

Financial overview



Financial Overview

This section includes our financial strategy, which describes the overall management approach of our financials. It links to the region's current and forecast situation and drivers for change, and also includes information about our rates including examples of the forecast rates for 2012/13 and the Prospective Funding Impact Statement.

Financial strategy

What is the financial strategy?

The financial strategy supports and underpins Northland's Long Term Plan. It shows the financial impacts of the council's choices, and how those impacts are felt by different parts of the community.

It also explains the context in which the decisions made, the priorities (and the trade-offs) and the effect on rates. The financial strategy is implemented through the following policies, which can be found within this plan.

- The Revenue and Financing Policy, which sets out how the council's activities should be funded;
- The Funding Impact Statement, which determines how rates are set for properties in Northland; and
- The Treasury Management Policy (including the Investment Policy and Liability Management Policy) which sets out how the council will manage its investments and borrowings (if any).

Overview

The council is required to manage its revenues, expenditure, assets, liabilities, investments and general dealings prudently and in a manner that promotes the current and future interests of our community. Over the ten years of this plan the council plans to:

- Maintain a strong balance sheet with a high weighting of assets to liabilities;
- Maintain a balanced budget;
- Remain a net investor, borrowing internally where appropriate, to fund the capital investment in its river management schemes;
- redirect its investment income entirely away from funding operational expenditure (subsidising rates) to instead invest in economic development initiatives/projects.

Redirecting the investment income into economic development activities is the most significant change to our financial strategy since the last Long Term Plan, and it creates the biggest driver for rate increases across the region over the next

decade. Several large river management projects also contribute to rates increases in targeted geographic areas. These areas either benefit from the proposed works or are within the catchments that contribute to the flooding problems. The impact on rates from these big flood management works are often ongoing, with loan repayments extending to 25 years. Throughout the life of this plan more projects will be scoped and results of any detailed investigations and works will be included in future long term plans.

The major challenge that has faced the council in developing this Long Term Plan has been balancing an increased investment in the region through economic development initiatives and increased services, while keeping rates as affordable as possible. In turn, this has meant balancing the diverse expectations of the wider community with specific communities of interest. The council has aimed to strike that balance through the following decisions:

- Slowing the transition for redirecting council's investment income to the new Investment and Growth Reserve from five years to ten years, to lower the impact of the rates subsidy being withdrawn.
- Reducing operating expenditure for the Monitoring activity to offset some of the additional costs for implementing the Government's new National Policy Statement for Freshwater Management.
- Using the council's Forestry Income Equalisation Reserve for distinctive and one-off costs, including an additional provision for doubtful debts to lessen and smooth rate increases across the next 10 years.
- Only modestly increasing our spending on biosecurity to accelerate our efforts to manage the region's pests when the council and interest groups had expressed a desire to increase it further.
- Including new funding for more land management water quality initiatives in response to public demand while maintaining the Environment Fund's capacity to continue to provide assistance as expected by the community and anticipated under the Regional Policy Statement.
- Targeting our economic development efforts to projects to improve Northland's economy beyond its historic levels (compared nationally or regionally).

- Using the new Investment and Growth Reserve, rather than rates, to fund our economic development activities and make up for the shortfall in lower investment income from the Community Investment Fund (formerly called the Northland Regional Council Community Trust Fund); due to the current economic climate and lower government subsidies.

Balanced budget

The council looks to operate a balanced budget whereby in each year the operating expenditure, including depreciation, is covered by sufficient operating revenue. To smooth rating increases, the council has conservatively estimated expenditure that is subject to a high degree of variability (such as hearing costs for the new Regional Policy Statement) on the understanding that the Forest Income Equalisation Reserve can be utilised if necessary. In addition council has agreed to fund certain operating expenditure from this reserve. The use of the Forest Income Equalisation Reserve as a funding source still allows council to operate a balanced budget in accordance with the requirements of the Local Government Act 2002. The Forest Income Equalisation Reserve had a balance of approximately \$2.4 million at 30 June 2011 (refer pages 166-173 of the plan for further information on council reserves).

Population and land use changes

Northland's population is expected to grow modestly by 0.5% annually (on average) over the ten year period of the plan. Small, short term population changes generally have very little impact on regional council services with existing resources coping with service demands without major adjustments. The low growth projection also means small or no increases in the number of rateable properties over the plan which means fewer opportunities for greater economies of scale (spreading the costs across more ratepayers).

The region's population structure is predicted to change by the end of the ten year period when the over 65 age group will make up 23.6%, compared to 19.3% nationally. An increased demand in passenger transport and disability transport services may result from the larger population group – the current SuperGold Card Scheme would accommodate this demand and the current bus services have the required

capacity without incurring additional significant expenditure. It is assumed that there will be no change to the current government funding formula of the SuperGold card scheme.

The council is not anticipating any significant change in use of land within the region over the ten year period that would materially impact on the capital and operating costs forecast in this plan. For more details, see our forecasting assumptions on pages 149-159.

Economic growth

Economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland, such as poor housing, health and education. In times of economic recession there is a greater need to invest in economic growth. However, there is little government support available to achieve a step-change in Northland's economy as funds have been necessarily diverted to rebuild Christchurch.

One indicator of a region's standard of living is gross domestic product (GDP) per person. Northland's GDP per person is the lowest among all 16 regions in New Zealand, and is about 70% of the national average. Within Northland there is variation in GDP among the three territorial authorities. Per person/capita GDP in the Far North and Kaipara districts are about 20% lower than in Whāngārei – this is equivalent to about 60% of the national average, compared to 75% in Whāngārei.

Last year the council introduced a five-year transition to re-direct its investment income into the Northland Regional Council Investment and Growth Reserve. Following public consultation on this plan the council has extended that transition phase from five years to 10 years, to improve the affordability of the transition and to acknowledge the effects of the recession on individual households. The extended transition phase reduces the size of the annual rate increases over the next 10 years and lessens the impacts of funding the expenditure associated with the additional work described in this plan.

The Investment and Growth Reserve will be used to fund specific projects that will increase Northland's economic performance, increase the number of jobs in Northland and increase the average household income. Previously, all of the council's investment income helped fund council

operations, providing a rates subsidy of about 20%.

Other challenges

There are big challenges ahead as Government passes on more responsibility to councils, through legislation, policy statements and environmental standards. The National Policy Statement for Freshwater Management has significant resourcing impacts for councils, and we have captured these in our forecasting assumptions and activities. The majority of these costs have been absorbed in existing resourcing with some minor reductions in service delivery for our monitoring activity which includes eliminating the chemical collection service, reducing the bathing site monitoring and reducing our level of response to the Environmental Hotline reported incidents (details on page 90).

There is more work in the pipelines as the government rolls out potential changes in the way we manage biodiversity, forestry, flood risk, urban areas, and other natural and physical resources. Government is also pushing for councils to have smarter and more effective regulation, cut red tape and enable productivity.

This all means real pressure on the council to find efficiencies and savings across the life of this plan to keep activities within current funding levels. One way the council is keen to see this occur is through a mix of shared services, joint procurement, and working with others such as iwi and community groups, the district councils and other government agencies and partners.

Another challenge we face is promoting economic development whilst continuing to safeguard the ratepayers' assets for future generations and this is a strong element to this financial strategy. We intend to increase the investment in Northland and in opportunities that deliver a return to Northland, while managing risk. The Treaty of Waitangi settlement process offers further opportunities to work with Iwi and consider investment opportunities together that will ultimately benefit all Northlanders.

Key level of service changes and implications

The council's levels of service and operating programmes are established through the variety of policies, plans and strategies that the council

has prepared and adopted in line with a range of legislation. Key planning documents include the Regional Policy Statement; regional plans for the coast, air, water and soil; pest management strategies for plant, animal and marine pests; land transport plans and strategies; civil defence emergency management plans; asset management plans for river management scheme assets and river management plans for the 27 priority rivers.

A number of the council's activities have changed levels of service in the first year or subsequent years of the plan; most are minor in expenditure except for capital improvement projects for the river management schemes. The changes are briefly described below and covered in more detail in the group of activity pages on pages 82-141. Expenditure budgets within this long term plan are set to deliver on these proposed levels of service and operating programmes.

River management

More flood works are projected for Whāngārei, Kaeo-Whangaroa and Awanui, plus a new river management scheme (and new targeted river management rate) for Kerikeri-Waipapa. More information on the flood works are included on pages 101-104.

The impact of these projects is to increase certain targeted rates and the level of service. The increases in targeted rates are explained on pages 39-41. As council works through investigations on the 27 prioritised river management plans, there will likely be more capital improvement project proposals in future long term plans. New and improved maintenance programmes are also an outcome of the detailed investigations which also reduce the impact of flooding.

Resource management

Implementation of the National Policy Statement for Freshwater Management (and other national policies and environmental standards) happens under the Resource Management group of activities. While implementing a national directive is not a new level of service, it increases the level of data collection, analysis, plan development, consent processing and ongoing monitoring services. The council has adopted a programme for the implementation of the national policy statement. The adopted programme, given the current pressures on households and the council's desire to make rates affordable, involves

additional planning and monitoring costs over previous years of approximately \$110,000. Additional expenditure of \$200,000 has been included for land management water quality initiatives that will work in conjunction with the Environment Fund and implementation of the National Policy Statement for Freshwater Management. Council has reprioritised the resources associated with minor plan changes for water to the establishment of interim limits during Years 1 to 3 of the Long Term Plan and the NPS Freshwater Implementation Programme.

Council has modestly increased the Biosecurity activity by \$100,000 to increase our efforts to manage the region's pests and protect our special and significant environment. This 5% increase in resources aims to accelerate existing programmes

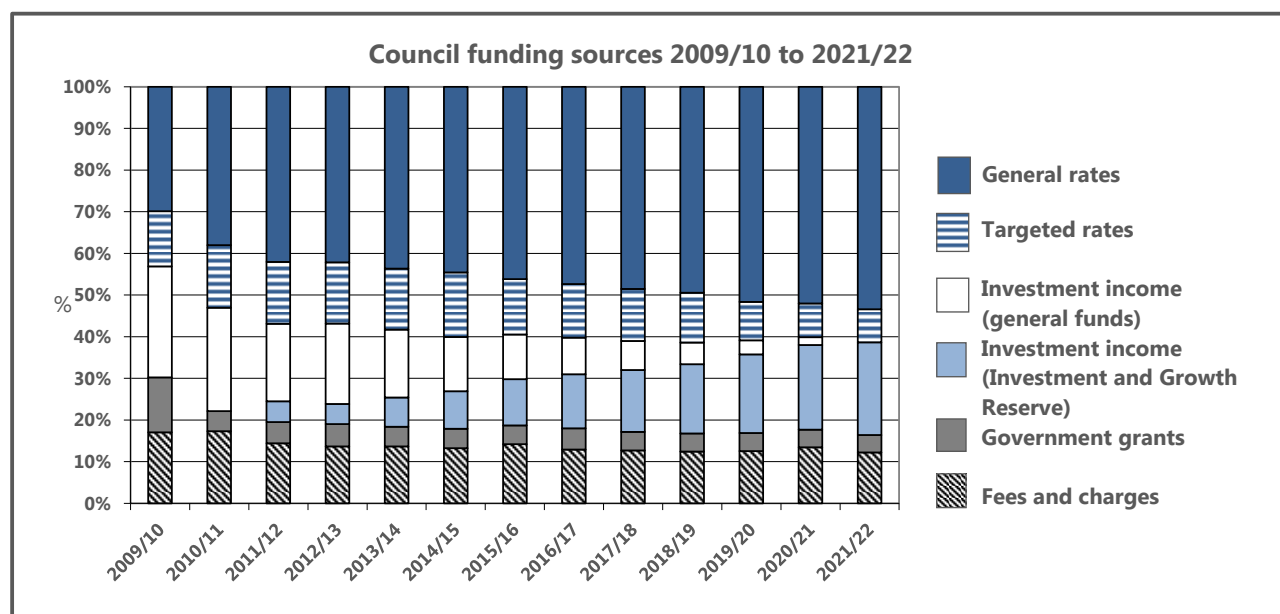
for weed control and to target new marine pests programme

Economic development

The council expanded its economic development focus in last year's Annual Plan with the establishment of the new Investment and Growth Reserve to enable investment in Northland for transformational projects. Extending the transition period from five years to ten years for redirecting the investment income to the new Investment and Growth Reserve lowers the rating impact from the withdrawal of the rates subsidy. However, it also reduces the funds available for investment in Northland's economy, which could slow the effect of improving the economy and job creation in Northland.

Funding sources

The council's funding sources include targeted general rates, targeted rates, user fees and charges and grants and subsidies and investment income. The table below summarises the council's budgeted funding mix over the last three financial years and the future 10 years.



Funding sources	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
General rates	30%	38%	42%	42%	44%	45%	46%
Targeted rates	13%	15%	15%	15%	15%	15%	13%
Investment income (general funds)	27%	25%	19%	19%	16%	13%	11%
Investment income (I&G Reserve)	0%	0%	5%	5%	7%	9%	11%
Government grants	13%	5%	5%	5%	5%	5%	4%
Fees and charges	30%	38%	42%	42%	44%	45%	46%

Funding sources	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
General rates	47%	49%	49%	52%	52%	53%
Targeted rates	13%	12%	12%	9%	8%	8%
Investment income (general funds)	9%	7%	5%	3%	2%	0%
Investment income (I&G Reserve)	13%	15%	17%	19%	20%	22%
Government grants	5%	4%	4%	4%	4%	4%
Fees and charges	13%	13%	12%	13%	13%	12%

Over the term of the plan the use of funding sources changes. By 2020/2021 all investment income will be redirected to the Investment and Growth Reserve to be available for projects that contribute to economic wellbeing in Northland. General rates will be increased to fund council activities with user fees and charges increasing by inflation.

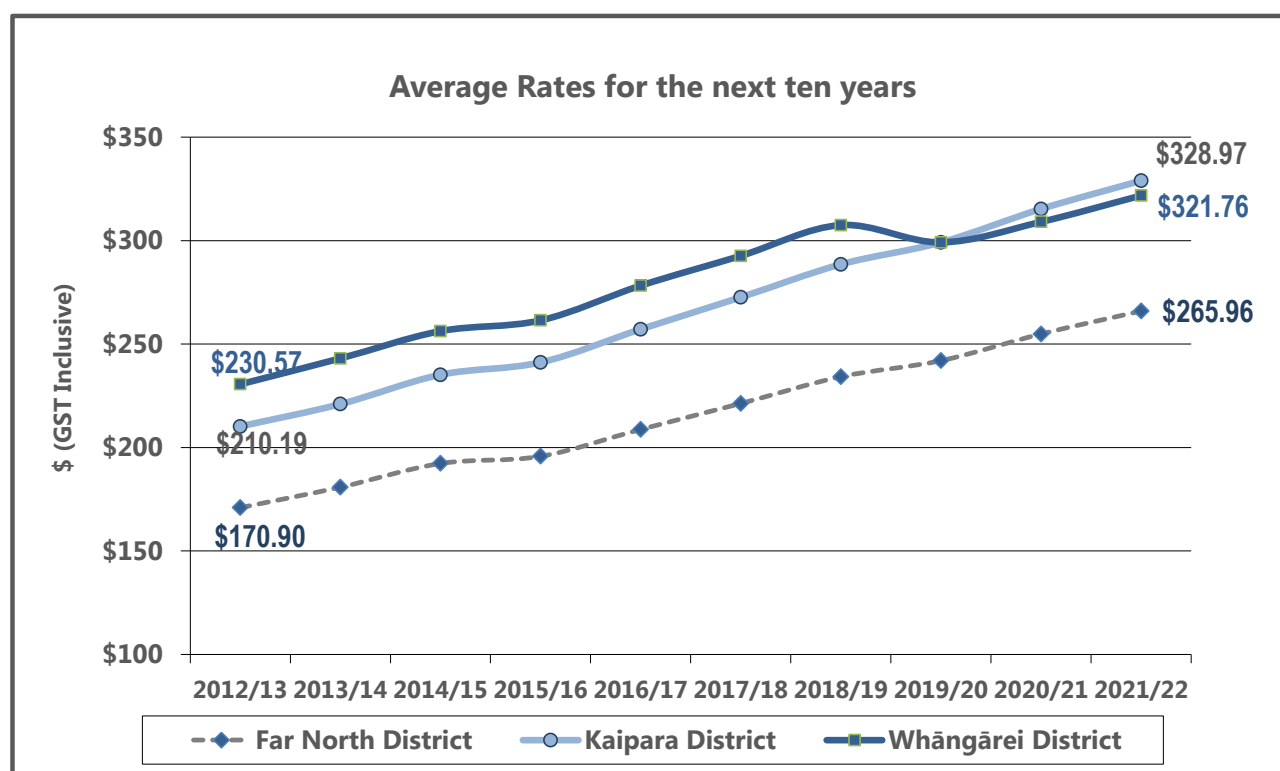
Rate limits

The council has determined that total rates will not exceed 65% of total revenue and total rates increase will not exceed 10% of total expenditure. These limits on rates revenue and rates increases balance the need to address the range of issues facing the region over the next ten years and enable council to maintain a strong and sustainable financial position while remaining ever-mindful of the affordability of rates for the community. The council is confident in its ability to provide and maintain existing levels of service and to meet additional demands for services within these limits.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Projected total rates	\$15.6M	\$17.0M	\$18.0M	\$19.6M	\$20.1M	\$21.4M
Projected total rate revenue increase (\$)	\$2.4M	\$1.4M	\$1.0M	\$1.6M	\$0.5M	\$1.3M
Projected total rate revenue increase (%)	18%	9%	6%	9%	3%	6%
Projected rates as a % of revenue	57%	57%	58%	60%	60%	60%
Projected total expenditure (operating and capital)	\$29.1M	\$31.7M	\$35.6M	\$35.6M	\$30.3M	\$31.0M
Projected rate increase as % of total expenditure	8%	4%	3%	4%	2%	4%

	2017/18	2018/19	2019/20	2020/21	2021/22
Projected total rates	\$22.6M	\$23.8M	\$24.0M	\$25.1M	\$26.2M
Projected total rate revenue increase (\$)	\$1.2M	\$1.2M	\$0.2M	\$1.1M	\$1.1M
Projected total rate revenue increase (%)	6%	5%	1%	4%	4%
Projected rates as a % of revenue	61%	61%	60%	60%	61%
Projected total expenditure (operating and capital)	\$31.2M	\$32.0M	\$32.7M	\$33.3M	\$34.3M
Projected rate increase as % of total expenditure	4%	4%	1%	3%	3%

For examples of rates for the 'average ratepayer' by areas and targeted rates, see the Funding Impact Statement on pages 54-73 of this plan. The graph below illustrates what the average rates (including GST) will be for each district commencing from the current 2011/12 financial year and ending at 2021/22. These rates include all rates levied in each district, except for the targeted river management scheme rates.

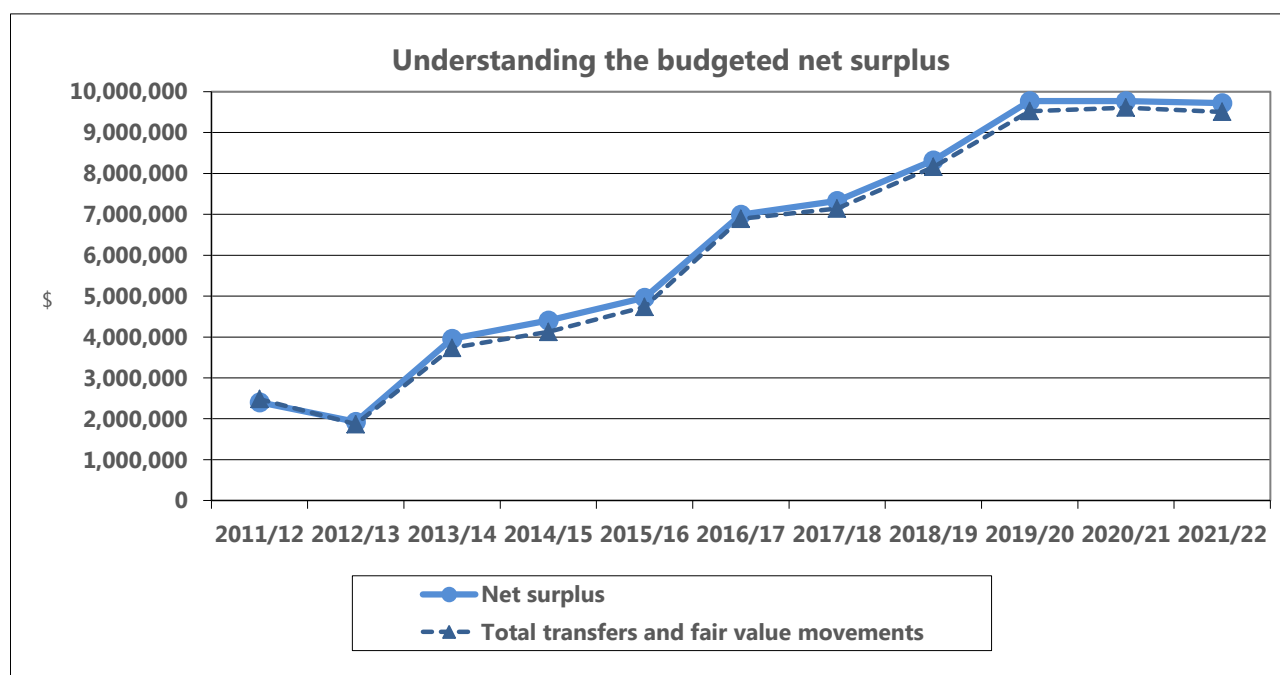


Understanding the budgeted net surplus

Council sets its rates at a sufficient level to ensure council can meet its expenditure and funding obligations. The annual *net surplus from operations* is the revenue leftover after council has paid for the cost of delivering this plan's annual operating programmes. The annual *net surplus from operations* represents the money available to fund capital expenditure, meet principal repayments on debt (internal borrowing), set aside investment revenue in the Investment and Growth Reserve, and provide a small surplus to meet future contingencies.

The graph below shows the *net surplus from operations* and compares this with the net transfers to/from reserves and other gains (fair value movements). The transfers to/from reserves include the investment revenue set aside in the Investment and Growth Reserve and various internal repayments. The gap between

the two lines in the graph illustrates the modest level of the actual net surplus after taking account of the transfer to/from reserves and removing the non-cash fair value income.



General rates

In 2012-2013 general rates will increase by 8.5%. The increase does not relate to the investment redirection as council has extended the phasing of the redirection over ten years, rather than five as originally intended. Because approximately one-fifth of the total investment income (approximately \$1.34 million) was redirected last year (incurring an average rate increase of \$17.80), no increase in rates is required in 2012-13. In the 2013-2014 financial year there is a 6.45% increase in general rates (1.21% relates to a general increase and 5.24% relates to the redirection of investment income). The staged phasing of redirecting investment income is completed in the 2020/2021 financial year. The BERL cost adjustor factors are included in the general rates.

	2012/13	2013/14	2014/15	2015/16	2016/17
BERL cost adjustor factors	2.4%	3.2%	3.2%	3.4%	3.5%
General rates (average increase)	8.52%	1.21%	2.35%	2.25%	2.95%
General rates (average increases) resulting from investment redirection	0.00%	5.24%	4.87%	4.50%	4.17%
Total (average) general rates	8.52%	6.45%	7.22%	6.75%	7.12%
Average increase in \$ per ratepayer	\$13.03	\$10.71	\$12.76	\$12.79	\$14.40

	2017/18	2018/19	2019/20	2020/21	2021/22
BERL cost adjustor factors	3.4%	3.3%	3.3%	3.6%	3.5%
General rates (average increase)	2.56%	2.63%	2.21%	2.93%	1.91%
General rates (average increases) resulting from investment redirection	3.85%	3.58%	3.34%	3.13%	2.57%
Total (average) general rates	6.41%	6.21%	5.55%	6.06%	4.49%
Average increase in \$ per ratepayer	\$13.88	\$14.33	\$13.59	\$15.66	\$12.30

Investment and Growth Reserve

We forecast that a total of \$44.89 million will have been collected for the Investment and Growth Reserve by the end of the 2021-22 financial year for investing in economic development. This money will be spent on projects and activities that meet the funding criteria for the reserve and represents a significant opportunity for Northland to invest directly in its own success.

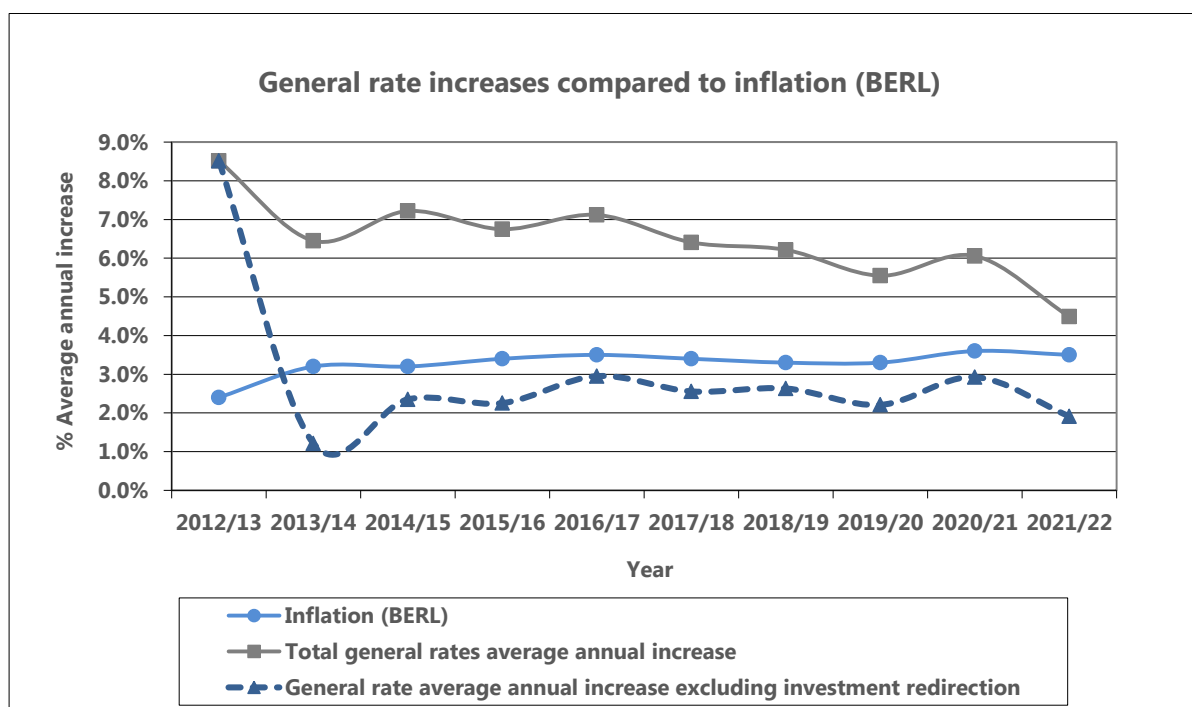
Year	Investment income redirected to Investment and Growth Reserve each year	Average rates subsidy no longer available per ratepayer (including GST)	Cumulative funds collected for Investment and Growth Reserve
2011-12	\$1,342,138	\$17.80	\$1,342,138
2012-13	\$1,342,138	\$17.80	\$2,684,276
2013-14	\$2,013,207	\$26.70	\$4,697,483
2014-15	\$2,684,276	\$35.60	\$7,381,759
2015-16	\$3,355,345	\$44.50	\$10,737,104
2016-17	\$4,026,414	\$53.40	\$14,763,518
2017-18	\$4,697,483	\$62.30	\$19,461,001
2018-19	\$5,368,552	\$71.20	\$24,829,553
2019-20	\$6,039,621	\$80.10	\$30,869,174
2020-21	\$6,710,690	\$89.00	\$37,579,864
2021-22	\$7,305,628	\$97.90	\$44,885,492

During the phasing period, investment revenue not transferred to the Investment and Growth Reserve is applied as general funds and is used to reduce the rating requirement. If, in any one year, the actual investment revenue is less than \$6.7 million, council will calculate the amount to be transferred to the Investment and Growth reserve based on the actual revenue and the stage of phasing, for example in year three of the plan (year four of the phasing) 40% of the investment revenue would be transferred to the Investment and Growth Reserve. If, in any one year, the actual investment revenue exceeds the forecasted revenue, the additional revenue will contribute to the surplus and form part of general funds. Council may by special resolution direct surpluses to be applied to fund particular activities.

Impact of inflation

The projected rates increases reflect the impact of the redirection of the investment income from funding operations and the impact of inflation. The full impact from price increases associated with inflation has been reduced through the use of council reserves. The forecast inflation factors developed by Business and Economic Research Limited (BERL) for the local government sector's ten year planning have been applied to the council's projected operational expenditure and revenue except for rates and the New Zealand Transport Agency's subsidies. Inflation adjustments range between 2.5-5.4% (staff costs at the lower end; electricity at the higher end).

Cost adjusters (percentage increase per annum) as set out in the forecasting assumptions on pages 149-159 have been applied over the ten year period of the plan. The graph below shows council's general rate increase compared to inflation (BERL) over the term of this plan and the amount of rate increase resulting from the investment redirection.



Targeted Rates

The table below shows the projected targeted rate increases. Targeted rates include the various river scheme rates (including the new Kerikeri-Waipapa proposed rate), the Recreational Facilities Rate, the Regional Infrastructure Rate, the Rescue Helicopter Rate and the Transport Rate (Whāngārei and Kaitiāia). All targeted rates, except for the river scheme rates, the Rescue Helicopter Rate and the Regional Recreational Facilities Rate, are constant and are projected to increase by the BERL cost adjuster only. The Rescue Helicopter Rate is only included in the first three years of this plan to reflect the council's commitment to three years' funding. This explains the reduced targeted rate revenue collected in 2015/16. The Regional Recreational Facilities Rate is significantly reduced (down to \$279,447) in the 2019/2020 financial year as the \$13 million contribution towards the Events Centre becomes fully funded and the rate ceases in 2020/21. This reduction explains the reduced targeted rate revenue collected in those years.

Total targeted rates average revenue movements

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
15.3	8.1%	3.0%	11.7%	-10.9%	1.7%	0.7%	0.3%	-21.1%	-7.5%	0.2%

Projected capital expenditure on flood protection and control works

The council plans to invest the following amounts in flood protection and flood control (River Management) capital works over the next ten years. The table shows new capital works for Kaeo, Whāngārei, Kerikeri-Waipapa and Awanui. Renewal works are also planned for Awanui, as the only scheme with assets due for replacement.

Scheme	2012/13	2013/14	2014/15	2015/16	2016/17
Kaeo	\$697,185			\$605,679	
Kaihū					
Awanui	\$152,805	\$52,805	\$3,921,251	\$58,409	\$58,409
Whāngārei Urban Rivers	\$469,565	\$6,407,163			
Kerikeri-Waipapa			\$2,130,048		
Total	\$1,319,555	\$6,459,968	\$6,051,299	\$664,088	\$58,409

Scheme	2017/18	2018/19	2019/20	2020/21	2021/22
Kaeo					
Kaihū					
Awanui	\$63,653	\$63,653	\$63,653	\$69,300	\$69,300
Whāngārei Urban Rivers					
Kerikeri-Waipapa					
Total	\$63,653	\$63,653	\$63,653	\$69,300	\$69,300

The capital infrastructure of river management schemes is expected to have a useful life of up to 150 years. Council has budgeted a 25 year loan repayment period for capital works undertaken on the Whāngārei urban river management scheme, Kerikeri-Waipapa rivers management scheme and the Awanui river management scheme. Council has budgeted a 3 year repayment period for the Kaeo river management scheme stage 1 capital works and a 7 year repayment period for the Kaeo stage 2 capital works. The actual repayment period will be agreed between council and the relevant community liaison committee and may vary.

Council will determine if the loans for capital works are to be internal or external when it borrows the funds. A loan period of 25 years is intended to achieve a degree of inter-generational equity. It allows ratepayers to fund the new infrastructure over an extended period of time, in part reflecting the lifetime of the asset and the benefits from it. To ensure today's ratepayers are not funding both the new infrastructure and the future replacement of the same infrastructure, the funding resulting from the depreciation charge will be applied to loan repayments where renewal expenditure is not required to maintain the asset. After the loan has been repaid, depreciation will be applied to fund renewals.

The cost of funds is assumed to be 5% over the term of the loan. Any significant change in the cost of funds over the term of the loan may result in the repayment period being extended or the targeted rate being increased to service the loan. The table below shows the expected total revenue (excluding GST) to be levied by each Targeted River Management Rate over the term of the plan.

	2012/13	2013/14	2014/15	2015/16	2016/17
Targeted Awanui River Rate	\$422,859	\$422,859	\$850,319	\$850,319	\$850,319
Targeted Kaihū River Rate	\$78,612	\$81,127	\$83,723	\$86,570	\$89,599
Targeted Kaeo - Whangaroa Rivers Rate	\$130,787	\$130,787	\$130,787	\$189,732	\$189,732
Targeted Whāngārei Urban Rivers Rate	\$642,810	\$711,674	\$711,674	\$711,674	\$711,674
Targeted Kerikeri-Waipapa Rivers Rate	\$182,773	\$182,773	\$276,959	\$276,959	\$276,959
Total	\$1,457,841	\$1,529,220	\$2,053,462	\$2,115,254	\$2,118,283

	2017/18	2018/19	2019/20	2020/21	2021/22
Targeted Awanui River Rate	\$850,319	\$850,319	\$850,319	\$850,319	\$850,319
Targeted Kaihū River Rate	\$92,646	\$95,703	\$98,861	\$102,420	\$106,005
Targeted Kaeo - Whangaroa Rivers Rate	\$189,732	\$189,732	\$189,732	\$189,732	\$189,732
Targeted Whāngārei Urban Rivers Rate	\$711,674	\$711,674	\$711,674	\$711,674	\$711,674
Targeted Kerikeri-Waipapa Rivers Rate	\$276,959	\$276,959	\$276,959	\$276,959	\$276,959
Total	\$2,121,330	\$2,124,387	\$2,127,545	\$2,131,104	\$2,134,689

All the schemes that have both operational and capital works have had their rates revenue flat lined across the 10 years of the plan. The Targeted Kaihū River Rate only funds operational expenditure which is increasing by the rate of inflation.

Assets and liabilities

The council has a range of assets, the most significant of which (other than investments in our subsidiaries and shareholdings) are property, plant and equipment. Property, plant and equipment include infrastructure assets (river management schemes), owner-occupied land and buildings, plant and equipment, vessels, dredging equipment and navigational aids and vehicles.

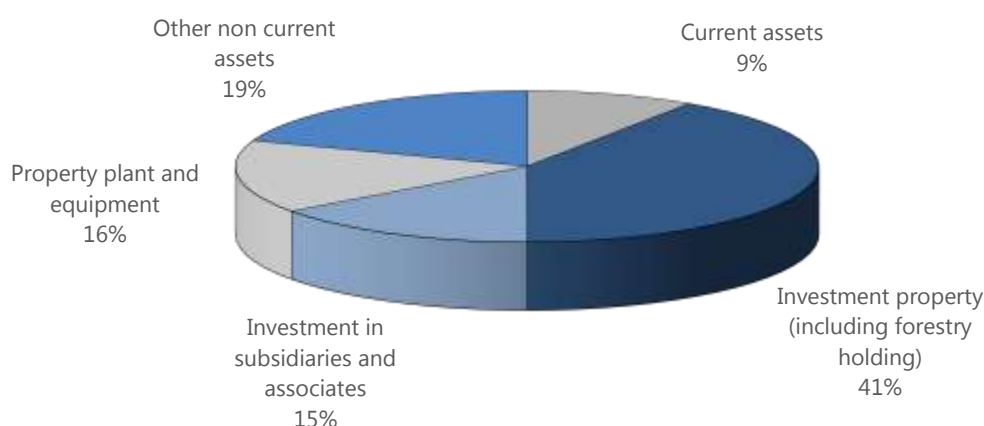
The council is currently a net investor – we have not borrowed from external sources. Council's investment assets include: cash, bonds and convertible notes; land and properties (including a forest); investment in the Community Investment Fund (formerly called the Northland Regional Council Community Trust Fund); and a 53.61% shareholding in Northland Port Corporation (NZ) Limited. Further details on the investment objectives are provided on pages 45-46.

Our liabilities are approximately 5% of total council assets and are largely short-term made up of trade creditor balances owing at balance date.

The most significant change is expected to be the development of further river management schemes – infrastructure assets, which will be funded using either internal funds or external borrowing and repaid from targeted rates established for each separate scheme. This plan reflects using internal borrowing.

At the time the long term plan was finalised the council received a refund of approximately \$1 million from the Inland Revenue Department for donation deductions related to the Northland Events Centre. This refund has been included in the opening balance for the long term plan (30 June 2012). The council will decide on how to apply the refund at a council meeting in July 2012.

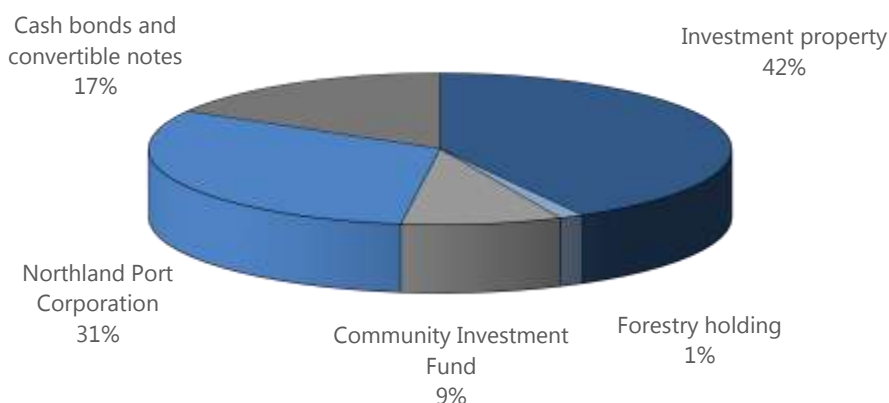
Over the term of this plan the council's balance sheet is expected to continue having a high weighting of assets to liabilities.

Composition of council assets - 30 June 2011**Infrastructure assets**

The only infrastructure asset currently held by the council is the Awanui River Management Scheme (as at 30 June 2011). Infrastructure assets are revalued every three years and as at 30 June 2011 the scheme was valued at \$8 million. An Asset Management Plan has been developed for the scheme, which sets out required maintenance and renewal expenditure to ensure the asset is appropriately managed and maintained. New infrastructure assets for the Whāngārei, Kaeo, Kerikeri-Waipapa river management schemes are planned to be built over the term of this plan and these will have Asset Management Plans developed for them. We intend to manage all these assets in accordance with their Asset Management Plans. Further information on the projected capital works are provided on pages 101-104 of this plan.

Investment assets

The council on its establishment in 1989 was vested with a number of leasehold investment properties and the Northland North Port Corporation (NZ) Ltd. As at 30 June 2011, council held the following assets:

Investment assets - 30 June 2011

Note: The Community Investment Fund is the former Northland Regional Council Community Trust Fund.

The values above reflect market values at 30 June 2011. The council's Annual Report lists the historical value of Northland Port Corporation Limited which is \$7,827,563.

The capital value of the council's non-cash investments is subject to market fluctuations, but generally over the long term, council considers the value will appreciate at a rate similar to or greater than inflation. Council is not intending to take active steps to maintain the real value of its investments in stocks, bonds and convertible notes given the current market conditions and its desire to use investment income for economic development projects. The exception is for the Community Investment Fund (formerly called the Northland Regional Council Community Trust Fund).

Council intends to maintain the real value of the capital of the Community Investment Fund (formerly called the Northland Regional Council Community Trust Fund) of \$10.25 million by increasing the capital amount of the fund by the level of inflation forecast for each year of this plan. The fund's capital value may be subject to market fluctuations that are beyond the control of the council. Council aims to increase the capital value of the fund over the lifetime of this plan, from the base index capital value at 30 June 2011 of \$10.25 million. The inflation adjustment factors are based on BERL price adjustors and the annual inflation proofing adjustments are shown in the table below:

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
BERL price adjustor		2.40%	3.20%	3.20%	3.40%	3.50%	3.40%	3.30%	3.30%	3.60%	3.50%
Total value of fund at the end of the year (millions)	\$10.253	\$10.499	\$10.835	\$11.182	\$11.562	\$11.967	\$12.374	\$12.782	\$13.204	\$13.680	\$14.158
Index	1000	1024	1057	1091	1128	1167	1207	1247	1288	1334	1381

We will continue to evaluate our investment portfolio to ensure its investment mix is appropriately diversified and is achieving the best possible return while managing risk. Over time the council intends to increase its direct investment in Northland to benefit the local economy where this is compatible with a balanced approach to our investments. Our Treasury Management Policy is informed by expert advice and contains the criteria by which our investment decisions are made.

Internal and external borrowing

The council is currently a net investor and does not borrow from external sources. To date we have been able to use internal funds for large projects, such as the establishment of the Northland Events Centre and capital expenditure on river management schemes. In simple terms, internal borrowing means the council has been able to borrow from itself, by borrowing from its own reserves. Internal borrowing is beneficial as it means council does not have to raise expensive third party loans to fund its capital expenditure and at the same time seek secure and diverse investments for its available funds. Repayments (both capital and interest) are made from the appropriate targeted rate and interest is charged in a similar manner to council borrowing funds from a bank or other external party.

On some occasions, it may be financially advantageous to borrow externally even when the council has available reserves. This will particularly be the case if council investments earn a higher rate of return than the cost to borrow externally. Where it is financially prudent to do so, council may elect to access debt through the Local Government Funding Agency.

For the purposes of budgeting, the cost of funds applied to internal borrowing for all loans established after 1 July 2012 is set at 5%. The cost of funds applied to borrowing that commenced prior to 1 July 2009 is set at 7%. The different rates reflect the rate of return that could have been achieved had the funds that were borrowed been available to invest in stocks and bonds at that time. If there are marked changes to the cost of borrowing or the return available on safe investments, the council may (by special resolution) set an internal borrowing rate that reflects the actual market conditions at the time the internal loan is established.

Borrowing limits

Debt will be managed within the following macro limits. Financial covenants are measured on council only, not the consolidated group.

Financial covenant	Limit
Net debt/total revenue	<175%
Net interest/total revenue	<20%
Net interest/annual rates revenue	<25%
Liquidity	>110%

Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. vested assets).

Net debt is defined as total debt less liquid financial assets and investments.

Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Funding principles

The funding of activities and work programmes is based upon a number of principles. The application of these principles is outlined in the *Revenue and Financing Policy* on pages 195-204. First is the principle of beneficiary or exacerbator pays. Where a party directly benefits from the service provided by the council or causes the council to provide a service or incur expenditure, then where possible that party directly pays for that service.

Second, where the council is providing services that are part of national programmes or there are government subsidies for providing certain services, then the council will claim for those government grants/subsidies.

Third, where the council provides services to a specific area or group within the regional community but there is no mechanism to direct charge those beneficiaries or exacerbators, then the council will use targeted rates to match the costs and benefits of these services.

The balance of council's funding requirements will be funded by general funds. Targeted general rates (made up of the Targeted Land Management Rate and the Targeted Council Services Rate) are used for reasons of fairness and equity to fund public goods where it is impossible or impractical to clearly identify customers or users, or to fully recover costs from users or exacerbators. Targeted general rates are also used to fund those activities that council considers to provide a public benefit or public good.

Traditionally the council's investment income has been used to reduce general funding (i.e., it subsidised the Targeted Council Services Rate and the Targeted Land Management Rate requirement). Until 2011/12 all of the council's investment income helped fund council operations, providing a rates subsidy of about 20%. Following public consultation for the 2011/2012 Annual Plan, the council decided to redirect its investment income into the Northland Regional Council Investment and Growth Reserve. The redirection started in July 2011 and is being phased in over the next ten years of this plan. During the transition period investment revenue not transferred to the Investment and Growth Reserve is applied as general funds and is used to reduce the rating requirement.

Policy on giving securities for borrowing

Council's borrowings and interest rate risk management instruments will generally be secured by way of a charge over rates and rates revenue. Where appropriate council may seek project financing which may have a charge over the project or specific assets rather than rates. The use of special funds and reserve funds – and internal borrowing of special funds/reserve funds and other funds – will be on an unsecured basis.

If council borrows externally, it will likely need to put in place a debenture trust deed prior to accessing external funding. In such circumstances, the security offered by council ranks 'Pari Passu' for all stock issues by council. Under a debenture trust deed the council's borrowing is secured by a floating charge over all council rates levied under the Rating Act. From time to time, with prior council and debenture trustee approval, security may be offered by providing a charge over one or more of council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset which it funds (such as operating lease or project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the debenture trust deed.

Investment management

Council aims to manage its assets prudently and its general objectives are to:

- Manage investments to optimise returns in the long term whilst balancing the risk and return considerations;
- Safeguard its assets/capital;
- Have a diverse portfolio (to manage the risk) but increase the investment in Northland over time;
- Focus on economic benefits/economic wellbeing from investments in projects or activities;
- Retain the Northland Port Corporation (NZ) Limited as this is deemed to be a strategic asset;
- Minimise the council's costs and risks in the management of its borrowings;
- Minimise the council's exposure to adverse interest rate movements;
- Borrow funds and transact risk management instruments within an environment of control and compliance under the council approved Treasury Risk Management Policy so as to protect the council's financial assets and costs; and
- To comply with the financial ratios and limits stated within the Treasury Management Policy.

The council recognises that as a responsible public authority all investments held should be low risk in terms of balancing capital risk to return considerations (with the exception of the Community Investment Fund which has a different risk/return profile). Council also recognises that low risk investments generally mean lower potential returns.

Investment mix

Council maintains a diverse range of investments, which may include the following assets:

- Direct equity investments in CCO/CCTO's and other shareholdings;
- Property investments including land, buildings, ground leases, farms and forests and land held for development;
- In-house managed financial investments with the assistance of advisory services, incorporating the management of working capital and longer term fixed income investments.

Council's objectives for holding and managing investments

Investment	Objective for holding investment	Targeted return
Investment property (freehold and leasehold)	<p>To provide an income stream to be available for projects that contributes towards economic wellbeing for Northland.</p> <p>Subject to the powers and provisions conferred under the Local Government Act 2002, Public Bodies Leases Act 1969 and the Property Act 2007 to achieve the best commercial return possible on all investment properties.</p> <p>To meet statutory obligations in relation to endowment properties.</p> <p>To hold assets on behalf of the regional community for strategic protection/development of the region.</p>	>6.5%
Northland Port Corporation (NZ) Limited - 53.61% shareholding	<p>To provide an income stream to be available for projects that contributes towards economic wellbeing for Northland.</p> <p>To hold an investment asset on behalf of and for the benefit of Northland.</p> <p>To recognise and optimise both the strategic and economic significant that the Port contributes to the region.</p> <p>To optimise the Port's activities with the economic structure of the Northland region.</p> <p>The Local Government Act 2002 classifies a local authority's shareholding in a port company as a strategic asset.</p>	Dividend >\$1.4 million
Investments in bonds and convertible notes	<p>To provide an income stream to be available for projects that contributes towards economic wellbeing for Northland.</p> <p>Protection of council's investment council's investment capital and maximising returns.</p>	>50bps above 90 day bank bill rate
Forestry holding	<p>To provide an income stream to be available for projects that contributes towards economic wellbeing for Northland.</p> <p>Development, maintenance and protection of council's timber plantations in order to maximise long term revenue whilst meeting council's environmental responsibilities.</p>	7% pa internal rate of return to 2041
Community Investment Fund (formerly called the Northland Regional Council Community Trust Fund) - applied to fund economic development in Northland)	To inflation proof and to protect the capital; to transfer the residual income to the Investment and Growth Reserve for economic development purposes.	>6%

Measures of financial health

Several financial health measures have been developed to demonstrate trends of financial sustainability over the period of this plan. These measures are shown in the table below.

Return on investment assets

This metric shows the amount of interest and dividend income generated each year by the council's total investment asset base.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
10.0%	5.4%	5.3%	5.5%	5.4%	5.3%	5.2%	5.2%	5.1%	5.0%	5.0%	5.0%

Rates to total revenue

This metric shows the percentage of council's total revenue that is collected through rates.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/21	2021/22
53.0%	56.7%	56.7%	58.0%	59.9%	60.0%	59.8%	60.7%	61.0%	60.5%	59.7%	61.4%

General rates to total rates

This metric shows the percentage of council's total rate revenue that is collected through rates.

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/21	2021/22
71.7%	73.9%	74.2%	74.9%	74.2%	77.6%	78.6%	79.6%	80.6%	84.8%	86.5%	87.1%

Independent Auditor's Report

AUDIT NEW ZEALAND

Mana Aotake Aotearoa

To the readers of
Northland Regional Council's Long-term Plan Statement of Proposal
for public consultation for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Northland Regional Council (the Regional Council). The Auditor-General has appointed me, F Caetano, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the Regional Council's LTP dated 26 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the Regional Council's LTP dated 26 June 2012 provides a reasonable basis for long term integrated decision-making by the Regional Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Regional Council.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the Regional Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and
- the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 26 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the Regional Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, and implications it faces and provides for participation by the public in decision making processes;
- the Regional Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;
- the Regional Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the Regional Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Regional Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the Regional Council or any of its subsidiaries.



F Caetano
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

Financial overview

This section provides a brief overview of the expenditure, sources of funding and rate projections for the council over the life of the plan.

Operational spending

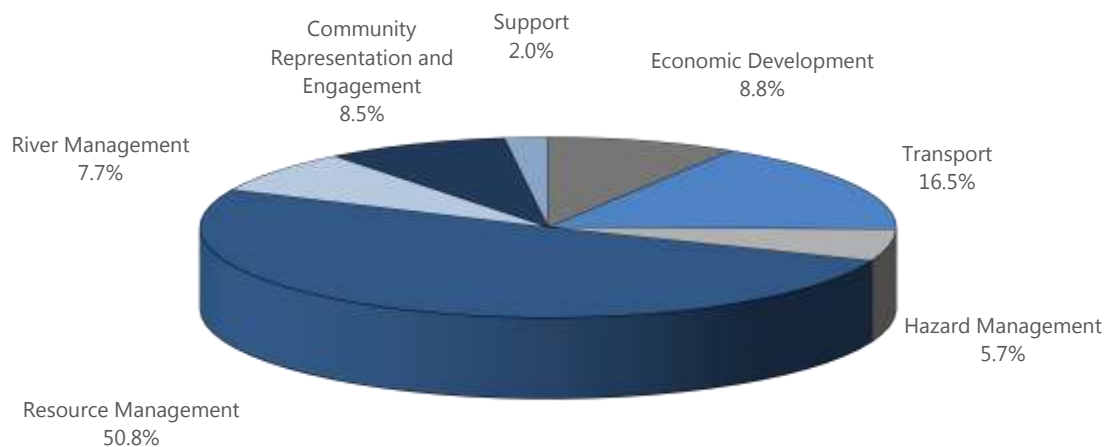
The financial forecasts signal \$28.1 million of operating expenditure to support service delivery in 2012-2013. The Resource Management group of activities accounts for the largest portion (50.8% of \$28.1 million in 2012/13). The activities within the Resource Management group include: Consents; Monitoring, Land and Biodiversity, Planning and Policy and Biosecurity.

The operating expenditure for each activity group and the proportion that this comprises of the total operating expenditure in Year 1 of the plan is set out in the table and graph below.

Operating funding requirements (excluding GST)

Group of activities	2012/13 (\$000)	2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
Resource Management	14,273	14,242	14,588	15,221	15,760	16,182	16,621	16,806	17,494	17,860
Economic Development	2,486	2,491	2,509	1,706	1,700	1,735	1,760	1,734	1,699	1,754
Transport	4,642	4,753	4,904	5,053	5,600	5,419	5,552	5,648	5,806	5,880
Hazard Management	1,593	1,546	1,577	1,607	1,650	1,699	1,746	1,798	1,857	1,907
River Management	2,151	1,608	1,666	1,774	1,826	1,883	1,938	1,989	2,057	2,109
Community Representation and Engagement	2,389	2,609	2,535	2,575	2,798	2,713	2,781	3,038	2,950	3,024
Support	569	657	586	650	614	293	335	306	359	366
Total	28,103	27,906	28,366	28,585	29,948	29,923	30,733	31,319	32,222	32,899

Total operational expenditure by group of activity 2012/2013



Capital spending

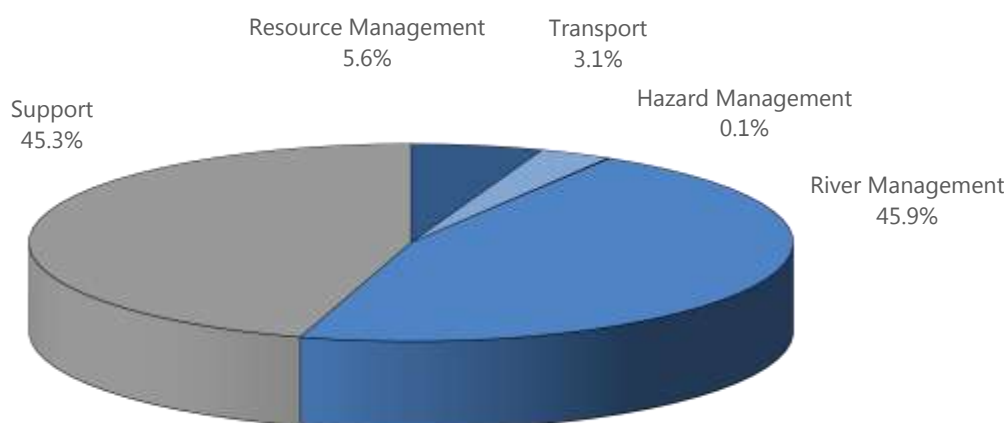
The total capital expenditure funding requirement anticipated for 2012-2013 is \$3.6 million. The largest share of capital expenditure in Year 1 is for Information Technology (\$1.6 million) which comes under the Support Services Activity. Included within the \$1.6 million of Information Technology capital expenditure is \$1.4 million of unspent capital expenditure originally budgeted in the 2011-2012 that has been deferred into 2012-2013.

The capital expenditure for each activity group and the proportion that this comprises of the total capital expenditure in Year 1 of the plan is set out in the table and graph below.

Capital funding requirements (excluding GST)

Group of Activities	2012/13 (\$000)			2013/14 (\$000)	2014/15 (\$000)	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)
	New	Proposed carry forward	Total									
Resource Management	161	-	161	89	90	120	52	58	56	137	64	62
Transport	89	-	89	287	112	100	52	253	97	108	85	294
Hazard Management	2	-	2	2	-	-	-	-	-	-	-	-
River Management	1,323	-	1,323	6,460	6,051	667	59	64	67	64	69	74
Support	628	1,397	2,025	880	936	819	916	866	1,021	1,056	829	1,003
Total	2,202	1,397	3,599	7,718	7,189	1,706	1,080	1,241	1,240	1,365	1,048	1,432

Total capital expenditure by group of activity 2012-2013



Sources of funding of council activities

Council funds its activities based on the Revenue and Financing Policy set out on pages 195-204 of this plan. The overall funding requirement consists of the operating expenditure (less depreciation) and capital expenditure as set out in the preceding tables, plus principle repayments towards any internal borrowing and the funding of any contributions to councils reserve funds. Refer to page 34-35 for a breakdown of council's funding sources.

Rate requirements

Under the proposed plan, general rates will typically increase by 4.5% to 8.5% annually over most of the next 10 years. On averages that's about \$11 to \$16 including GST a year. The policy of transferring our investment income from subsidising rates and into economic development commenced in 2011-2012, and although the transition period has been extended to 10 years instead of 5 it is still the biggest driver behind the rates increases signalled in the plan.

Inflation is another contributor to our rate increases. Unfortunately, the inflation rate is completely outside our control but it is necessary to budget for the impact of inflation upon council's future costs.

A new targeted river management rate is being established for properties situated in the Kerikeri, Waipapa and Wairoa river catchments. Initially the targeted rate is \$48.90 including GST a year increasing to \$74.10 including GST from 2014-2015. However a rating review will be conducted and residents consulted before the works and change in rate. The funds collected from this rate will contribute to river maintenance and flood reduction work to reduce flood risks in the Kerikeri Waipapa and Wairoa river catchments.

The existing targeted river management rates remain unchanged in 2012-13 (year 1 of the plan), with proposed increases in the latter years scheduled to coincide with any flood protection capital work programmes.

The key forecasting assumptions and risks underlying the financial information presented throughout the plan are provided on pages 149-159.

Rating Funding Impact Statement

The prescribed funding impact statement required by section 15 of schedule 10 of the Local Government Act 2002 and the Local Government (Financial Reporting) regulations 2011 is set out on pages 74-77. The following table shows total gross expenditure and lists by rate and income type the funding derived from each source for easy reference.

Excluding GST	Annual Plan 2011 -2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Operational expenditure	23,921,039	27,035,582	26,778,520	27,113,092	27,247,447	28,595,981
Capital expenditure	4,008,595	3,599,071	7,717,964	7,188,959	1,706,408	1,079,650
Total gross expenditure	27,929,634	30,634,652	34,496,484	34,302,051	28,953,855	29,675,631
Funded by						
Council Service Rate	6,966,873	7,279,686	7,855,008	8,525,519	9,204,020	9,960,435
Land Management Rate	4,567,144	5,348,014	5,654,673	6,031,939	6,413,679	6,852,754
Targeted Regional Infrastructure Rate	593,602	593,544	593,602	593,602	593,602	593,602
Targeted Regional Recreational Facilities Rate	1,218,065	1,226,775	1,233,300	1,239,466	1,245,663	1,251,892
Other targeted rates	2,255,533	2,574,850	2,699,985	3,225,204	2,667,754	2,737,592
NRC Community Trust Income	-	-	-	-	-	-
Grants and subsidies	1,370,884	1,486,699	1,343,573	1,395,526	1,388,263	1,672,273
User charges	3,956,038	4,105,264	4,231,484	4,332,783	4,441,664	4,594,558
Rental income	3,427,314	3,588,448	3,633,523	3,758,416	3,794,341	3,852,383
Interest income	1,717,631	2,191,906	2,141,330	2,001,272	2,157,550	2,433,633
Dividend income	1,328,574	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289
Forestry income	-	-	-	-	372,205	-
Sundry income	23,055	122,030	125,935	129,965	134,384	139,087
Cash reserves from/(to)	504,920	678,147	3,544,782	1,629,071	(4,898,560)	(5,851,866)
Total funding	27,929,634	30,634,652	34,496,484	34,302,051	28,953,855	29,675,631

Excluding GST	Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$
Operational expenditure	28,541,635	29,323,640	29,881,627	30,756,686	31,415,688
Capital expenditure	1,241,476	1,240,048	1,365,140	1,047,625	1,432,334
Total gross expenditure	29,783,111	30,563,688	31,246,767	31,804,311	32,848,022
Funded by					
Council Service Rate	10,701,893	11,470,791	12,214,228	13,059,408	13,753,573
Land Management Rate	7,278,331	7,722,378	8,145,142	8,641,338	9,034,438
Targeted Regional Infrastructure Rate	593,602	593,602	593,602	593,602	593,602
Targeted Regional Recreational Facilities Rate	1,258,151	1,264,442	279,447	-	-
Other targeted rates	2,765,153	2,771,853	2,777,903	2,784,810	2,791,779
NRC Community Trust Income	-	-	-	-	-
Grants and subsidies	1,496,728	1,546,763	1,567,614	1,614,982	1,620,877
User charges	4,713,082	4,831,023	4,952,824	5,089,955	5,228,070
Rental income	3,868,734	3,879,422	3,841,681	3,841,681	3,855,725
Interest income	2,790,338	3,146,783	3,488,109	3,971,105	4,477,914
Dividend income	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289
Forestry income	-	-	-	523,037	-
Sundry income	143,816	148,562	153,465	158,989	164,554
Cash reserves from/(to)	(7,266,005)	(8,251,220)	(8,206,536)	(9,913,885)	(10,111,799)
Total funding	29,783,111	30,563,688	31,246,767	31,804,311	32,848,022

Rates

Uniform Annual General Charge

The council does not assess a Uniform Annual General Charge.

Targeted General Rates

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

Targeted Council Services Rate

What it funds

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

How it is set

The targeted council services rate is a fixed rate, differentiated by location assessed on each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts and on each rating unit in the Kaipara District. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional \$1.73 (including GST) per separately used and inhabited parts (SUIP) of rating units is to be levied across the Whāngārei Constituency to provide \$68,081 to fund the ongoing maintenance needs of the Hātea River channel.

This rating policy recognises that a differentiated fixed charge on separately used or inhabited parts (SUIP) of each rating unit or per rating unit (property) links better to environmental planning, strategic planning, education, public advice, the public good elements of issuing resource consents, regional advocacy and transport planning where the link to land value is very weak.

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

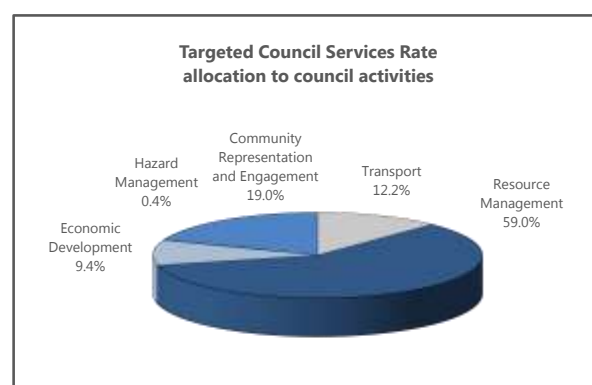
How much is the rate?

The estimated total Targeted Council Services Rate amounts to \$8,371,639 (including GST) for the 2012/2013 financial year.

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

District	Excluding GST	Including GST	
Far North district	\$73.38	\$84.39	per SUIP
Kaipara district	\$89.94	\$103.43	per rating unit
Whāngārei district	\$89.81	\$103.28	per SUIP

How is the rate applied?



Targeted Land Management Rate

What it funds

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

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

The land value rates to be levied across all sectors of the Northland community recognises that all communities benefit from the protection of forests, the prevention of soil erosion, and the minimisation of damage by floodwaters and resulting improvements in the quality of natural water.

How it is set

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

How much is the rate?

The estimated total targeted land management rate amounts to \$6,150,216 (including GST) for the 2012/2013 financial year.

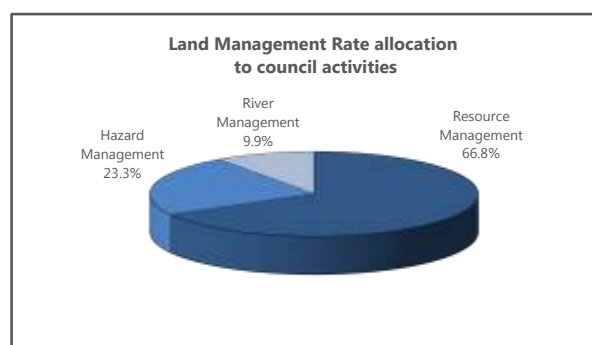
The following table shows the actual and equalised land value for each district and sets the rate in the dollar for each district based on the equalised land values.

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

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value excluding GST	Rate per \$100,000 of actual land value including GST
Far North district	8,626,265	7,872,243	\$23.34	\$26.84
Kaipara district	3,541,000	3,541,000	\$25.57	\$29.41
Whāngārei district	9,888,632	9,497,734	\$24.57	\$28.25

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

How is the rate applied?



Targeted rates

The following targeted rates are intended for 2012/2013:

Targeted Rate – Northland Regional Recreational Facilities

What it funds

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

How it is set

The Northland Regional Recreation Facilities Rate will be a targeted and differentiated rate of \$28.75 (including GST) to each separately used or inhabited part (SUIP) of rating units in the Whāngārei District constituency and \$5.75 (including GST) separately used or inhabited part (SUIP) of rating units in the Far North District constituency and \$5.75 (including GST) per rating unit in the Kaipara District constituency.

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

How much is the rate?

The estimated total Northland region recreational facilities targeted rate amounts to \$1,410,791 (including GST) for the 2012/2013 financial year. The rate is to be assessed as follows:

District	Excluding GST	Including GST	
Far North district	\$5.00	\$5.75	per SUIP
Kaipara district	\$5.00	\$5.75	per rating unit
Whāngārei district	\$25.00	\$28.75	per SUIP

How is the rate applied?

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

Targeted Rate – Regional Infrastructure

What it funds

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

How it is set

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

How much is the rate?

The estimated total Targeted Regional Infrastructure Rate amounts to \$682,576 (including GST) for the 2012/2013 financial year.

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

District	Actual Land Value \$(000)'s	Equalised Land Value \$(000)'s	Rate per \$100,000 of Actual Land value Excluding GST	Rate per \$100,000 of Actual Land value Including GST
Far North district	8,626,265	7,872,243	\$2.59	\$2.98
Kaipara district	3,541,000	3,541,000	\$2.84	\$3.26
Whāngārei district	9,888,632	9,497,734	\$2.73	\$3.14

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

How is the rate applied?

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

Targeted Rate – Rescue Helicopter services

What it funds

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

How it is set

The Northland Rescue Helicopter Service Rate will be set by way of a targeted fixed rate assessed on a uniform basis.

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

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

How much is the rate?

The estimated total targeted rescue helicopter service rate amounts to \$714,331 (including GST) for the 2012/2013 financial year.

The fixed charge is set for on each rating unit in the Kaipara District and each separately used or inhabited parts (SUIP) of rating units in the Far North and Whāngārei Districts of the Northland region being \$8.17 (including GST) or \$7.10 (excluding GST).

How is the rate applied?

The targeted rescue helicopter rate collected will be applied to the Northland Emergency Services Trust. The collection and payment of this rate forms part of the Economic Development Activity.

Targeted Rate – Transport Rate (Whāngārei District)

What it funds

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

How it is set

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

The rate is set for on each separately used or inhabited parts (SUIP) of rating units in the Whāngārei district.

How much is the rate?

The estimated total targeted transport rate amounts to \$478,380 (including GST) for the 2012/2013 financial year.

The fixed charge will be set at \$12.12 (including GST) or \$10.54 (excluding GST) for each separately used or inhabited parts (SUIP) of rating units in the Whāngārei district.

How is the rate applied?

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

Targeted Rate – Kaitiā Transport Rate (Far North District)

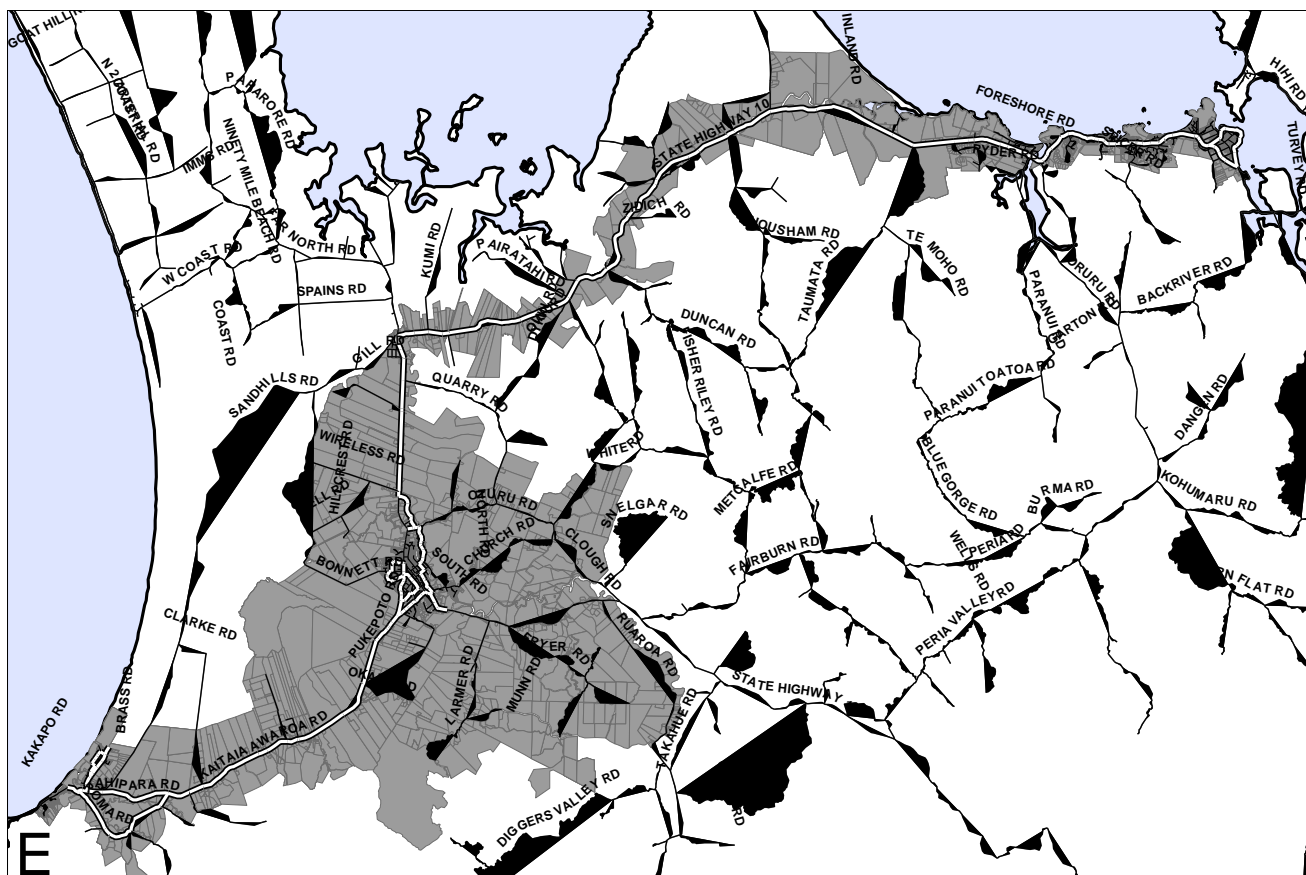
What it funds

To fund the Kaitiā bus passenger transport service.

How it is set

The rate is to be set by way of a fixed amount assessed on each separately used or inhabited parts (SUIP) of rating units for properties located near the Kaitiā Bus route –these being the rating units in the area identified on the map below:

Kaitiāia Transport Rate map



The rate is set for each separately used or inhabited parts (SUIP) of identified rating units.

How much is the rate?

The estimated total targeted transport rate amounts to \$91,849 (GST inclusive) for the 2012/2013 financial year.

The fixed charge will be set at \$15.27 (GST inclusive) or \$13.28 (GST exclusive) for each separately used or inhabited parts (SUIP) of rating units located near the Kaitiāia Bus route, as illustrated in the map above.

How is the rate applied?

The targeted transport rate will be applied to the Transport Activity to subsidise bus passenger transport in the Kaitiāia/Mangōnui/Ahipara area.

Targeted Rate - Awanui River Flood Management Rate

What it funds

To fund works on the Awanui Flood Management Scheme.

How it is set

The Awanui River Management Scheme is funded by a targeted and differentiated rate based on indirect benefit, direct benefit and to the extent that land use increases the need for the scheme (for example, clearing land of forest), as set out in that Management Plan and its Rating District for the Awanui River Catchment and tributaries as described in the Awanui River Flood Management Scheme.

The rate is assessed and set differentially as follows:

		Excluding GST	Including GST
1.	Urban rate class UA (floodplain location) \$128.11 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit, total per each separately used or inhabited parts of a rating unit:	\$122.54	\$140.92
2.	Urban rate classes UF (higher ground) \$12.81 (including GST) direct benefit plus \$12.81 (including GST) indirect benefit, total per rating each separately used or inhabited parts of a rating unit:	\$22.28	\$25.62
3.	Commercial differential factor:		3.0
4.	Rural rate differentiated by class, \$7.88 (including GST) per each separately used or inhabited parts of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitiāia Flood Rating District.	\$6.85	\$7.88

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

Awanui River Management Rate: Description

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

How much is the rate?

The estimated total Awanui River management rate amounts to \$486,288 (including GST) for the 2012/2013 financial year. The revenue sought from each category of rateable land will be as follows:

		Total Revenue Excluding GST	Total Revenue Including GST
Class A	Rural	\$42,321	\$48,669
Class B	Rural	\$33,467	\$38,488
Class C	Rural	\$11,414	\$13,126
Class F	Rural	\$11,324	\$13,023
Indirect benefit	Rural	\$11,788	\$13,556
Urban A		\$175,953	\$202,346
Urban F		\$14,482	\$16,654
Commercial differential	Majority Urban	\$122,110	\$140,426
Total Rate		\$422,859	\$486,288

How is the rate applied?

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

Targeted Rate - Kaihū River Flood Management Rate**What it funds**

To fund works on the Kaihū River Management Scheme.

How it is set

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

The Council will set the rate differently as follows:

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

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

Kaihū River Management Rate: Description

Class	Description	Rate per hectare/\$ excluding GST	Rate per hectare/\$ including GST
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$22.28	\$25.62
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	\$11.14	\$12.81

Class	Description	Rate per hectare/\$ excluding GST	Rate per hectare/\$ including GST
Catchment Rate	Balance of rateable land within the Kaihū River rating area.	\$1.67	\$1.92
Urban Contribution	A contribution from Kaipara District Council instead of a separate rate per property	\$4,951	\$5,694 per annum

How much is the rate?

The estimated targeted Kaihū River management rate amounts to \$90,404 (including GST) in the 2012/2013 financial year. The revenue sought from each category of rateable land will be as follows:

	Total Revenue Excluding GST	Total Revenue Including GST
Class A	\$25,022	\$28,775
Class B	\$17,215	\$19,797
Catchment Rate	\$31,424	\$36,138
Urban Contribution	\$4,951	\$5,694
	\$78,612	\$90,404

How is the rate applied?

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

Targeted Rate – Kaeo-Whangaroa Rivers Management Rate

What it funds

This rate will be used to fund operational and capital flood scheme works in Kaeo and Tauranga Bay, and minor river maintenance works to clear flood debris and gravel from streams from Taupo Bay to Te Ngairi.

How it is set

A targeted fixed Whangaroa Rivers Flood management rate for the 2012/2013 year, set and assessed on a uniform basis across all rateable properties within the former Whangaroa Ward (falling between rating roles 100 -199). The fixed Whangaroa Rivers Flood Management rate is payable in respect of each separately used or inhabited parts of rating units falling between rating roles 100 -199.

How much is the rate?

The estimated targeted Whangaroa Rivers management rate amounts to \$150,405 (including GST) in the 2012/2013 financial year. The fixed levy of \$74.53 (including GST) or \$64.81 (excluding GST) will be applied to each separately used or inhabited part of rating units falling between rating roles 100 -19.

How is the rate applied?

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

Targeted Rate – Whāngārei Urban Rivers Management Rate

What it funds

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

How it is set

The rate is to set by a targeted rate differentiated by location and category and set as a fixed amount assessed on each separately used or inhabited part (SUIP) of rating units as follows:

		Excluding GST	Including GST
1.	Commercial properties located in the Whāngārei CBD flood area	\$215.50	\$247.83
2.	Residential properties located in the Whāngārei CBD flood area	\$81.90	\$94.19
3.	Properties located in the contributing water catchment area	\$28.88	\$33.21

Maps of the areas follow on page 63.

How much is the rate?

The estimated targeted Whāngārei urban Rivers management rate amounts to \$739,231 (including GST) in the 2012/2013 financial year. The revenue sought from each category is as follows:

		Excluding GST	Including GST
1.	Commercial properties located in the Whāngārei CBD flood area	\$164,157	\$188,780
2.	Residential properties located in the Whāngārei CBD flood area	\$10,762	\$12,376
3.	Properties located in the contributing water catchment area	\$467,891	\$538,075
		\$642,809	\$739,231

How is the rate applied?

The rate is applied 100% to Whāngārei urban rivers management works which form part of the River Management Activity.

Targeted Rate – Kerikeri-Waipapa Rivers Management Rate

What it funds

This rate will be used to fund operational river works and detailed investigations into flood scheme design options within the Kerikeri-Waipapa area.

How it is set

A targeted fixed Kerikeri-Waipapa Flood management rate for the 2012/2013 year is set on a uniform basis and assessed across all separately used or inhabited parts (SUIP) of rating units for properties identified as contributing catchments within the Kerikeri-Waipapa area as illustrated in the map on page 64.

How much is the rate?

The estimated targeted Kerikeri-Waipapa Rivers management rate amounts to \$210,189 (including GST) in the 2012/2013 financial year.

The fixed levy of \$48.90 (including GST) or \$42.53 (excluding GST) will be assessed on each separately used or inhabited part of the identified rating units falling within the catchment area.

How is the rate applied?

The rate is applied 100% to Kerikeri-Waipapa Rivers Management works which forms part of the River Management Activity

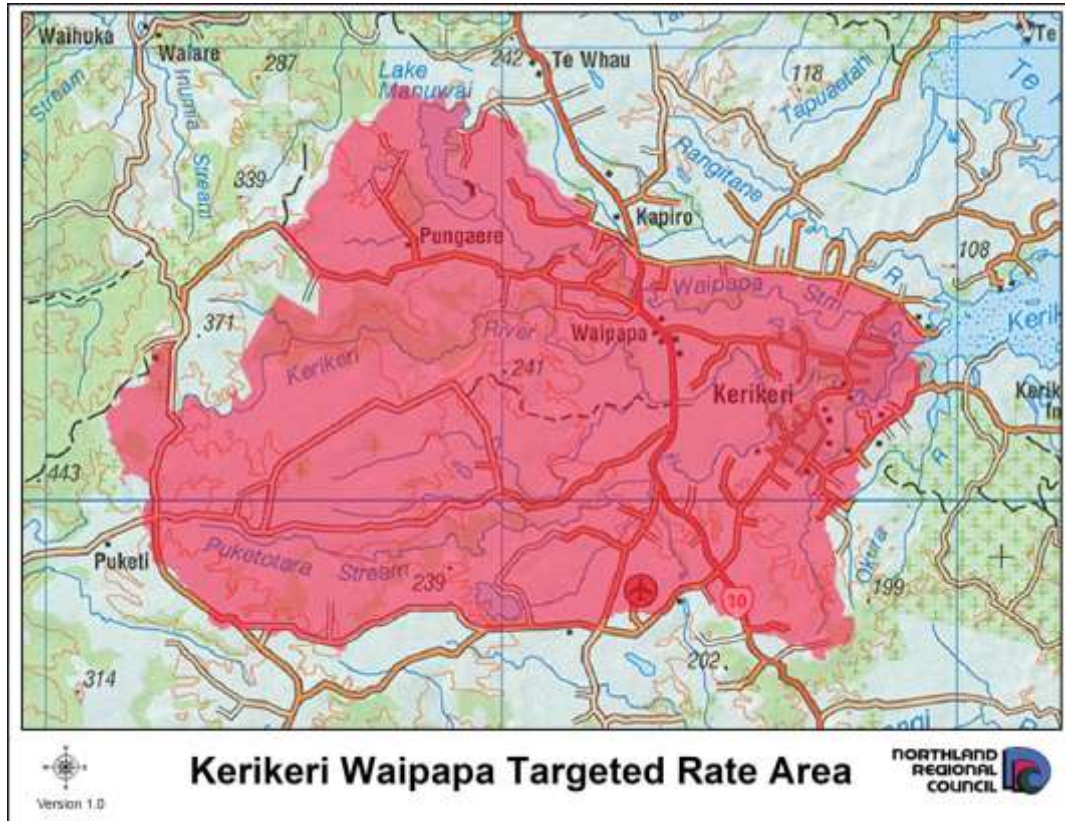
Whāngārei CBD flood area



Contributing water catchments area



Kerikeri-Waipapa River Management Rate area



Further rating information

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

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

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

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

Equalisation of rates

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

Inspection and objection to council's Rating information Database

The Rating Information Database (RID) for each district are available at the relevant district council and on the district council's websites.

The website addresses are:

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

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

How much will my rates be?

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

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

Ratepayers in the Whāngārei district

Whāngārei ratepayers will be levied per separately used and inhabited parts of rating units:

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

Whāngārei urban/rural/other	Land Value	2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = 0.0002719		Rates	Rates
Infrastructure Rate= LV rate in the \$ = 0.0000314		Including GST	Including GST
Residential property (non CBD)			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$120,000	\$33.90	\$27.95
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$3.76	\$3.64
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$189.98	\$177.07
Residential property (non CBD)			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$225,000	\$63.56	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$7.05	\$6.82
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$222.93	\$204.70
Residential property in CBD area			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$225,000	\$63.56	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$7.05	\$6.82
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$94.19	\$94.19
Total regional rates (including GST)		\$317.12	\$298.89
Residential property in stormwater catchment area			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$225,000	\$63.56	\$52.40
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$7.05	\$6.82
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$33.21	\$33.21
Total regional rates (including GST)		\$256.14	\$237.91

Whāngārei urban/rural/other	Land Value	2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = 0.0002719		Rates	Rates
Infrastructure Rate= LV rate in the \$ = 0.0000314		Including GST	Including GST
Farm Property			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$2,750,000	\$776.84	\$640.48
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$86.22	\$83.33
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$1,015.38	\$869.29
Commercial Property (non CBD)			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$2,000,000	\$564.98	\$465.80
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$62.70	\$60.60
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$780.00	\$671.88
Commercial Property in CBD area			
Targeted Council Services Rate		\$103.28	\$96.47
Targeted Land Management Rate	\$2,000,000	\$564.98	\$465.80
Northland Regional Recreational Facilities Rate		\$28.75	\$28.75
Regional Infrastructure Rate		\$62.70	\$60.60
Transport Rate		\$12.12	\$12.04
Rescue Helicopter Services Rate		\$8.17	\$8.22
Whāngārei Urban Rivers Management Rate		\$247.83	\$247.83
Total regional rates (including GST)		\$1,027.83	\$919.71

Ratepayers in the Kaipara district

Kaipara ratepayers will be levied:

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

Kaipara urban/rural	Land Value	2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = 0.0002831		Rates	Rates
Infrastructure Rate = LV rate in the \$ = 0.0000326		Including GST	Including GST
Residential property			
Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$120,000	\$35.29	\$25.70
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.92	\$3.34
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$156.56	\$147.26
Residential property			
Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$225,000	\$66.18	\$48.20
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$7.34	\$6.26
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$190.86	\$172.68
Farm property			
Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$2,750,000	\$808.81	\$589.05
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$89.77	\$76.45
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$1,015.92	\$783.72
Commercial property			
Targeted Council Services Rate		\$103.43	\$104.25
Targeted Land Management Rate	\$900,000	\$264.70	\$192.78
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$29.38	\$25.02
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$411.43	\$336.02

Additional for properties in the Kaihū River catchment	Land Value	2012-2013	2011-2012
		Rates \$	Rates \$
10 hectares	\$120,000	Including GST	Including GST
	Class A	\$256.22	\$256.22
	Class B	\$128.10	\$128.10
	Class C	\$19.20	\$19.20
100 hectares	\$600,000		
	Class A	\$2,562.20	\$2,562.20
	Class B	\$1,281.00	\$1,281.00
	Class C	\$192.00	\$192.00

Ratepayers in the Far North district

Ratepayers in the Far North district

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

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

Far North	Land Value	2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298		Including GST	Including GST
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$32.21	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$134.09	\$128.55
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$60.39	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$165.40	\$155.72
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$738.12	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Total regional rates (including GST)		\$918.34	\$809.19

Ratepayers in the Far North district – properties falling in the Awanui river catchment area

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

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

Far North District		2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land Value	Including GST	Including GST
Residential & commercial urban area of 1 hectare or less			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$32.21	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Plus Awanui River Management Rates applicable to:			
Urban UA low land \$		\$140.92	\$140.92
Urban UF hills \$		\$25.62	\$25.62
Commercial urban UA \$		¹ \$422.76	\$422.76
Lifestyle - 10 hectares			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$450,000	\$120.78	\$103.05
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$13.40	\$13.41
Rescue Helicopter Services Rate		\$8.17	\$8.22
Plus Awanui River Management Rates applicable to:			
Rural commercial A		¹ \$495.08	\$495.08
Rural commercial B		¹ \$373.28	\$373.28
Rural Class A		\$170.28	\$170.28
Rural Class B		\$129.68	\$129.68
Rural Class C		\$89.08	\$89.08
Rural Class E		\$7.88	\$7.88
Rural Class F		\$14.38	\$14.38
Farm property – 100 hectares			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$738.12	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Plus Awanui River Management Rates applicable to:			
Farm Class A		\$1,631.88	\$1,631.88
Farm Class B		\$1,225.88	\$1,225.88
Farm Class C		\$819.88	\$819.88
Farm Class E		\$7.88	\$7.88
Farm Class F		\$72.88	\$72.88

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

Ratepayers in the Far North district – properties falling in rating areas 100-199 the former Whangaroa Ward paying the Kaeo-Whangaroa Rivers Management Rate

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

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

Including GST		2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land Value	Including GST	Including GST
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$32.21	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure RATE		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$208.62	\$203.08
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$60.39	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$239.93	\$230.25
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$738.12	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaeo - Whangaroa Rivers Management Rate		\$74.53	\$74.53
Total regional rates (including GST)		\$992.87	\$883.72

Ratepayers in the Far North district – properties falling in the Kerikeri-Waipapa Catchment

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

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

		2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land Value	Including GST	Including GST
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$32.21	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$0.00
Total regional rates (including GST)		\$182.99	\$128.55
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$60.39	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$0.00
Total regional rates (including GST)		\$214.30	\$155.72
Residential/commercial/other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$738.12	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure Rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kerikeri - Waipapa Rivers Management Rate		\$48.90	\$0.00
Total regional rates (including GST)		\$967.24	\$809.19

Ratepayers in the Far North constituency – properties falling in the Targeted Kaitiāia Transport Rate area

Far North District ratepayers will be levied per separately used and inhabited parts of rating units:

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

		2012-2013	2011-2012
Land Management Rate = LV rate in the \$ = \$0.0002584		Rates	Rates
Infrastructure Rate = LV rate in the \$ = \$0.0000298	Land Value	Including GST	Including GST
Residential/Commercial/Other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$120,000	\$32.21	\$27.48
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$3.57	\$3.58
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaitiāia Transport Rate		\$15.27	\$0.00
Total Regional Rates (including GST)		\$149.36	\$128.55
Residential/Commercial/Other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$225,000	\$60.39	\$51.53
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$6.70	\$6.71
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaitiāia Transport Rate		\$15.27	\$0.00
Total Regional Rates (including GST)		\$180.67	\$155.72
Residential/Commercial/Other			
Targeted Council Services Rate		\$84.39	\$83.52
Targeted Land Management Rate	\$2,750,000	\$738.12	\$629.75
Northland Regional Recreational Facilities Rate		\$5.75	\$5.75
Regional Infrastructure rate		\$81.92	\$81.95
Rescue Helicopter Services Rate		\$8.17	\$8.22
Kaitiāia Transport Rate		\$15.27	\$0.00
Total Regional Rates (including GST)		\$933.61	\$809.19

Prospective Funding Impact Statement

The prospective Funding Impact Statement is stated excluding GST. The total estimated gross expenditure for the Northland Regional Council for 2012/13 is \$30,634,652. Total expenditure will be funded from the sources listed. These funding/financing sources are consistent with the Revenue and Financing Policy on pages 195-204 of this plan.

For the 2012-2022 Long Term Plan periods ending 30 June (excluding GST)	Annual Plan 2011 -2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	11,534,017	12,627,700	13,509,681	14,557,458	15,617,699	16,813,189
Targeted rates (other than a targeted water rates)	4,067,200	4,395,169	4,526,887	5,058,272	4,507,019	4,583,085
Subsidies and grants for operating purposes	1,370,884	1,486,699	1,343,573	1,395,526	1,388,263	1,672,273
Fees, charges and targeted rates for water supply	3,956,038	4,105,264	4,231,484	4,332,783	4,441,664	4,594,558
Interest and dividends from investments	3,046,205	3,631,195	3,580,619	3,440,561	3,596,839	3,872,922
Local authorities fuel tax, fines, infringement fees and other receipts	3,450,369	3,710,478	3,759,458	3,888,381	4,300,930	3,991,470
Total operating funding ¹	27,424,714	29,956,505	30,951,702	32,672,980	33,852,414	35,527,497
Applications of operating funding						
Payments to staff and suppliers	23,920,039	27,034,582	26,777,520	27,112,092	27,246,447	28,594,981
Finance costs	1,000	1,000	1,000	1,000	1,000	1,000
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding ²	23,921,039	27,035,582	26,778,520	27,113,092	27,247,447	28,595,981
Surplus/(Deficit) of operating funding	3,503,675	2,920,923	4,173,182	5,559,888	6,604,967	6,931,516
Sources of capital funding	-	-	-	-	-	-
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(decrease) in debt	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-
Applications of capital funding						
Capital expenditure						
To meet additional demand	-	-	-	-	-	-
To improve levels of service	3,113,005	3,000,766	6,835,253	6,422,522	849,273	75,681
To replace existing assets	895,590	598,305	882,711	766,437	857,135	1,003,969
Increase/(decrease) in reserves	2,378,278	526,800	(3,584,616)	(1,967,953)	4,435,299	5,481,076
Increase/(decrease) of investments	(2,883,198)	(1,204,947)	39,834	338,882	463,261	370,790
Total applications of capital funding	3,503,675	2,920,923	4,173,182	5,559,888	6,604,967	6,931,516
Surplus/(Deficit) of capital funding	(3,503,675)	(2,920,923)	(4,173,182)	(5,559,888)	(6,604,967)	(6,931,516)
Funding balance	-	-	-	-	-	-

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

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	For the 2012-2022 Long Term Plan periods ending 30 June (excluding GST)
					Sources of operating funding
17,980,224	19,193,169	20,359,370	21,700,746	22,788,011	General rates, uniform annual general charges, rates penalties
4,616,906	4,629,896	3,650,952	3,378,411	3,385,381	Targeted rates (other than a targeted water rates)
1,496,728	1,546,763	1,567,614	1,614,982	1,620,877	Subsidies and grants for operating purposes
4,713,082	4,831,023	4,952,824	5,089,955	5,228,070	Fees, charges and targeted rates for water supply
4,229,627	4,586,072	4,927,398	5,410,394	5,917,203	Interest and dividends from investments
4,012,550	4,027,984	3,995,146	4,523,708	4,020,279	Local authorities fuel tax, fines, infringement fees and other receipts
37,049,116	38,814,907	39,453,303	41,718,196	42,959,821	Total operating funding ¹
					Applications of operating funding
28,540,635	29,322,640	29,880,627	30,755,686	31,414,688	Payments to staff and suppliers
1,000	1,000	1,000	1,000	1,000	Finance costs
-	-	-	-	-	Other operating funding applications
28,541,635	29,323,640	29,881,627	30,756,686	31,415,688	Total applications of operating funding ²
8,507,481	9,491,267	9,571,676	10,961,510	11,544,133	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	- Subsidies and grants for capital purposes
-	-	-	-	-	- Development and financial contributions
-	-	-	-	-	- Increase/(decrease) in debt
-	-	-	-	-	- Gross proceeds from sale of assets
-	-	-	-	-	- Lump sum contributions
-	-	-	-	-	- Total sources of capital funding
					Applications of capital funding
					Capital expenditure
-	-	-	-	-	- To meet additional demand
465,991	511,561	472,102	241,552	189,056	To improve levels of service
775,485	728,487	893,038	806,073	1,243,279	To replace existing assets
6,939,570	7,920,160	7,891,430	9,336,273	9,844,210	Increase/(decrease) in reserves
326,435	331,060	315,106	577,612	267,589	Increase/(decrease) of investments
8,507,481	9,491,267	9,571,676	10,961,510	11,544,133	Total applications of capital funding
(8,507,481)	(9,491,267)	(9,571,676)	(10,961,510)	(11,544,133)	Surplus/(Deficit) of capital funding
-	-	-	-	-	- Funding balance

For the 2012-2022 Long Term Plan periods ending 30 June:	Annual Plan 2011 - 2012 \$	Year 1 2012-2013 \$	Year 2 2013-2014 \$	Year 3 2014-2015 \$	Year 4 2015-2016 \$	Year 5 2016-2017 \$
Reconciliation to the Prospective Statement of Comprehensive Income						
Capital expenditure - included above, not in Comprehensive Income.	4,008,595	3,599,071	7,717,964	7,188,959	1,706,408	1,079,650
Investment movements - included above, not in Comprehensive Income.	(2,883,198)	(1,204,947)	39,834	338,882	463,261	370,790
Forestry Asset Revaluation - included in Comprehensive Income, not above.	102,060	71,727	91,421	98,891	(305,589)	230,702
Emission Trading Scheme income- included in Comprehensive Income, not above.	-	-	75,369	-	-	-
Infrastructural Asset Revaluation - included in Comprehensive Income, not above.	-	-	742,795	-	-	1,178,709
Transfers from/(to) Special reserves - included above, not in Comprehensive Income.	2,378,278	526,800	(3,584,616)	(1,967,953)	4,435,299	5,481,076
Depreciation expense - included in Comprehensive Income, not above.	(1,200,308)	(1,067,449)	(1,127,392)	(1,252,891)	(1,337,631)	(1,351,929)
Total Comprehensive Income for the Years per the Statement of Comprehensive Income	2,405,427	1,925,201	3,955,375	4,405,888	4,961,747	6,988,999
Note 1						
Targeted Council Service Rate	6,966,873	7,279,686	7,855,008	8,525,519	9,204,020	9,960,435
Land Management Rate	4,567,144	5,348,014	5,654,673	6,031,939	6,413,679	6,852,754
Regional Infrastructure Rate	593,602	593,544	593,602	593,602	593,602	593,602
Regional Recreational Facilities Rate	1,218,065	1,226,775	1,233,300	1,239,466	1,245,663	1,251,892
Targeted Rates	2,255,533	2,574,850	2,699,985	3,225,204	2,667,754	2,737,592
NRC Community Trust Income	-	-	-	-	-	-
Grants and subsidies	1,370,884	1,486,699	1,343,573	1,395,526	1,388,263	1,672,273
User charges	3,956,038	4,105,264	4,231,484	4,332,783	4,441,664	4,594,558
Rental income	3,427,314	3,588,448	3,633,523	3,758,416	3,794,341	3,852,383
Interest income	1,717,631	2,191,906	2,141,330	2,001,272	2,157,550	2,433,633
Dividend income	1,328,574	1,439,289	1,439,289	1,439,289	1,439,289	1,439,289
Forestry income	-	-	-	-	372,205	-
Sundry income	23,055	122,030	125,935	129,965	134,384	139,087
Total operating funding	27,424,714	29,956,505	30,951,702	32,672,980	33,852,414	35,527,497
Note 2						
Resource management	12,390,950	13,992,012	13,954,417	14,293,123	14,912,043	15,451,763
Economic development	2,500,713	3,182,206	3,134,945	3,096,554	2,231,668	2,159,957
Transport	4,092,573	4,492,360	4,599,094	4,747,353	4,892,310	5,439,325
Hazard management	1,424,844	1,721,155	1,671,570	1,700,124	1,734,082	1,780,587
River management	1,516,821	2,136,456	1,763,314	2,012,257	2,211,501	2,245,972
Community representation and engagement	2,046,946	2,362,838	2,581,882	2,508,110	2,548,161	2,771,845
Support services	5,912,533	5,432,541	5,602,370	5,750,591	5,895,247	6,026,302
Less internal charges recovered	(5,964,340)	(6,283,987)	(6,529,071)	(6,995,021)	(7,177,566)	(7,279,770)
Total applications of operating funding	23,921,039	27,035,582	26,778,520	27,113,092	27,247,447	28,595,981

Year 6 2017-2018 \$	Year 7 2018-2019 \$	Year 8 2019-2020 \$	Year 9 2020-2021 \$	Year 10 2021-2022 \$	For the 2012-2022 Long Term Plan periods ending 30 June:
					Reconciliation to the Prospective Statement of Comprehensive Income
1,241,476	1,240,048	1,365,140	1,047,625	1,432,334	Capital expenditure - included above, not in Comprehensive Income.
326,435	331,060	315,106	577,612	267,589	Investment movements - included above, not in Comprehensive Income.
200,048	238,001	239,791	272,183	(338,398)	Forestry Asset Revaluation - included in Comprehensive Income, not above.
-	-	-	-	-	Emission Trading Scheme income- included in Comprehensive Income, not above.
-	-	1,392,048	-	-	Infrastructural Asset Revaluation - included in Comprehensive Income, not above.
6,939,570	7,920,160	7,891,430	9,336,273	9,844,210	Transfers from/(to) Special reserves - included above, not in Comprehensive Income.
(1,381,077)	(1,409,562)	(1,437,314)	(1,465,811)	(1,483,569)	Depreciation expense - included in Comprehensive Income, not above.
7,326,452	8,319,706	9,766,201	9,767,883	9,722,166	Total Comprehensive Income for the Years per the Statement of Comprehensive Income
					Note 1
10,701,893	11,470,791	12,214,228	13,059,408	13,753,573	Targeted Council Service Rate
7,278,331	7,722,378	8,145,142	8,641,338	9,034,438	Land Management Rate
593,602	593,602	593,602	593,602	593,602	Regional Infrastructure Rate
1,258,151	1,264,442	279,447	-	-	Regional Recreational Facilities Rate
2,765,153	2,771,853	2,777,903	2,784,810	2,791,779	Targeted Rates
-	-	-	-	-	- NRC Community Trust Income
1,496,728	1,546,763	1,567,614	1,614,982	1,620,877	Grants and subsidies
4,713,082	4,831,023	4,952,824	5,089,955	5,228,070	User charges
3,868,734	3,879,422	3,841,681	3,841,681	3,855,725	Rental income
2,790,338	3,146,783	3,488,109	3,971,105	4,477,914	Interest income
1,439,289	1,439,289	1,439,289	1,439,289	1,439,289	Dividend income
-	-	-	523,037	-	- Forestry income
143,816	148,562	153,465	158,989	164,554	Sundry income
37,049,116	38,814,907	39,453,303	41,718,196	42,959,821	Total operating funding
					Note 2
15,872,962	16,312,280	16,496,807	17,185,356	17,550,743	Resource management
2,124,903	2,073,793	1,990,448	1,944,434	1,999,108	Economic development
5,255,554	5,387,041	5,481,385	5,639,400	5,710,235	Transport
1,833,643	1,884,785	1,941,805	2,006,268	2,059,799	Hazard management
2,271,443	2,301,812	2,328,407	2,363,886	2,392,139	River management
2,686,190	2,754,453	3,011,370	2,923,720	2,997,250	Community representation and engagement
5,940,251	6,062,640	6,201,008	6,534,342	6,640,138	Support services
(7,443,311)	(7,453,164)	(7,569,603)	(7,840,720)	(7,933,724)	Less internal charges recovered
28,541,635	29,323,640	29,881,627	30,756,686	31,415,688	Total applications of operating funding

Summary table of rates

The following table illustrates the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2012/2013. The actual and projected apportionment of rates between constituent districts of Northland is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate – 30 June 2012

	Number of rating units (Kaipara) or SUIP (others)	Capital value \$000s	Land value \$000s	Equalised capital value \$000s	Equalised land value \$000s	Equalised capital value%	Equalised land value%
Far North District	35,260	14,375,926	8,626,265	13,237,209	7,872,243	35.84%	37.65%
Kaipara District	12,760	5,871,000	3,541,000	5,871,000	3,541,000	15.89%	16.93%
Whāngārei District	39,467	18,549,577	9,888,632	17,830,410	9,497,734	48.27%	45.42%
Total Valuation - Northland	87,487	38,796,503	22,055,897	36,938,619	20,910,977	100.00%	100.00%

	Budgeted Rates 2012-2013 (Including GST)				Budgeted Rates 2011-2012 (Including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$	Far North District	Kaipara District	Whāngārei District	Total \$
Targeted Council Services Rate (calculated on CV)								
Rate per SUIP	\$84.39			2,975,637	\$83.52			2,914,253
Rate per RU		\$103.43		1,319,762		\$104.25		1,315,603
Rate per SUIP			\$103.28	4,076,240			\$96.47	3,782,048
				8,371,639				8,011,904
Targeted Land Management Rate (calculated on LV)								
Rate per \$ of Actual LV	0.0002684			2,315,339	0.0002290			1,955,549
Rate per \$ of Actual LV		0.0002941		1,041,458		0.0002142		988,553
Rate per \$ of Actual LV			0.0002825	2,793,419			0.0002329	2,308,114
				6,150,216				5,252,216
Regional Recreation Facilities (fixed)								
Rate per SUIP	\$5.75			202,745	\$5.75			200,802
Rate per RU		\$5.75		73,370		\$5.75		72,630
Rate per SUIP			\$28.75	1,134,676			\$28.75	1,127,344
				1,410,791				1,400,775
Targeted Infrastructure (calculated on LV)								
Rate per \$ of Actual LV	0.0000298			256,966	0.0000298			254,388
Rate per \$ of Actual LV		0.0000326		115,585		0.0000278		128,411
Rate per \$ of Actual LV			0.0000314	310,025			0.0000303	299,842
				682,576				682,642
Targeted Rescue Helicopter Rate (fixed)								
Rate per SUIP	\$8.17			287,898	\$8.22			286,891
Rate per RU		\$8.17		104,185		\$8.22		103,768
Rate per SUIP			\$8.17	322,248			\$8.22	322,363
				714,331				713,022

	Budgeted Rates 2012-2013 (Including GST)				Budgeted Rates 2011-2012 (Including GST)			
	Far North District	Kaipara District	Whāngārei District	Total \$	Far North District	Kaipara District	Whāngārei District	Total \$
Targeted Whāngārei Transport Rate (fixed)								
Rate per SUIP								
Rate per RU								
Rate per SUIP			\$12.12	478,380			\$12.04	472,048
				478,380				472,048
Targeted Kaitiāia Transport Rate								
Rate per SUIP								
Rate per RU								
Rate per SUIP	\$15.27			91,849				
				91,849				
Whāngārei Rivers Management Rate								
Rate per SUIP								
Rate per RU								
Rate per SUIP				739,231				681,697
				739,231				681,697
See page 61 for further details on the Whāngārei River Management Rate								
Awanui River Management Rate (on area)								
Far North District - Rural				128,199				128,199
Far North District Urban				358,089				358,089
See page 59-60 for further details on the Awanui River Management Rate				486,288				486,288
Kaihū River Management Rate								
Kaipara				90,404				90,404
See page 60 for further details on the Kaihū River Management Rate								
Kaeo-Whangaroa Rivers Management Rate								
Far North (Kaeo only)				150,405				150,405
See page 61 for further details on the Kaeo-Whangaroa River Management Rate								
Kerikeri-Waipapa								
Far North (Kerikeri-Waipapa only)				210,189				
See page 62 for further details on the Kerikeri-Waipapa Rivers Management Rate								
Total Rates (Including GST)								
Far North District				\$6,977,315				\$6,248,576
Kaipara District				\$2,744,765				\$2,699,369
Whāngārei District				\$9,854,218				\$8,993,456
				\$19,576,298				\$17,941,401



From left: Chairman Craig Brown, Councillors Hunt, Davies-Colley, Carr and Rossiter at the Kerikeri Long Term Plan submission hearing on 4 May 2012.