Term Plan 2021-2031, councils strategic direction, and what we're looking at changing as part of this annual plan process.
- **Mahere a Pūtea | Finances** - this has all of the financial information that you need, such as our funding impact statements and rating examples, so that you can understand what rate changes mean for the region, and for you.

Along with this supporting information document, we have also put together a consultation document, which is a simple guide to the changes that are planned for the 2022/23 financial year. You can find this, and other related information, on our website: nrc.govt.nz/annualplan2022

In some cases, our Long Term Plan 2021-2031 will be the best place to find out what's planned for the 2022/23 year. You can find this, and a other helpful links, on our website: nrc.govt.nz/longtermplan

Kōrero mai - let's talk, Taitokerau!

We rely on our communities to get involved with the decisions we need to make. While this annual plan represents only a couple of changes from our Long Term Plan, we want to hear what you think. You can do this online at nrc.govt.nz/annualplan2022, or by picking up a hard copy form from one of our service centres and dropping it back to us.

The feedback period closes on Friday 29 April 2022, so make sure you have everything to us by then!

If you want to talk to a councillor about what we're planning to do, we've set aside a day for this. You'll need to register first though, so please give us a call on 0800 002 004 or email robynb@nrc.govt.nz by Friday 8 April to arrange a time.

Thank you for getting involved in the future of our incredible region!

Hei kona mai



Surveying the health of Otiria Stream

Te Mahere Roa 2021-2031

Our Long Term Plan 2021-2031

The Long Term Plan 2021-2031 represents our three-yearly review of council activities. It's been developed in response to the views of our communities, legislative changes from central government, and work we know needs to be done to achieve environmental, social, economic and cultural wellbeing, building on our vision: "Our Northland – together we thrive".

Our vision and mission are underpinned in our Long Term Plan 2021-2031 by six key areas of focus across our activities, as set out in the diagram below.

In developing the plan, we sought to make sure that our mission and areas of focus were supported by adequate funding and a rating structure that would provide the most equitable delivery of services. We've grouped our activities into three key areas: our natural environment, community resilience, and regional leadership. The existing and new work enabled by this funding, along with the continued help of dedicated volunteers, sets our incredible region up to really thrive.

For our natural environment, this means we're continuing with proposals to address water health and help manage our water catchments for the environment and for our people, developing a regional biodiversity strategy and action plan (and implement this!), continuing to manage pest plants and animals so that our native ones can flourish, and boosting important marine biosecurity work.

For community resilience, this means we're continuing with proposed new flood works to help protect Kaitaia, Otiria-Moerewa and Kawakawa, and Tarewa Road in Whangārei central, upgrading our tsunami warning system, and building a multi-agency emergency coordination centre for the region. We're also continuing with plans to coordinate a strategy to address climate change resilience in Northland, to improve water poverty and water resilience, to improve harbour safety and navigation issues, and to increase our CityLink public transport services.

For regional leadership, this means we're continuing with plans to create meaningful partnerships with Māori with increased cultural competency, providing support to iwi/hapū to build capacity and capability, and supporting the 'behind the scenes' work we do here at council.

We also budgeted funds to support the Oruku Landing conference and events centre (which we talk about further in the section below "What's changing"), made changes to rates and reserves to clarify how we pay for economic development which included changing the name and purpose of some of our rates, broadened the purpose of our previous infrastructure investment fund (now the regional project reserve), and updated some of our policies.

Our Long Term Plan 2021-2031 identified new work to be carried out, and also set out how we will measure our performance in each of our activities. We report on our performance each year in our Annual Report, adopted by council every October.

More on our vision for Northland, encompassing our three, 10, and 30-year goals, is set out in 'Te Pae Tawhiti: Our vision', which you can find on our website: nrc.govt.nz/strategicsummary

Te mahere rautaki a te Kaunihera Council's strategic direction

VISION

Our Northland – together we thrive

Tō tātou Taitokerau – ka whai hua tātou

MISSION

Working together to create a healthy environment, strong economy and resilient communities

Healthy waters for the environment and our people

The fresh and coastal waters of Te Taitokerau are clean and abundant, supporting a healthy environment and the needs of our people.

Safe and effective transport networks connecting our region

Transport networks are safe, well organised and increasingly low emission, connecting communities and supporting our regional economy.

Resilient, adaptable communities in a changing climate

Communities are well prepared for the growing effects of climate change and the hazards our region faces, such as droughts and floods.

Meaningful partnerships with tangata whenua

Strong outcomes for Māori through enduring relationships between iwi/hapū and council.

Protected and flourishing native life

The incredible array of native taonga in Te Taitokerau is treasured and protected, on land and in the water.

A strong and sustainable regional economy

A sustainable economy, supporting a healthy standard of living and wellbeing in Te Taitokerau.



He aha ngā rerekētanga

What's changing?

Overview of proposed changes

The Annual Plan 2022/23 is the next step in the corporate planning cycle, following on from our Long Term Plan 2021-2031. It's our chance to seek your feedback and support for any changes we are proposing to make to our activities and budget. In this annual plan we're responding to increased costs that affect the replacement of our maritime vessel and our CityLink services in Whangārei.

As set out in the previous section, our Long Term Plan 2021-2031 set the direction and funding for a lot of work, particularly looking after our natural environment, ensuring community resilience, and building regional leadership and our partnerships with Māori.

We are continuing with all of this vital work, which was again made possible by the directive given to us by the people of Northland during our long term plan consultation process, and by continued support from the communities and community groups we work alongside in many projects. It was also made possible with funding secured from central government for new and boosted work programmes, which we're working hard to implement. However, we now need to review our funding to ensure we can cover some cost increases so that we can continue to play our part in ensuring Northland can really thrive.

The additional funding will help to replace one of our maritime vessels, the Waikare (which has seen a substantial increase in design and build costs) and increase/improve the Whangārei CityLink public transport service.

These changes affect our **Harbour safety and navigation** and **Transport** activities.

You can find out more about our activities, including budgets and how we measure our performance, in our [Long Term Plan 2021-2031](#)

Details of proposed changes

We are proposing one new area of capital spend and one new area of operational spend.

Replacing our maritime vessel, the Waikare

\$3.3M capital expenditure

In our LTP, we set aside an initial estimate of \$1.6M for the design and build of a vessel to replace our current maritime vessel (the Waikare) in the 2022/23 year.

Now that we have gone to market we've realised that our initial estimates were too low, and the cost of replacing the Waikare has increased to \$3.3M (excluding GST). That's because design and build costs have more than doubled in price since we got the initial estimates. The increase is largely due to the Covid-19 pandemic and its influence on supply chains. It has affected the cost of materials (particularly aluminium), transporting those materials to New Zealand, and labour.

This requires a change of tack. We're now going to borrow to fund the full cost of building the vessel – which we can do at special low rates through the Local Government Funding Agency – and repay it over 15 years.

The \$1.6M estimate we had set aside in the LTP will be redirected in to an investment fund to provide returns over the next 15 years, which means we can keep the rates repayments as low as possible.

Due to this, and because we're borrowing the money in portions over time, there will be no additional impact on rates bills for the 2022/23 year. It will affect rates in subsequent years, beginning with a 0.25% increase in the 2023/24 year – an average of around \$0.80 on each rates bill.

Our new plan means that in addition to repaying the loan, we'll have the equivalent amount set aside, via rate-funded depreciation, in 15 years to contribute to the build or purchase of a replacement vessel, assuming we need to do so.

Electric or hybrid

In the LTP, we said we'd also look into the option of an electric or hybrid vessel. We've looked into the feasibility of this and decided that isn't possible for now. Firstly, a fully electric vessel wouldn't have the range to safely travel up and down Northland's coast. Also, hybrid technology for boats is still in development, and there would be a large increase in the build cost, which would result in a higher rate increase. To ensure the best usability and to keep rates down, we'll stick to conventional diesel powered engines, but we'll keep a close eye on this for the future.

The \$3.3M of capital expenditure required will be borrowed and repaid from the Council services rate.

Whangārei transport rate

\$188K of operational expenditure

As we planned in our long term plan, we're working to increase and improve the Whangārei CityLink public transport service, to make sure it's accessible and used. The cost of running buses has increased substantially, and we need to make some changes to keep our services running and improving at the level Whangārei residents expect.

These changes include the reallocation of some funds for the 2022/23 year, and an increase to targeted rates in the Whangārei area.

The reallocation can be made from funds we'd set aside (\$437K) to increase our CityLink services in conjunction with the Whangārei District Council's T2 lane work (for buses and vehicles with two or more people). This work will reduce traffic congestion and pollution, and encourage more people to swap from cars to buses.

The lane upgrades are held up by central government funding delays, which means our increased services are also delayed and we can now contribute around half of the allocated funds to the increased costs of running the bus services. The remainder of the cost shortfall needs to be covered by rates targeted to the Whangārei area. This means an extra \$4.80 a year (\$0.09 per week) on the average Whangārei rates bill. We'll need to revisit this in our next Annual Plan once expenses and funding are confirmed, to ensure we can keep pace with how quickly costs are changing. Why have the costs increased?

- The price of diesel, Road User Charges, changes to legislation for employee rest and meal breaks, and a government requirement for contractors to pay the Living Wage, have all contributed to roughly a 10% increase in operating costs.

- Since Covid-19, the income we get from bus fares is much lower. Fewer people are travelling by bus, and of those people, more are students paying half fare.
- We've introduced some school buses to run separately from regular buses before and after school. This addresses the issue of antisocial behaviour at the Rose St bus terminal, prevents capacity issues, and frees up seats for full fare-paying adults. This comes at an additional cost.

The \$188K of operational expenditure required will be funded from the targeted Whangārei transport rate.

What does this mean for my rates?

Council's revenue comes from a number of sources including rates, grants and subsidies, user fees and charges, and investment income. We subsidise the cost of our activities with investment income to keep rates as low as possible, and also use our cash reserves, however both of the changes proposed will impact rates.

We collect region-wide rates, and targeted (area-specific) rates. The funding to help replace the Waikare will come from a region-wide rate, while the Whangārei transport rate is targeted to Whangārei residents only.

Our Long Term Plan 2021-2031 budgeted a rate increase of 13.79% for the 2022/23 year, so that we can keep up the momentum and fund critical pieces of work. Our proposed changes will alter the total average rates increase to 13.89%.

For Kaipara and Far North ratepayers, there's no additional impact on the average rates bill from what was set out in the Long Term Plan 2021-2031 for 2022/23, so the average increase remains around \$48 for 2022/23. The cost of repaying the Waikare replacement will add around \$0.80 to the average rate increase in the following year, 2023/24.

For Whangārei ratepayers, the extra impact of the transport rate on average rates bills will be \$4.80. On top of the planned increase from the Long Term Plan 2021-2031, that creates a total average increase of around \$65 in 2022/23. Again, the cost of repaying the Waikare replacement will add around \$0.80 to the average rate increase in the following year, 2023/24.

These rate increases will cover the cost of the proposed new capital and operational expenditure outlined above, factoring in the cost of depreciation on the proposed capital spend.

Oruku Landing conference and events centre

We'd budgeted \$6M in the long term plan to help fund the internal fit-out of the Oruku Landing conference and events centre. The conditions of this funding weren't met so the money will no longer be spent, and the new rate will not be struck. As the rate was due to begin in 2023/24, there will be an adjustment in next year's annual plan to address the change in funding.

Those who are familiar with our annual plan financials and long term plan will notice that the rate and special reserve created as place holders for funding Oruku Landing no longer appear in our financial statements. We note that, even if the project was still going ahead, this rate and reserve would have always been at zero balance for the 2022/23 year.

Mahere a pūtea Finances

Te tauākī pānga pūtea

Funding impact statement

Northland Regional Council: Funding impact statement (whole of council)

Table 2.1

LTP Year 1		Annual Plan	LTP Year 2	Variance
2021/22		2022/23	2022/23	
\$(000)		\$(000)	\$(000)	\$(000)
Sources of operational funding				
-	General Rates, uniform annual general charges, rates penalties	-	-	-
37,574	Targeted rates	42,797	42,756	(42)
14,333	Grants and subsidies for operating purposes	15,536	14,185	(1,351)
4,446	Fees Charges	4,273	4,632	359
3,261	Interest and dividends from investments	3,702	3,870	167
12,264	Local authorities fuel tax, fines, infringement fees and other receipts	7,802	7,842	40
71,879	Total sources of operating funding	74,111	73,285	(826)
Applications of operating funding				
64,069	Payments to staff and suppliers	66,234	65,064	(1,169)
747	Finance costs	1,102	1,072	(30)
-	Other operating funding applications	-	-	-
64,816	Total applications of operating funding	67,335	66,136	(1,199)
7,063	Surplus/(Deficit) of operating funding	6,775	7,149	374
Sources of capital funding				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
2,468	Increase/(Decrease) in debt	10,067	8,067	(2,000)

-	Gross proceed from sale of assets	-	-	-
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
2,468	Total sources of capital funding	10,067	8,067	(2,000)
	Applications of capital funding			
	Capital expenditure			
-	- To meet additional demands	-	-	-
16,405	- To improve levels of service	25,530	16,781	(8,749)
1,682	- To replace existing assets	3,332	3,132	(200)
(83)	Increase/(Decrease) in reserves	4,373	4,616	243
(8,473)	Increase/(Decrease) in investments	(16,391)	(9,312)	7,079
9,531	Total Applications of capital funding	16,843	15,216	(1,626)
(7,063)	Surplus/(Deficit) from capital funding	(6,775)	(7,149)	(374)
-	Funding balance	-	-	-

This statement is GST exclusive. It is required under the Local Government Act 2002 (Schedule 10, Clause 20) and conforms to Schedule 2, Form 1 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to funding impact statements as stated in section 111(2) of the Local Government Act 2002. Key divergences from GAAP are not including depreciation; including internal charges; and combining capital and operational items in one financial statement.

Reconciliation to statement of comprehensive revenue and expense

Table 2.2

LTP Year 1		Annual Plan	LTP Year 2	Variance
2021/22		2022/23	2022/23	
\$(000)		\$(000)	\$(000)	\$(000)
18,087	Capital expenditure included above not in Comprehensive Revenue and Expense	28,861	19,912	(8,949)
(8,473)	Investment movements included above not in Comprehensive Revenue and Expense	(16,391)	(9,312)	7,079
-	- Other Gains included in Comprehensive Income not above	-	-	-
-	- Gross Proceeds included above not in Comprehensive Income	-	-	-

-	Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-
(100)	Property revaluation adjustments included in comprehensive income but not above	(1)	(100)	(99)
(2,468)	Proceeds from Borrowings included above not in comprehensive revenue	(10,067)	(8,067)	2,000
(83)	Transfers to/(from) special reserves included above not in comprehensive Income	4,373	4,616	243
-	Infrastructure asset revaluation adjustments included in comprehensive income but not above	0	0	0
(1,986)	Depreciation Expense included in Comprehensive Income not above	(2,385)	(2,270)	115
<u>4,977</u>	<u>Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense</u>	<u>4,437</u>	<u>4,779</u>	<u>389</u>

Ngā reiti Rates

Rating funding impact statement

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

Table 2.3

LTP Year 1		Annual Plan	LTP Year 2	Variance
2021/22	Excluding GST	2022/23	2022/23	
\$(000)		\$(000)	\$(000)	\$(000)
64,816	Operational Expenditure	67,335	66,136	(1,199)
18,087	Capital Expenditure	28,861	19,912	(8,949)
82,902	Total Gross Expenditure	96,197	86,048	(10,148)
	Funded By			
10,221	Council services Rate	12,768	12,762	6
9,658	Land and Freshwater Management Rate	10,123	10,144	(21)
5,925	Pest Management Rate	6,508	6,529	(21)
2,549	Flood Infrastructure Rate	2,773	2,782	(9)
2,937	Emergency and Hazard Management Rate	3,641	3,742	(101)
-	Targeted Regional Infrastructure Rate	-	-	-
1,385	Targeted Regional Sporting Facilities Rate	1,385	1,385	-
611	Targeted Regional Economic Development Rate	686	686	-
4,288	Other Targeted Rates	4,913	4,725	188
14,333	Grants and Subsidies	15,536	14,185	1,351
4,446	User Charges	4,273	4,632	(359)
3,109	Rental Income	3,201	3,390	(189)
161	Interest Income	160	161	(1)
9,155	Gains Income	4,601	4,452	149
3,100	Dividend Income	3,542	3,708	(166)

-	Forestry Income	-	-	-
5,533	Borrowings	13,596	11,596	2,000
5,491	Cash Reserves from/(to)	8,490	1,168	7,323
<hr/>				
82,902	Total Funding	96,197	86,048	10,148
<hr/>				

Types of rates

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

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

Uniform annual general charge

The council does not set a uniform annual general charge.

Targeted region-wide rates

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

Council services rate

What it funds

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

How it is set

The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per SUIP of a rating unit is to be assessed across the Whangārei constituency to provide \$77,382 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

The estimated total council services rate amounts to \$14,683,060 for the 2022/23 financial year.

The council services rate payable in respect of each rating unit in the Kaipara district, and each SUIP of a rating unit in the Far North and Whangārei districts, will be set as shown in the following table.

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

Council services rate

District	Rate	Rateable unit
Far North	\$131.79	per SUIP
Kaipara	\$175.48	per rating unit
Whangārei	\$164.49	per SUIP

Land and freshwater management rate

What it funds

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

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

How it is set

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

How much is the rate?

The estimated total land and freshwater management rate is \$11,642,346 for the 2022/23 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Land and freshwater management rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	9,954,989	13,976,724	\$39.40
Kaipara	6,027,920	7,892,379	\$36.03
Whangārei	20,239,634	20,580,618	\$28.23

Pest management rate

What it funds

The council uses the pest management rate to fund activities that are carried out under the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For new activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan, consideration is given to the requirements of section 100T of the Biosecurity Act 1993. An analysis of Section 100T requirements was carried out and considered by council as part of the process of consulting on and adopting the Long Term Plan 2021-2031, and can be found in the rates section of that document. The Council considers that the analysis has not changed for the 2022/23 financial year.

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

How it is set

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

How much is the rate?

The estimated total pest management rate amounts to \$7,484,002 for the 2022/23 financial year.

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

Pest management rate

District	Rate	Rateable unit
Far North	\$67.53	per SUIP
Kaipara	\$89.92	per rating unit
Whangārei	\$83.40	per SUIP

Flood infrastructure rate

What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in infrastructure strategy included in the Long Term Plan 2021–2031). Targeted rates will be used to fund the portion of flood protection infrastructure that is not met by the flood infrastructure rate, and operational river schemes works.

How it is set

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

How much is the rate?

The estimated total Northland flood infrastructure rate amounts to **\$3,188,645** for the 2022/23 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$33.39.

Emergency and hazard management rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total emergency and hazard management rate amounts to **\$4,186,938** for the 2022/23 financial year.

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

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

Emergency and hazard management rate

District	Rate	Rateable unit
Far North	\$37.78	per SUIP
Kaipara	\$50.30	per rating unit
Whangārei	\$46.66	per SUIP

Specific targeted rates

The following specific targeted rates are for 2022/23.

Regional sporting facilities rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to \$1,592,890 for the 2022/23 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$16.68.

How is the rate applied?

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

Emergency services rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total emergency services rate is \$1,112,540 for the 2022/23 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.65.

How is the rate applied?

The emergency services rate will be applied to approved recipients.

Regional economic development rate

What it funds

The regional economic development rate will fund activities that support the economic wellbeing of Northland, and community infrastructure.

How it is set

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

How much is the rate?

The estimated total regional infrastructure rate is **\$789,439** for the 2022/23 financial year.

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

Regional economic development rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	9,954,989	13,976,724	\$2.66
Kaipara	6,027,920	7,892,379	\$2.44
Whangārei	20,239,634	20,580,618	\$1.92

How is the rate applied?

This rate is applied to the investment and growth reserve.

Whangārei transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Whangārei transport rate is **\$1,734,249** for the 2022/23 financial year. The rate will be set at \$38.66 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How is the rate applied?

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

Far North transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Far North district transport rate is \$319,681 for the 2022/23 financial year. The rate will be set at \$8.83 for each rateable separately used or inhabited part (SUIP) in the Far North district.

How is the rate applied?

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

Note: Oruku Landing fit-out rate

The conditions of this funding weren't met so the money will no longer be spent, and we won't be setting this extra rate. While this won't affect your rates for this year, as the targeted rate was due to kick in with the funding in 2023/24, the impact on overall rates will be reflected in next year's Annual Plan.

Awanui River management rate

What it funds

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

How it is set

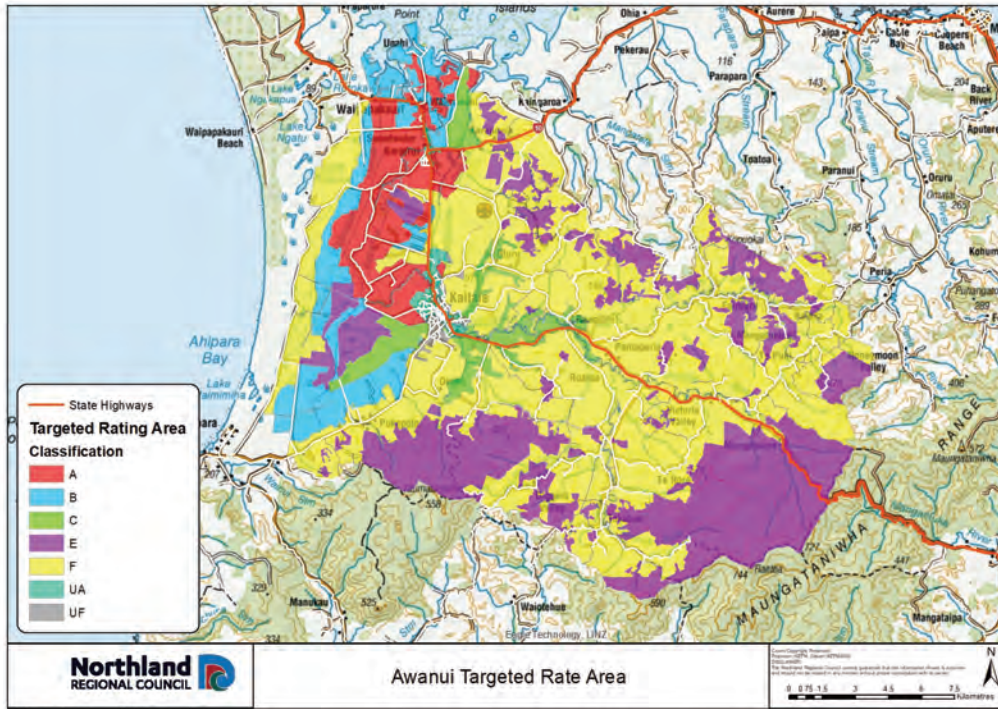
The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

Awanui river management rate

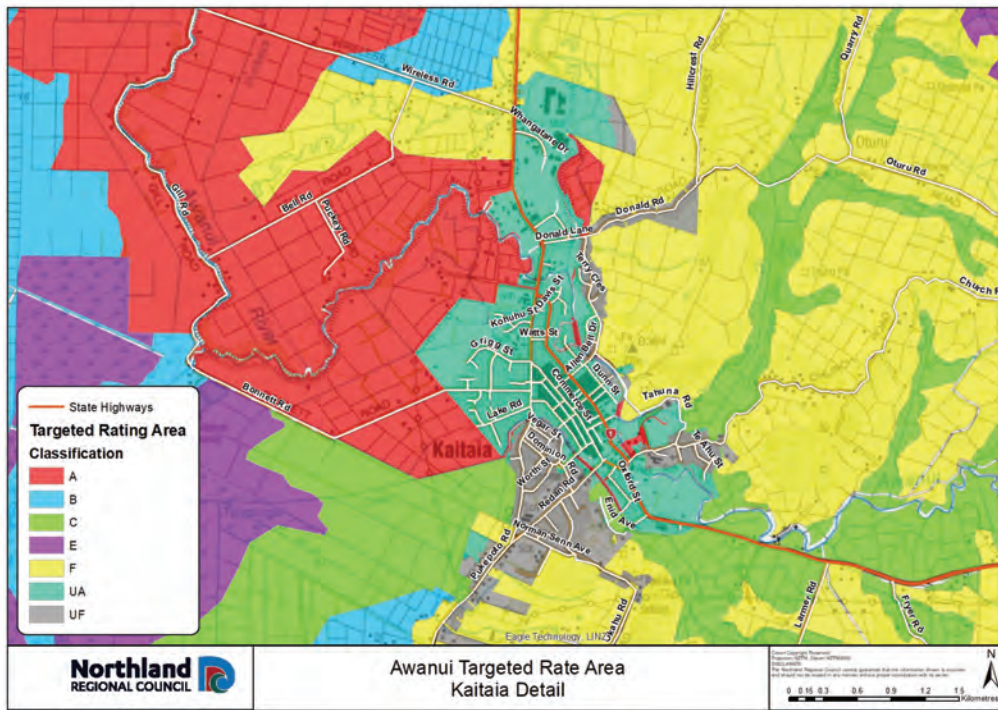
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$286.37 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit.	\$314.56	Per SUIP
2	Urban rate classes UF (higher ground) \$28.19 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit.	\$56.38	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$11.91 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 Kaitaia flood rating district as illustrated in the following maps and table.	\$11.91	Per SUIP

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

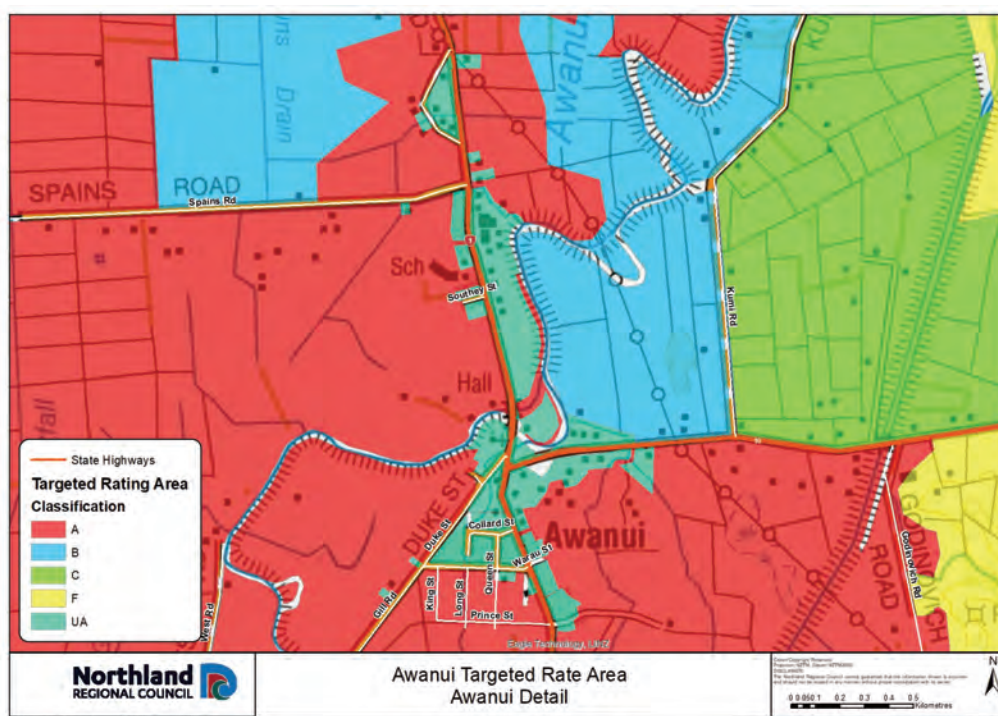
Awanui River scheme targeted rate



Awanui scheme targeted rate - Kaitia detail



Awanui River scheme targeted rate - Awanui detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$23.59
C	Moderate benefit; land floods less frequently and water clears quickly.	\$10.89
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$0.76

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

How much is the rate?

The estimated total Awanui River management rate is \$1,028,787 for the 2022/23 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui river management rate

Class	Rural or urban	Total revenue
A & B	Rural	\$131,331
C	Rural	\$16,909
F	Rural	\$14,434
Indirect benefit	Rural	\$20,272
Urban A	Urban	\$459,258
Urban F	Urban	\$37,493
Commercial differential	Majority urban	\$349,090
Total		\$1,028,787

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

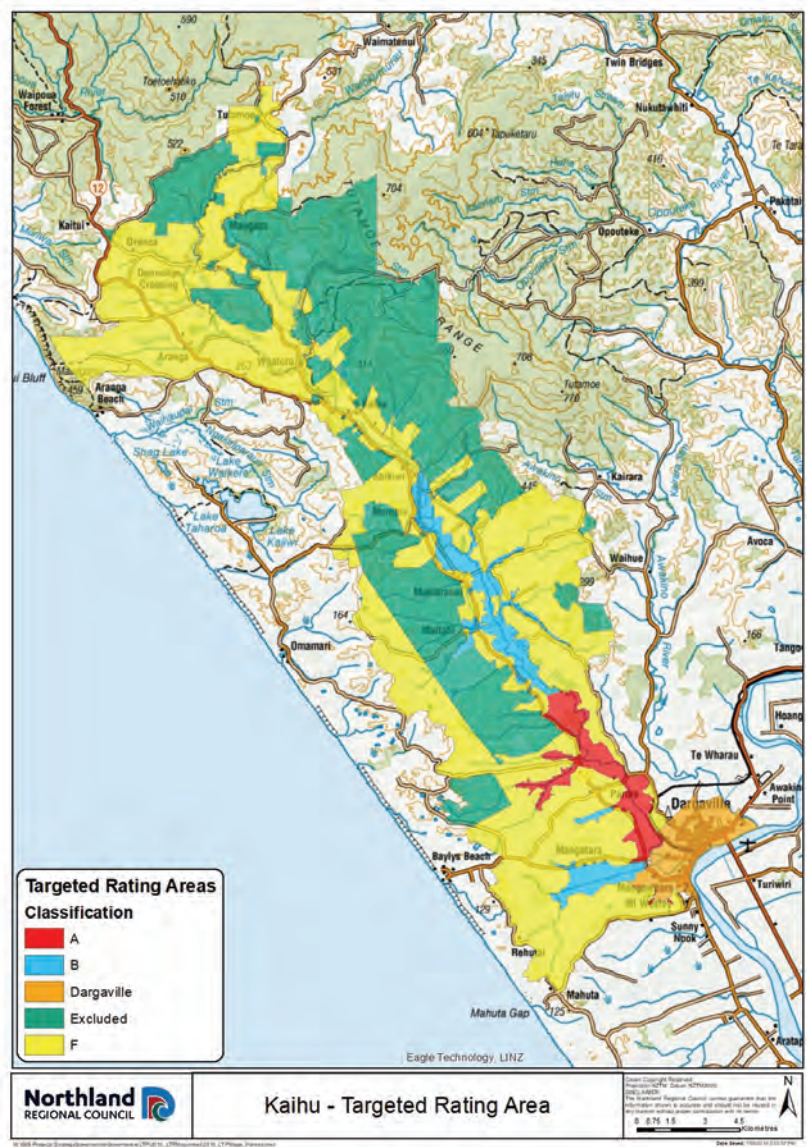
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

- Class A – land on the floodplain and side valleys downstream of the Rotu Bottleneck; rate is applied per hectare of land.
- Class B – land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12; rate is applied per hectare of land.
- Class F (Catchment rate) – balance of land within the Kaihū River rating area not falling within class A and class B or the excluded area; 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 as follows:

Kaihū River targeted rate area



Kaihū river management rate

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.13
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.39
F	Balance of rateable land within the Kaihū River rating area not excluded from liability for this rate.	\$1.60
	Urban contribution	Per annum

Class	Description	Rate per hectare
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5015

How much is the rate?

The estimated total Kaihū River management rate is \$79,869 in the 2022/23 financial year. The revenue sought from each category of rateable land will be as follows:

Kaihū river management rate

Class	Total revenue
A	\$31,798
B	\$12,148
F	\$30,908
Urban contribution	\$5,015
Total	\$79,869

How is the rate applied?

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

Kāeo-Whangaroa rivers management rate

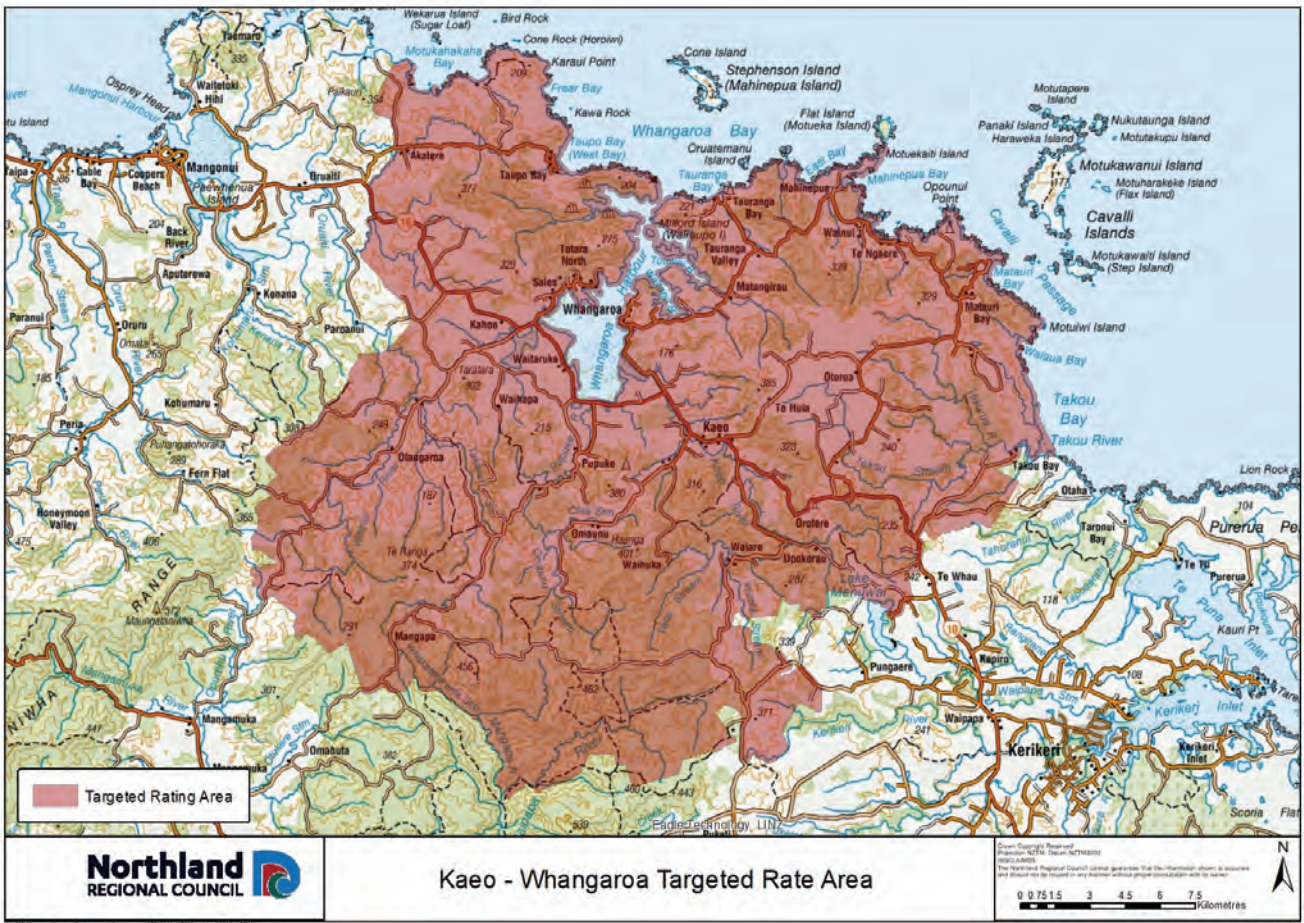
What it funds

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

How it is set

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

Kāeo-Whangaroa River targeted rate area



How much is the rate?

The estimated total Kāeo-Whangaroa rivers management rate is \$118,043 in the 2022/23 financial year. The rate is set at \$54.52 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

How is the rate applied?

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

Whangārei urban rivers management rate

What it funds

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

How it is set

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

Whangārei urban rivers management rate

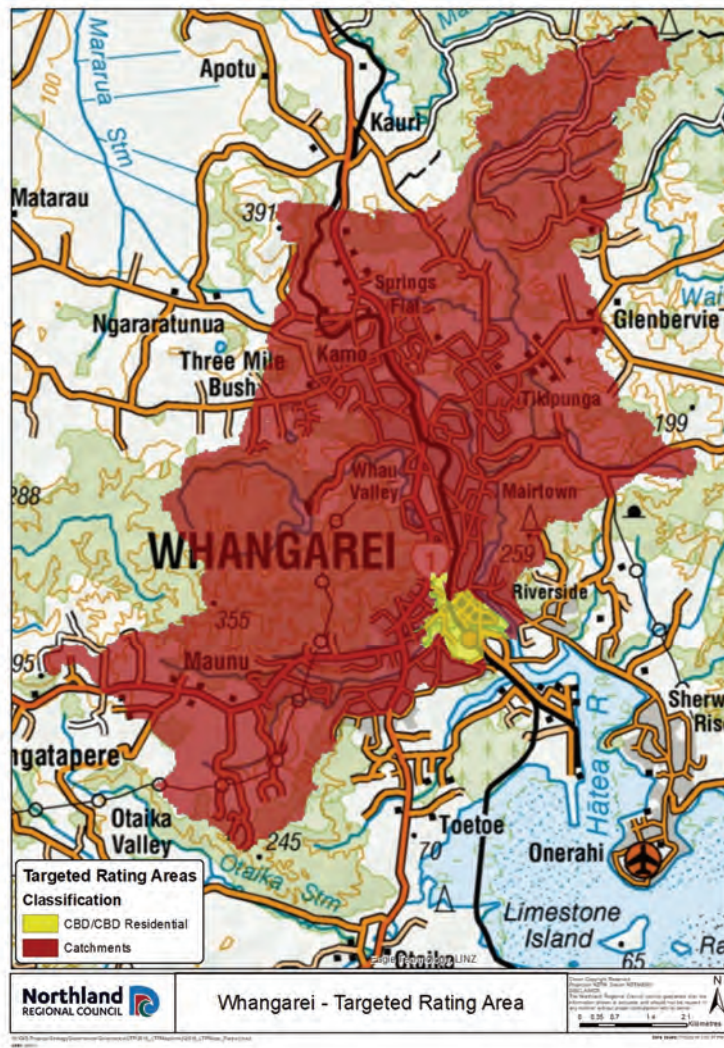
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$351.22	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$172.08	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$42.13	Per SUIP

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

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

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

Whangārei urban rivers management rate area map



How much is the rate?

The estimated total Whangārei urban rivers management rate is \$1,142,580 in the 2022/23 financial year. The revenue sought from each category is as follows:

Whangārei urban rivers management rate

Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$354,030
2	All residential properties in the Whangārei CBD flood area.	\$27,876
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$760,674
Total		\$1,142,580

How is the rate applied?

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

Taumāreere rivers management rate

What it funds

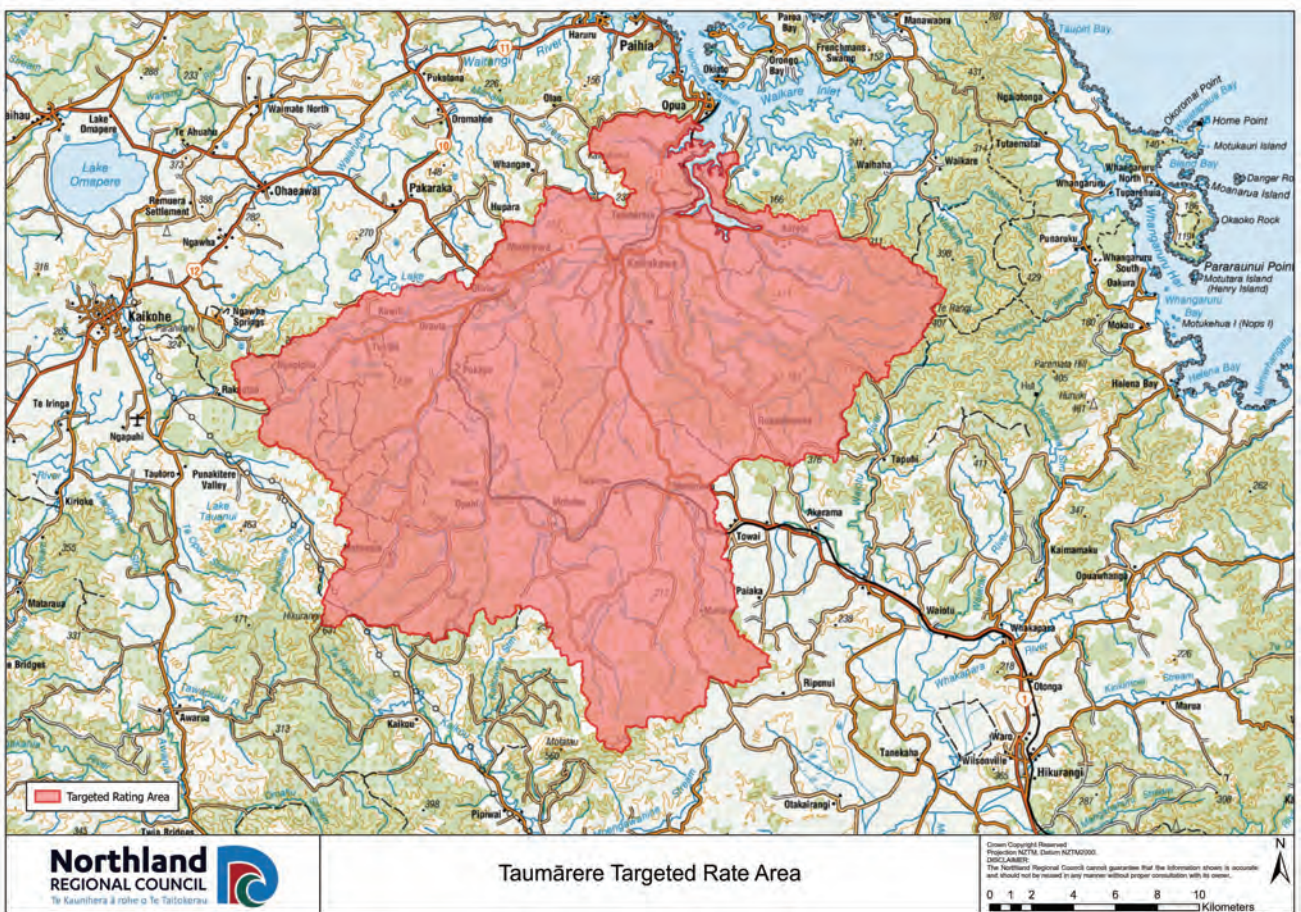
This rate funds operational and capital flood scheme works in the Taumāreere catchment to reduce flooding at Otiria and Moerewa, and Kawakawa.

How it is set

The Taumāreere rivers management rate is a targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of every separately used or inhabited part of a property (SUIP) that is located within the Far North District and within and/or intersects the Taumāreere rivers management rate catchment area.

The Taumāreere rivers management rate (“Taumāreere catchment”) rating area is defined as the boundary of the amalgamation of the Freshwater Ecosystems of New Zealand database catchment numbers: 4044, 4059, 4121, 4126, 4149, 4160, 8693, 8695, 8721, 8729, 8733, 8753, 8754, 8759, 8765, 8771, 8773, 8776, and 10041, as so many are located in the Far North district. The exclusion to this are those SUIPs that only intersect inside the Taumāreere rivers management rate catchment boundary (refer map for catchment boundary) by a maximum of 10m.

Taumāreere rivers targeted rate area



How much is the rate?

The estimated total Taumāreere rivers management rate is \$113,278 in the 2022/23 financial year. The rate is set at \$51.19 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit as defined above.

How is the rate applied?

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

Further rating information

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

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

Separately used or inhabited part of a rating unit definitions

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

Far North district SUIP definition

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

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

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

- individual flats or apartments
- separately leased commercial areas that are leased on a rating unit basis
- vacant rating units
- single rating units that contain multiple uses such as a shop with a dwelling, and
- a residential building or part of a residential building that is used, or can be used, as an independent residence. An independent residence is defined as having a separate entrance, separate cooking facilities (e.g. cooking stove, range, kitchen sink, etc) together with living and toilet/bathroom facilities.

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

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

Whangārei district SUIP definition

A separately used or inhabited part is defined as:

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

Examples include:

- each separate shop or business activity on a rating unit
- each occupied or intended to be occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit
- individually tenanted flats, including retirement units, apartments and town houses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit

Postponement charges for postponed rates in the Far North district

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

- application fee: \$300
- administration fee: \$50 per annum
- financing fee on all postponements: currently set at 3.00% per annum but may vary to match council's average cost of funds.

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

Postponement charges for postponed rates in the Whangārei district

Pursuant to the Local Government (Rating) 2002 Act, council will charge a postponement fee on some rates postponements, as per its postponement policies. The application form will state the details of this charge.

Equalisation of rates

Until recently, each district in Northland was independently revalued by Quotable Value (over a three-yearly cycle, one district per year). Whangārei district now uses Opteon for its valuations. To ensure that property valuations in the remaining two districts are current, a registered valuer also provides the regional council 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, pest management rate, and the emergency and hazard management rate are set by reference to the projected capital value of each

district. The land and freshwater management rate, and regional economic development rate, are set according to projected land values in each district – for these three rates, remember that if all the districts had the same valuation date, then each district would have the same rate per dollar of actual land value.

Inspection and objection to council’s rating information database

The rating information database for each district is available at the relevant district council and Northland Regional Council. The rating information database for each district can also be found on each district council’s website. The website addresses are:

www.fndc.govt.nz

www.wdc.govt.nz

www.kaipara.govt.nz

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

Summary table of rates

The following table illustrates the distribution of the regional rates on the forecast basis for the 2022/23 financial year, with the 2021/22 long term plan regional rates for comparison. The actual and projected apportionment of rates among Northland’s districts is as follows, based on the district valuation roll as at 30 June in each year:

District valuation roll

Estimate for 30 June 2022

	Gross Number of RU (Kaipara) or SUIP (others) (gross)	Net Number of RU (Kaipara) or SUIP (others) (net)	Capital Value (CV) (\$000)	Land Value (LV) (\$000)	Equalised Capital Value (\$000)	Equalised Land Value (\$000)	Equalised Capital Value (%)	Equalised Land Value (%)
Far North District	37,186	36,204	18,789,271	9,954,989	26,171,435	13,976,724	32.67%	32.93%
Kaipara District	14,544	14,434	10,774,419	6,027,920	13,893,634	7,892,379	17.34%	18.59%
Whangārei District	46,001	44,859	39,265,880	20,239,634	40,050,480	20,580,618	49.99%	48.48%
Total Valuation - Northland	97,731	95,497	68,829,570	36,222,543	80,115,549	42,449,721	100%	100%

	Rates 2022/23 (including GST)			Rates 2021/22 (including GST)		
		Total (gross)	Total (net)		Total (gross)	Total (net)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Targeted Council Services Rate						

Far North (per SUIP)	131.79	4,900,743	4,771,325	111.36	4,136,356	4,006,176
Kaipara (per RU)	175.48	2,552,181	2,532,878	136.32	1,924,021	1,909,843
Whangārei (per SUIP)	164.49	7,566,704	7,378,857	132.69	5,966,671	5,838,493
		<u>15,019,628</u>	<u>14,683,060</u>		<u>12,027,048</u>	<u>11,754,512</u>

Targeted Land and Freshwater Management Rate

Far North (per \$ of actual LV)	0.0003940	3,922,266	3,833,364	0.0003787	3,804,779	3,782,443
Kaipara (per \$ of actual LV)	0.0003603	2,171,860	2,164,651	0.0003425	2,021,774	2,015,780
Whangārei (per \$ of actual LV)	0.0002823	5,713,649	5,644,331	0.0003795	5,330,103	5,308,367
		<u>11,807,775</u>	<u>11,642,346</u>		<u>11,156,656</u>	<u>11,106,590</u>

Targeted Pest Management Rate

Far North (per SUIP)	67.53	2,511,171	2,444,856	64.97	2,413,246	2,337,296
Kaipara (per RU)	89.92	1,307,796	1,297,905	79.53	1,122,486	1,114,215
Whangārei (per SUIP)	83.40	3,836,483	3,741,241	76.40	3,435,479	3,361,676
		<u>7,655,450</u>	<u>7,484,002</u>		<u>6,971,211</u>	<u>6,813,187</u>

Targeted Flood Infrastructure Rate

Far North (per SUIP)	33.39	1,241,641	1,208,852	31.19	1,158,521	1,122,060
Kaipara (per RU)	33.39	485,624	481,951	31.19	440,216	436,972
Whangārei (per SUIP)	33.39	1,535,973	1,497,842	31.19	1,402,521	1,372,391
		<u>3,263,238</u>	<u>3,188,645</u>		<u>3,001,258</u>	<u>2,931,423</u>

Targeted Emergency and Hazard Management Rate

Far North (per SUIP)	37.78	1,404,887	1,367,787	32.21	1,196,408	1,158,755
Kaipara (per RU)	50.30	731,563	726,030	39.43	556,515	552,414
Whangārei (per SUIP)	46.66	2,146,407	2,093,121	37.88	1,703,350	1,666,758
		<u>4,282,857</u>	<u>4,186,938</u>		<u>3,456,273</u>	<u>3,377,927</u>

Targeted Regional Sporting Facilities Rate

Far North (per SUIP)	16.68	620,262	603,883	16.95	629,591	609,776
Kaipara (per RU)	16.68	242,594	240,759	16.95	239,232	237,470
Whangārei (per SUIP)	16.68	767,297	748,248	16.95	762,190	745,817
		<u>1,630,153</u>	<u>1,592,890</u>		<u>1,631,013</u>	<u>1,593,063</u>

Targeted Regional Economic Development Rate

Far North (per \$ of actual LV)	0.0000266	264,803	259,618	0.0000240	241,127	239,269
Kaipara (per \$ of actual LV)	0.0000244	147,081	146,666	0.0000217	128,094	127,595
Whangārei (per \$ of actual LV)	0.0000192	388,601	383,155	0.0000240	337,082	335,270
		<u>800,485</u>	<u>789,439</u>		<u>706,303</u>	<u>702,134</u>

Targeted Emergency Services Rate

Far North (per SUIP)	11.65	433,217	421,777	11.84	439,784	425,944
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Kaipara (per RU)	11.65	169,438	168,156	11.84	167,110	165,878
Whangārei (per SUIP)	11.65	535,912	522,607	11.84	532,409	520,972
		<u>1,138,567</u>	<u>1,112,540</u>		<u>1,139,303</u>	<u>1,112,794</u>
Targeted Whangārei Transport Rate						
Rate per SUIP	38.66	1,778,399	1,734,249	23.07	1,037,389	1,015,103
Targeted Far North Transport Rate						
Far North District	8.83	328,352	319,681	8.88	329,839	319,458
Targeted Awanui River Management Rate						
Far North District - Rural		191,725	189,481		191,753	189,592
Far North District - Urban		850,754	839,306		850,705	839,195
		<u>1,042,479</u>	<u>1,028,787</u>		<u>1,042,458</u>	<u>1,028,787</u>
Targeted Kaihū River Management Rate						
Kaipara District (Kaihū river area only)		79,869	79,869		79,869	79,869
Targeted Kāeo-Whangaroa Rivers Management Rate						
Far North (Kāeo only)	54.52	121,860	118,043	54.52	121,860	118,043
Targeted Taumāreke Rivers Management Rate						
Far North (Otiria-Moerewa/Kawakawa only)	51.19	115,382	113,278	61.13	116,697	113,278
Targeted Whangārei Urban Rivers Management Rate						
Whangārei district only		1,163,385	1,142,580		1,152,533	1,142,580
TOTAL RATES						
		Gross (\$)*	Net (\$) **		Gross (\$)	Net (\$)
Far North District		16,907,063	16,491,251		15,630,666	15,261,284
Kaipara District		7,888,007	7,838,867		6,679,317	6,640,036
Whangārei District		25,432,809	24,886,230		21,659,727	21,307,428
		<u>50,227,879</u>	<u>49,216,348</u>		<u>43,969,710</u>	<u>43,208,748</u>

* Amount inclusive of GST

** Amount net of remissions and inclusive of GST

For more details on the different types of rates, see 'Types of rates'.

How much will my rates be?

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

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2022, so they may differ slightly.

Ratepayers in the Far North district

Far North district ratepayers will be assessed:

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

Far North

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003940	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000266	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential / Commercial / Other

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	225,000	88.65	85.21
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		5.99	5.40
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Total Regional Rates		402.29	368.01

Farm Property

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	2,750,000	1,083.50	1,041.42
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		73.15	66.00
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Total Regional Rates		1,464.30	1,384.82

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

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

Far North District - Awanui Catchment

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003940	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000266	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential & Commercial Urban

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	225,000	88.65	85.21
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		5.99	5.40
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88

Plus Awanui river management rates applicable to:

- Urban rate class UA (floodplain location)		314.56	311.10
- Urban rate classes UF (higher ground)		56.38	55.54
- Commercial Urban UA		943.68	933.30

Lifestyle Property - 10 hectares

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	450,000	177.30	170.42
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		11.97	10.80
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B		719.61	712.61
- Rural Class A & B		247.81	245.61
- Rural Class C		120.81	121.61
- Rural Class E		11.91	12.11
- Rural Class F		19.51	19.81

Farm Property - 100 hectares

Targeted Council Services Rate		131.79	111.36
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Targeted Land and Freshwater Management Rate	2,750,000	1,083.50	1,041.42
Targeted Pest Management Rate		-	-
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		73.15	66.00
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		7,088.91	7,017.11
- Rural Class A & B		2,370.91	2,347.11
- Rural Class C		1,100.91	1,107.11
- Rural Class E		11.91	12.11
- Rural Class F		87.91	89.11

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: on \$314.56 for urban commercial class UA equating to \$943.68; on \$56.38 for urban commercial class UF equating to \$169.14; on \$23.59 per hectare for rural commercial class A/B equating to \$70.77; on \$10.89 per hectare for rural commercial class C equating to \$32.67; and on \$0.76 per hectare for rural commercial class F equating to \$2.28.

The rural rate also includes a single rate of \$11.91 per SUIP 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).

Far North district ratepayers in the Kāeo-Whangaroa rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land and freshwater management rate assessed on the land value of each rateable rating unit;
3. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted emergency and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
7. A targeted regional economic development rate assessed on the land value of each rateable rating unit;
8. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
9. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit; and
10. A targeted Kāeo-Whangaroa rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties falling within the former Whangaroa ward (rating rolls 100-199).

Far North - Kāeo-Whangaroa

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003940	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000266	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential / Commercial / Other

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	225,000	88.65	85.21
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		5.99	5.40
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Targeted Kāeo-Whangaroa Rivers Management Rate		54.52	54.52
Total Regional Rates		456.81	422.53

Farm Property

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	2,750,000	1,083.50	1,041.42
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		73.15	66.00
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Targeted Kāeo-Whangaroa Rivers Management Rate		54.52	54.52
Total Regional Rates		1,518.82	1,439.36

Far North district ratepayers in the Taumāreere rivers management rate area will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
2. A targeted land and freshwater management rate assessed on the land value of each rateable rating unit;
3. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
5. A targeted emergency and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
7. A targeted regional economic development rate assessed on the land value of each rateable rating unit;
8. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
9. A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit; and
10. A targeted Taumāreere rivers management rate set on a uniform basis in respect of each separately used or inhabited part of a rating unit for properties indicated in the area of benefit as defined in the Taumāreere river flood management scheme.

Far North - Taumārere

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003940	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000266	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential / Commercial / Other

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	225,000	88.65	85.21
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		5.99	5.40
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Targeted Tamarere Rivers Management Rate		51.19	61.13
Total Regional Rates		453.48	429.14

Farm Property

Targeted Council Services Rate		131.79	111.36
Targeted Land and Freshwater Management Rate	2,750,000	1,083.50	1,041.42
Targeted Pest Management Rate		67.53	64.97
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		37.78	32.21
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		73.15	66.00
Targeted Emergency Services Rate		11.65	11.84
Targeted Far North Transport Rate		8.83	8.88
Targeted Tamarere Rivers Management Rate		51.19	61.13
Total Regional Rates		1,515.49	1,445.96

Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
2. A targeted land and freshwater management rate assessed on the land value of each rateable rating unit;
3. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
4. A targeted, fixed flood infrastructure rate assessed on each rating unit;
5. A targeted emergency and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each rating unit;
6. A targeted, fixed regional sporting facilities rate assessed on each rating unit;
7. A targeted regional economic development rate assessed on the land value of each rateable rating unit;
8. A targeted, fixed emergency service rate assessed on each rating unit; and
9. A targeted Kaihū River management rate, based on land area, and differentiated by location and area of benefit as defined in the Kaihū River management scheme.

Kaipara Urban / Rural			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003603	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000244	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property			
Targeted Council Services Rate		175.48	136.32
Targeted Land and Freshwater Management Rate	225,000	81.07	77.06
Targeted Pest Management Rate		89.92	79.53
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		50.30	39.43
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		5.49	4.88
Targeted Emergency Services Rate		11.65	11.84
Total Regional Rates		463.98	397.20
Farm Property			
Targeted Council Services Rate		175.48	136.32
Targeted Land and Freshwater Management Rate	2,750,000	990.82	941.88
Targeted Pest Management Rate		89.92	79.53
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		50.30	39.43

Targeted Regional Sporting Facilities Rate	16.68	16.95
Targeted Regional Economic Development Rate	67.10	59.68
Targeted Emergency Services Rate	11.65	11.84
Total Regional Rates	1,435.35	1,316.82

Additional for Properties in the Kaihū River Catchment	Land Value	2022/23	2021/22
GST Inclusive	(\$)	Rates	Rates
10 hectares	Class A	231.30	231.30
	Class B	113.90	113.90
	Class F	16.00	16.00
100 hectares	Class A	2,313.00	2,313.00
	Class B	1,139.00	1,139.00
	Class F	160.00	160.00

Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June, with an additional charge of \$1.73 per separately used or inhabited part of a rating unit to fund the maintenance of the Hātea Channel;
2. A targeted land and freshwater management rate assessed on the land value of each rateable rating unit;
3. A targeted pest management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
4. A targeted, fixed flood infrastructure rate, assessed on each separately used or inhabited part of the rating unit;
5. A targeted emergency and hazard management rate, differentiated by location and calculated on the total projected capital value determined by the certificate of projected valuation of the district at 30 June and assessed on each separately used or inhabited part of the rating unit;
6. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
7. A targeted regional economic development rate assessed on the land value of each rateable rating unit;
8. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
9. A targeted, fixed Whangārei transport rate assessed on each separately used or inhabited part of the rating unit; and
10. A targeted Whangārei urban rivers management rate differentiated by location and category and set as a fixed amount per each separately used or inhabited part of a rating unit.

Whangārei Urban / Rural / Other			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0002823	Land Value	2022/23	2021/22
Regional Economic Development Rate = LV rate in the \$ = 0.0000192	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		164.49	132.69
Targeted Land and Freshwater Management Rate	225,000	63.52	85.39
Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		4.32	5.40
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Total Regional Rates		462.77	420.81
Residential Property (in CBD area)			
Targeted Council Services Rate		164.49	132.69

Targeted Land and Freshwater Management Rate	225,000	63.52	85.39
Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		4.32	5.40
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Whangārei River Management Rate - CBD Residential		172.08	177.56
Total Regional Rates		634.85	598.37
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		164.49	132.69
Targeted Land and Freshwater Management Rate	225,000	63.52	85.39
Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		4.32	5.40
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Whangārei River Management Rate - General Catchment		42.13	42.22
Total Regional Rates		504.90	463.03
Farm Property			
Targeted Council Services Rate		164.49	132.69
Targeted Land and Freshwater Management Rate	2,750,000	776.32	1,043.62
Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		52.80	66.00
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Total Regional Rates		1,224.06	1,439.65
Commercial Property (non CBD)			
Targeted Council Services Rate		164.49	132.69
Targeted Land and Freshwater Management Rate	2,000,000	564.60	759.00

Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		38.40	48.00
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Total Regional Rates		997.93	1,137.02
Commercial Property (in CBD area)			
Targeted Council Services Rate		164.49	132.69
Targeted Land and Freshwater Management Rate	2,000,000	564.60	759.00
Targeted Pest Management Rate		83.40	76.40
Targeted Flood Infrastructure Rate		33.39	31.19
Targeted Emergency and Hazard Management Rate		46.66	37.88
Targeted Regional Sporting Facilities Rate		16.68	16.95
Targeted Regional Economic Development Rate		38.40	48.00
Targeted Whangārei Transport Rate		38.66	23.07
Targeted Emergency Services Rate		11.65	11.84
Whangārei River Management Rate - CBD Commercial		351.22	349.49
Total Regional Rates		1,349.15	1,486.51

Ngā take tahua pūtea

Financials

Prospective financial statements

Prospective statement of comprehensive revenue and expense

Table 2.4

LTP Year 1		Annual Plan	LTP Year 2
2021/22		2022/23	2022/23
\$(000)		\$(000)	\$(000)
REVENUE			
37,574	Rates	42,797	42,756
4,446	Fees and Charges	4,273	4,632
14,333	Subsidies and Grants	15,536	14,185
161	Interest Revenue	160	161
6,209	Other Revenue	6,744	7,099
9,155	Other Gains	4,601	4,452
71,879	TOTAL REVENUE	74,111	73,285
EXPENSES			
22,620	Personnel Costs	24,831	24,033
1,986	Depreciation and Amortisation Expense	2,385	2,270
747	Finance Costs	1,102	1,072
-	Other Losses	-	-
41,549	Other Expenditure on Activities	41,403	41,131
66,902	TOTAL OPERATING EXPENDITURE	69,721	68,506
4,977	SURPLUS/(DEFICIT) BEFORE TAX	4,390	4,779
-	INCOME TAX CREDIT/(EXPENSE)	-	-
4,977	SURPLUS/(DEFICIT) AFTER TAX	4,390	4,779
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:			
4,977	Northland Regional Council	4,390	4,779

Non-Controlling Interest

OTHER COMPREHENSIVE REVENUE AND EXPENSE

Items that will be reclassified to surplus/(deficit)

-	Financial Assets at fair value through other comprehensive revenue and expense	-	-
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Items that will not be reclassified to surplus/(deficit)

-	Gains/(loss) on Property Revaluations	-	-
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-	Gains/(loss) on Infrastructure Asset revaluations	-	-
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<hr/>		<hr/>	
-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-
<hr/>		<hr/>	
4,977	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	4,390	4,779
<hr/>		<hr/>	

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

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

Table 2.5

LTP Year 1		Annual Plan	LTP Year 2
2021/22		2022/23	2022/23
\$(000)		\$(000)	\$(000)
4,977	GAAP surplus / (deficit) as above	4,390	4,779
(15,098)	Transfers to Reserves	(13,626)	(12,770)
10,232	Transfers from Reserves	9,254	8,154
111	Balanced budget surplus / (deficit)	17	163

Prospective statement of financial position

Table 2.6

LTP Year 1		Annual Plan	LTP Year 2
2021/22		2022/23	2022/23
\$(000)		\$(000)	\$(000)
ASSETS			
Current Assets			
831	Cash and Cash Equivalents	843	896
14,441	Other Financial Assets	16,043	8,826
7,902	Receivables	7,468	7,679
203	Inventory	271	203
715	Assets Held for Sale	715	715
24,092	Total Current Assets	25,340	18,319
Non Current Assets			
-	Receivables	-	-
68,174	Other Financial Assets	61,683	72,660
47,433	Infrastructure, Property, Plant and Equipment	68,019	63,095
50,944	Investment Property	75,171	52,800
869	Intangible Assets	830	994

3,156	Forestry Assets	3,703	3,157
7,828	Investment in Subsidiaries(excl council controlled organisations) and Joint Venture company	7,828	7,828
634	Investment in Council Controlled Organisations	738	786
179,038	Total Non Current Assets	217,972	201,320
203,130	TOTAL ASSETS	243,312	219,639
LIABILITIES			
Current Liabilities			
7,333	Payables	7,371	7,383
2,358	Employee Entitlements	2,588	2,441
9,691	Total Current Liabilities	9,959	9,824
Non Current Liabilities			
610	Payables and Deferred Revenue	610	610
21,028	Borrowings and Other Financial Liabilities	31,554	32,624
20	Employee Entitlements	21	21
21,658	Total Non Current Liabilities	32,185	33,255
31,349	TOTAL LIABILITIES	42,144	43,079
171,781	NET ASSETS	201,168	176,561
EQUITY			
114,725	Accumulated Funds	153,778	129,952
3,973	Revaluation Reserves	3,973	3,973
53,083	Other Reserves	43,417	42,636
171,781	Total Equity	201,168	176,561
-	Non-controlling interests in subsidiary companies	-	-
171,781	TOTAL EQUITY	201,168	176,561

Prospective statement of changes in equity

Table 2.7

LTP Year 1	Annual Plan	LTP Year 2
2021/22	2022/23	2022/23

\$(000)		\$(000)	\$(000)
166,804	BALANCE at 1 July	196,779	171,781
4,977	Total Comprehensive Revenue and Expense	4,389	4,780
171,781	BALANCE at 30 June	201,168	176,561
	Total Comprehensive Revenue and Expense Attributable to:		
4,977	Northland Regional Council	4,389	4,780
-	Non-controlling interests	-	-
171,781	TOTAL at 30 June	201,168	176,561

Prospective statement of cashflows

Table 2.8

LTP Year 1		Annual Plan	LTP Year 2	Variance
2021/22		2022/23	2022/23	to LTP
\$(000)		\$(000)	\$(000)	\$(000)
Cash Flows from Operating Activities				
37,094	Receipts from rates revenue	42,255	42,203	52
9,512	Receipts from customers	9,059	9,366	(307)
15,659	Subsidies and grants received	17,402	16,074	1,328
3,703	GST received	4,424	5,423	(999)
161	Interest received	160	161	(1)
3,100	Other revenue received	3,542	3,708	(167)
(70,214)	Staff and suppliers	(72,870)	(72,247)	(623)
(2,722)	Other payments - operating	(4,272)	(564)	(3,708)
(747)	Interest paid	(1,102)	(1,072)	(30)
(4,453)	Net Cash Provided (or Used) in Operating Activities	(1,402)	3,054	(4,455)
Cash Flows from Investing Activities				
15,220	Sale of Investment Property	0	0	0
17,469	Other receipts - sale of investments	17,397	9,006	8,391
(17,953)	Purchase of Investment	(3,776)	(3,678)	(98)
(18,087)	Purchase of infrastructure, property, plant and equipment	(28,861)	(19,912)	(8,949)
(3,351)	Net Cash Provided (or Used) in Investing Activities	(15,240)	(14,584)	(656)
Cash Flows from Financing Activities				
5,533	Other receipts - financing	13,596	11,596	2,000
0	Other payments - financing	0	0	0
5,533	Net Cash Provided (or Used) in Financing Activities	13,596	11,596	2,000
(2,271)	Net Increase/(Decrease) in Cash & Cash Equivalents	(3,046)	65	(3,112)
3,102	Cash and Cash Equivalents at beginning of period	3,889	831	3,058

831	Cash and Cash Equivalents at end of period	843	896	(54)
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Schedule of reserves

Table 2.9

LTP Year 1		Annual Plan	LTP Year 2
2021/22		2022/23	2022/23
\$(000)		\$(000)	\$(000)
Land Management Reserve			
108	Opening Balance as at 1 July	232	-
(108)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(155)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	77	-
Awanui River Reserve			
(637)	Opening Balance as at 1 July	(143)	(507)
130	Increase /(Decrease) in Reserve throughout the year (operational transfer)	122	127
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(507)	Closing Balance as at 30 June	(21)	(380)
Kaihu River Reserve			
29	Opening Balance as at 1 July	48	29
0	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1)	(1)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
29	Closing Balance as at 30 June	47	28
Kaeo Whangaroa Rivers Reserve			
125	Opening Balance as at 1 July	213	122
(3)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	9	(7)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
122	Closing Balance as at 30 June	222	115

Whangarei Urban River Reserve			
(8,152)	Opening Balance as at 1 July	(7,634)	(7,654)
498	Increase /(Decrease) in Reserve throughout the year (operational transfer)	513	510
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(7,654)	Closing Balance as at 30 June	(7,121)	(7,144)
Kerikeri Waipapa Rivers Reserve			
239	Opening Balance as at 1 July	44	195
(44)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(44)	(45)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
195	Closing Balance as at 30 June	-	151
Flood Infrastructure Reserve			
(3,576)	Opening Balance as at 1 July	(3,286)	(4,830)
3,232	Increase /(Decrease) in Reserve throughout the year (operational transfer)	4,038	4,037
(4,486)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(6,095)	(6,095)
(4,830)	Closing Balance as at 30 June	(5,344)	(6,888)
Whangarei Flood Infrastructure Reserve			
20	Opening Balance as at 1 July	8	(19)
36	Increase /(Decrease) in Reserve throughout the year (operational transfer)	37	37
(75)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(15)	(15)
(19)	Closing Balance as at 30 June	31	3
Awanui Flood Infrastructure Reserve			
(412)	Opening Balance as at 1 July	(597)	(779)
922	Increase /(Decrease) in Reserve throughout the year (operational transfer)	1,054	1,033
(1,289)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,547)	(1,547)
(779)	Closing Balance as at 30 June	(1,090)	(1,293)

Taumāreere Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(29)	(29)
421	Increase /(Decrease) in Reserve throughout the year (operational transfer)	551	551
(450)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,050)	(1,050)
(29)	Closing Balance as at 30 June	(528)	(528)
Kaeo Whangaroa Flood Infrastructure Reserve			
(69)	Opening Balance as at 1 July	(56)	(163)
14	Increase /(Decrease) in Reserve throughout the year (operational transfer)	14	14
(108)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(163)	Closing Balance as at 30 June	(42)	(149)
Regional Sporting Facilities Reserve			
-	Opening Balance as at 1 July	942	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(65)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	877	-
Property Reinvestment Fund Reserve			
25,333	Opening Balance as at 1 July	40,457	32,820
577	Increase /(Decrease) in Reserve throughout the year (operational transfer)	622	442
6,910	Increase /(Decrease) in Reserve throughout the year (capital transfer)**	(10,605)	(1,856)
32,820	Closing Balance as at 30 June	30,475	31,406
Regional Projects Reserve			
15,804	Opening Balance as at 1 July	16,278	16,034
230	Increase /(Decrease) in Reserve throughout the year (operational transfer)	148	230
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
16,034	Closing Balance as at 30 June	16,425	16,264

Equalisation fund Reserve			
1,476	Opening Balance as at 1 July	1,997	1,378
(98)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(234)	(308)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
1,378	Closing Balance as at 30 June	1,764	1,070
Hatea River Reserve			
109	Opening Balance as at 1 July	42	50
(59)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(36)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
50	Closing Balance as at 30 June	5	50
Investment and Growth Reserve			
1,122	Opening Balance as at 1 July	3	2
(1,120)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	7	7
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
2	Closing Balance as at 30 June	10	9
Whangarei Transport reserve			
(40)	Opening Balance as at 1 July	(123)	(37)
3	Increase /(Decrease) in Reserve throughout the year (operational transfer)	78	3
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(37)	Closing Balance as at 30 June	(45)	(34)
Far North Bus reserve			
217	Opening Balance as at 1 July	334	213
(4)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	16	(4)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
213	Closing Balance as at 30 June	351	209

Economic Development Reserve			
17,030	Opening Balance as at 1 July	17,611	17,433
403	Increase /(Decrease) in Reserve throughout the year (operational transfer)	199	234
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
17,433	Closing Balance as at 30 June	17,810	17,667
Operational Reserve			
2,259	Opening Balance as at 1 July	2,005	2,259
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	100
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
2,259	Closing Balance as at 30 June	2,005	2,359
Kaipara Moana Remediation Reserve			
-	Opening Balance as at 1 July	(440)	(440)
(440)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(450)	(261)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(440)	Closing Balance as at 30 June	(890)	(701)
Enterprise System Reserve			
1,554	Opening Balance as at 1 July	(3,163)	(3,162)
(4,716)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(2,426)	(2,426)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(3,162)	Closing Balance as at 30 June	(5,589)	(5,588)
CDEM Joint Emergency Centre Reserve			
-	Opening Balance as at 1 July	-	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	389	297
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(4,500)	(4,500)
-	Closing Balance as at 30 June	(4,111)	(4,203)

Emergency Services reserve			
125	Opening Balance as at 1 July	114	169
43	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(44)	43
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
169	Closing Balance as at 30 June	69	212
Vessel Replacement Reserve			
-	Opening Balance as at 1 July	(300)	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	30	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,700)	-
-	Closing Balance as at 30 June	(1,970)	-
53,083	Total special reserves closing balance as at 30 June 2023	43,417	42,636

** Note re Property Reinvestment Reserve: Due to the growing volatility in investment markets council is seeking to de-risk its investment portfolio by accelerating investment into property assets. This has no impact on rates but results in larger than planned capital expenditure movements.

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

The components of equity are:

- retained earnings
- council-created reserves
- asset revaluation reserves.

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

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

About council's reserves

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

Reserve name	Purpose	Activities that may be funded from reserve
River and flood infrastructure	<p>The Awanui, Kaihū, Kāeo-Whangaroa, Kerikeri-Waipapa, Whangārei urban and Taumāre river reserves and flood infrastructure reserves represent accumulated targeted river management rates and targeted flood infrastructure rates collected and unspent in any given year to cover:</p> <ul style="list-style-type: none"> any future funding shortfalls relating to the maintenance and operation of existing river flood management schemes (river reserves) any future funding shortfalls relating to the development, maintenance and operation of new flood infrastructure schemes (flood infrastructure reserves). <p>This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be restored to a positive balance from future targeted river management and flood infrastructure rates collected from the ratepayers within the area of benefit identified in the respective flood management plans.</p>	River management
Property reinvestment fund reserve	<p>This reserve was established to represent the proceeds of commercial property sales and acquisitions, and includes the proceeds of a special dividend (capital) payment made by Marsden Maritime Holdings Limited. The reserve represents general funds invested in council's long-term and short-term investment funds that are set aside to be reinvested in income-producing assets, pending the identification of approved property investments.</p>	Economic development
Regional project reserve	<p>This reserve was established to represent funds invested in council's long-term investment fund, and earmarked for approved infrastructure and economic development investments, with a view to stabilising the impact of large, irregular infrastructure projects on council's income and capital requirements. This reserve helps manage and spread the costs of approved infrastructure and economic development investments projects, and is also intended to provide more flexibility around when such large, capital-intensive projects can commence. The income from the reserve represents funds available for operational spend for other activities where needed.</p>	All
Forestry Equalisation fund reserve	<p>This reserve was created to represent accumulated surplus forestry income (after accounting for the cost of any forestry maintenance) arising in any year. These reserved funds are intended to provide future funding for any council activity, with a view to smoothing future rating increases. It is further intended that these reserved funds be used to fund the self-insurance of forestry infrastructure and the cost of forestry operations in non-harvesting years.</p>	All
Hātea River maintenance reserve	<p>This reserve was created to represent a component of the council services rate specifically levied across the Whangārei constituency, which is set aside to ensure funding is in reserve and immediately available if dredging of the Hātea river is required. The funds may be applied to the following:</p> <ul style="list-style-type: none"> ongoing maintenance and dredging disposal of dredged spoil material providing an annual hydrographic survey of the river. 	Harbour safety and navigation

Reserve name	Purpose	Activities that may be funded from reserve
	The reserve is to be maintained at a targeted fund of up to \$400,000.	
Investment and growth reserve	This reserve was created to represent the investment income set aside and held in reserve to fund activities and projects that contribute towards economic wellbeing, in accordance with set criteria.	Economic development
Whangārei and Far North transport reserves	The Whangārei transport reserve and the Far North transport reserve represent accumulated targeted Whangārei transport and Far North transport rates collected and unspent in any given year, to cover any future funding shortfalls of their respective transport services. Any deficit balance in these reserves will be restored from future targeted rates collected from ratepayers in the Whangārei district (Whangārei transport rates) and Far North district (Far North transport rates).	Transport
Emergency services reserve	This reserve represents any accumulated targeted emergency services rates collected and unspent in any given year, and held in reserve to cover any future funding shortfalls of emergency services funding.	Community representation and engagement
Approved carry forwards reserve	Approved carry-forwards are amounts approved to be carried forward from one financial year to the next, to enable specific work programmes to be completed. All carry-forwards are approved by way of council resolution.	All
Economic development reserve	This economic development reserve was established to represent funds held in council's long-term investment fund that are reserved to support Northland's economic development activities, including investment in community infrastructure.	Economic development
Regional sporting facilities reserve	This reserve represents accumulated targeted regional sporting facilities rates collected and unspent in any given year, and held in reserve to contribute to any future funding shortfalls of regional sporting facilities funding. The balance of these reserved funds will initially be utilised to fund a grant to the Te Hiku Sports Hub, which was originally planned to occur in May 2020 but was deferred due to Covid-19.	Economic development
Operational reserve	This reserve was established to represent the term deposits held to ensure the stability of work programmes, employment and council's ongoing, day-to-day operations, by ensuring the portion of annual operating costs that is intended to be funded from gains derived from council's managed funds is in reserve. This will cover any unanticipated loss in council funding arising from adverse economic conditions or volatility in financial markets.	All
Capital subsidy reserve	This reserve represents capital subsidies received from Waka Kotahi NZ Transport Agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System.	Transport

Reserve name	Purpose	Activities that may be funded from reserve
Kaipara moana remediation reserve	This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Kaipara Moana Remediation Program
Enterprise system reserve	This reserve represents the shortfall in funding relating to the enterprise system. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Enterprise System
CDEM joint emergency centre reserve	This reserve represents the shortfall in funding relating to the CDEM joint emergency centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	CDEM Joint Emergency Centre
Vessel replacement reserve	This reserve represents the balance of the borrowing remaining on the replacement vessel for the Waikare, which will be funded from future rates. In addition this reserve will hold rate collected over the life of the vessel to fund the next replacement vessel. any accumulated rate to fund the next vessel.	Harbour safety and navigation

All reserves displaying a deficit balance at 1 July 2022 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

Financial prudence

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Table 2.10

		Target	Annual Plan 2022/23
Affordability			
<i>Benchmark</i>			
Rates Benchmark*	i) Total Rates as % of Total Revenue	< 75%	58%
	ii) Total Average Rates Increase as %	< 15%	12.1%
Debt Benchmark	Net Debt as % of Total Revenue	< 175%	-52%
<i>Indicator</i>			
Rates Indicator**			\$ 515.38
Sustainability			
<i>Benchmark</i>			
a) Balanced budget benchmark		> 1	1.07
b) Essential services benchmark****		> 1	37.15
c) Net Interest as % of Revenue		< 25%	1.3%
d) Liquidity		> 110%	305%
Predictability			
<i>Benchmark</i>			
Operations control benchmark***** (result to be published in the annual report)			N/A
Rates income complies with the limits set in the councils financial strategy*			
Rates Revenue per rating unit/SUIP**			

