

# Supporting Information

## Tautoko i ngā kōrero 2021-2031

*Long Term Plan 2021-2031 consultation*



Give us your feedback by Friday 16 April 2021





## Contents

### Ihirangi

Nau mai Welcome	4	Te tauākī pānga pūtea Funding impact statement	96
Nau mai Welcome	4		
Ō koutou Kaikaunihera Your regional councillors	6	Ngā Reiti Rates	102
Te mahere rautaki a te Kaunihera Council's strategic direction	7	Rating funding impact statement	102
		Types of rates	104
		Further rating information	121
Ngā take whakahoki kōrero Key issues for feedback	10	Summary table of rates	123
Te Taiao Natural environment	11	How much will my rates be?	126
Manawaroa te hapori Community resilience	14	Rating base information	140
Hautūtanga ā rohe Regional leadership	18		
Other decisions Ērā atu whakataunga	20	Mahere a Pūtea Finances	142
		Prospective financial statements	142
To tātou rohe About our region	26	Prospective statement of comprehensive revenue and expense	142
		Prospective statement of financial position	144
		Prospective statement of changes in equity	147
		Prospective statement of cashflows	148
		Significant forecasting assumptions	150
		General assumptions	151
		Financial assumptions	154
Rautaki Pūtea Financial strategy	30	Depreciation by activity	162
		Capital expenditure	163
		Schedule of reserves	165
		Financial prudence	181
Rautaki Hanganga Infrastructure strategy: Flood protection and control	40		
		Ngā kaupapa here Policies	186
Ngā mahi a te kaunihera Council activities	56	Revenue and financing policy	187
Te Taiao Natural environment	57	Financial contributions policy	198
Manawaroa te hapori Community resilience	72	Policy on fostering Māori participation in council processes	
Hautūtanga ā rohe Regional leadership	84	Kaupapa here whakaurunga mo te iwi Māori	199
		Significance and engagement policy	202

Ngā roopu whakahaere	
<b>Related organisations</b>	<b>208</b>
Group structure	208
Council-controlled organisations	209
Subsidiary organisations	213

Nau mai  
Welcome

# Nau mai Welcome

Toitū te whenua	If the land is well
Toitū te moana	If the sea is well
Toitū te tangata	The people will thrive

## Nau mai, haere mai! Welcome to our Long Term Plan process.

This supporting information document supports our consultation process and is part of the process for developing our Long Term Plan 2021–2031. This is where we've pulled together the detail of our proposals and spending for the next 10 years, as well as other policies and strategies we want your feedback on.

If you've read our consultation document and you're coming here for more information on our key issues, the best place to start is **key issues for feedback**, which is the first main section of this document. Elsewhere in the document, you'll find:

- the draft financial strategy for 2021–2031, which guides the way we manage our money, including borrowing, debt and rate limits
- the draft infrastructure strategy for 2021–2031, which identifies issues and options for our flood protection and control assets
- information on the activities that comprise our natural environment, community resilience and regional leadership groups (including proposed changes to spending, levels of service and performance measures)
- detailed financial information, including rating examples
- information on council-controlled and subsidiary organisations.

While this document contains some of our proposed policies in full, other policies, some of which we're seeking feedback on, are available separately on our website. These are the:

- draft user fees and charges (including charging policy) 2021/22
- draft rating policies
- statement of significant accounting policies
- policy on the appointment of directors to council organisations.

To view these policies, please go to [nrc.govt.nz/futureplan](https://nrc.govt.nz/futureplan)

## Have your say!

We rely on our communities getting involved with the decisions we need to make. We're seeking feedback on the proposals, policies and strategies in this document from 13 March to 16 April 2021.

During this time we'll be hosting a series of 'have your say' events around the region, where you can learn more about our proposals, talk to your elected representatives, and provide feedback to us. These events are held in place of traditional hearings and are your chance to give feedback to councillors face to face.

The planned dates and locations for the events are:

Whangārei	Tuesday 23 March 2021	4.30-6.30pm	Northland Regional Council, 36 Water Street
Whangārei	Wednesday 24 March 2021	9-11am	Northland Regional Council, 36 Water Street
Kerikeri	Thursday 25 March 2021	11am-1pm	Cornerstone, Kerikeri Road
Otiria	Thursday 25 March 2021	4-6pm	Otiria Rugby Club, Kingi Road
Waipū	Friday 26 March 2021	11am-1pm	Waipu Cove Surf Life Saving Club, Cove Road
Dargaville	Friday 26 March 2021	4-6pm	Town Hall, Hokianga Road
Kaitaia	Saturday 27 March 2021	11am-1pm	Te Ahu Centre, corner of SH1 and Matthews Avenue

If you would like to provide your feedback in te reo Māori or New Zealand sign language at one of these events, please contact us on 0800 002 004 so that we can cater to you.

If we move beyond Covid Alert Level 1, we'll hold online events instead. Check our website for details.

You can also have your say online at [nrc.govt.nz/futureplan](https://nrc.govt.nz/futureplan), by emailing us at [submissions@nrc.govt.nz](mailto:submissions@nrc.govt.nz) or by grabbing a printed feedback form from one of our service centres and dropping it back to us.

The feedback period closes on Friday 16 April 2021, so make sure you have everything to us by then.

Thank you for helping us plan for the future of our incredible region!

# Ō koutou Kaikaunihera Your regional councillors





# Te mahere rautaki a te Kaunihera Council's strategic direction

## VISION

Our Northland –  
together we thrive

Tō tātou Taitokerau –  
ka whai hua tātou

## MISSION

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

### Healthy waters for the environment and our people

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

### Safe and effective transport networks connecting our region

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

### Resilient, adaptable communities in a changing climate

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

### Meaningful partnerships with tangata whenua

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

### Protected and flourishing native life

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

### A strong and sustainable regional economy

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



# Ngā take whakahoki kōrero Key issues for feedback

## Our Long Term Plan sets our direction for the next 10 years – where we want to go, what we're going to do to get there, and how we're going to pay for it.

There's a lot driving the work we do and some big challenges to face: a large number of legislative changes, flood events, water shortages and the Covid-19 pandemic, to name a few. As well as dealing with these issues, we're continuing to focus on protecting our region's environmental, social, economic and cultural wellbeing so future generations can thrive.

We've made some great progress in the past few years, and there are still big opportunities ahead for Te Taitokerau. We have some big decisions to make, and we need your input to help us make them.

Leading up to the development of this plan, while working around pandemic restrictions, we started talking to our community about their priorities for Northland. They aligned with what you told us during our most recent Long Term Plan (2018). The top two priorities were:

- healthy waters for our people and the environment
- native life that is protected and flourishing.

During this process, a clear message also came through that having an opportunity to have their say on our plans for the future was important to people.

This section echoes the material set out in our consultation document ([nrc.govt.nz/futureplan](https://nrc.govt.nz/futureplan)), and lets you know where in this document you can find more detail on what we're proposing, and how our proposals link in to our level-of-service statements. It's broken into our three activity groupings:

- natural environment
- community resilience
- regional leadership.

This section also sets out our other proposals, such as changes to rating or financial reserves.

All figures outlined in this section are based on present value. They'll be inflation-adjusted annually during the term of the plan at the rates set out in our 'Significant forecasting assumptions'.



# Te Taiao

## Natural environment

### Addressing water health

Being able to safely swim in our rivers and lakes is something we once took for granted, but after decades of degradation, it's not always possible. The state of our waterways is a huge issue for Northlanders, and there's a raft of new policy direction and requirements about freshwater coming out of central government. This means we need to grow the knowledge and science to develop new approaches that support the work everyone's doing in this area.

We need to increase monitoring to better understand the state of our water, from groundwater and lakes to rivers and coasts. There will be a greater emphasis on data processing and quality, to enable us all to make the best decisions possible for our freshwater resources. Setting goals and rules through our plans, and ensuring activities are consistent with these plans through our resource consent process, will ensure these natural resources are well governed.

We'll also put into practice Te Mana o te Wai – a Māori concept underpinning the Government's new freshwater reforms – which prioritises the health and wellbeing of the water over all other uses. This shift also means we must more actively involve tangata whenua in freshwater management.

The work we're proposing to do will cost \$5.38 million over the next three years, and will continue across the 10 years of this plan. Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in each of the following sections:

1.1 Science on page 59 of this document.

1.5 Planning and policy on page 67 of this document.

1.7 Compliance monitoring on page 69 of this document.



### Managing our water catchments

The areas of land (catchments) around Northland's rivers and harbours have a huge impact on the health of our waterways. We're working to maintain and improve these ecosystems, to enhance freshwater quality. Through partnerships with landowners, iwi/hapū and other agencies, we're running planting programmes, managing wetlands and lakes, and tackling soil erosion on hills by providing advice and trees from our poplar nursery.

There's lots of change happening at a national level, so we're responding to the likes of new standards for freshwater and regulations around stock exclusion. We're moving from providing water-quality planning and support on an individual farm basis to working with groups of people to better protect the most at-risk catchment areas.

A significant portion of our planned work is part of the Kaipara Moana remediation programme, a \$300M, decade-long project to restore the health and mauri of the harbour. The ambitious programme is an equal partnership between Kaipara Uri and councils. As part of securing \$100M of central government money for the project, we need to increase our contribution, as does Auckland Council. This is in addition to the work we already do around the Kaipara catchment.

This work creates a need to ramp up other services. We plan to continue expanding our Flyger Road poplar nursery so it can supply more trees for erosion control. More soil monitoring, wetland and land-use mapping, and providing support for landowners around the upcoming compulsory freshwater farm plans, are also on the cards.

While this major work is going on, we want to increase our Environment Fund to provide greater assistance to restoration projects in other Northland harbour catchments.

The work we're proposing to do will cost \$5.28 million over the next three years and will continue across the 10 years of this plan. Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in section 1.2 Catchment management on page 63 of this document.

## Biodiversity

Northland is home to a particularly rich array of plants and animals, with many unique ecosystems found nowhere else. But these wonders are coming under increasing pressure from human use, land intensification, pests, new diseases and climate change.

In partnership with iwi/hapū, landowners and organisations, we're working to restore and improve coastal, freshwater and land habitats. We provide expert biodiversity advice and assistance to partners, as well as monitor and report results to support future activities.

The government is developing new directions for indigenous biodiversity, and we are required to respond to that with a regional biodiversity strategy, then develop and implement a biodiversity action plan.

We also plan to channel extra resources into our CoastCare programme, to help local communities restore sand dunes, install fencing and signage, manage weeds, educate the public, run beach clean-ups and much more. All of this means more people working on the ground to protect coastal biodiversity, and healthier beaches for us all to enjoy.

The work we're proposing to do will cost \$567,000 over the next three years and will continue across the 10 years of this plan. Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in section 1.3 Biodiversity on page 65 of this document.



## Biosecurity – land

Introduced pest plants and animals threaten our native forests and waterways – but managing them well means there's room for our native plants and animals to flourish. It also enriches people's lives, by creating stunning habitats to explore and connecting people as they come together to protect what they treasure. To control and remove introduced pests, we work closely with tangata whenua, communities, landowners and other agencies.

After stepping up the pace on pest control in the 2018 Long Term Plan, we want to keep up the momentum on this critical activity. Meanwhile, there are also emerging challenges and opportunities for pest management that we want to be able to respond to, from growing support for community pest management to better approaches to tackling kauri dieback.

The reality is, pest management in Taitokerau is a massive job and there's always more work that could be done. We must balance what our community wants – and can afford – to invest in managing pests with all the other work we need to deliver as a regional council.

The work we're proposing to do will cost \$2.5 million over the next three years and will continue across the 10 years of this plan. Details on the areas of individual spend that make up this cost are set out under 'Changes to the cost of delivering services' in section 1.4 Biosecurity on page 66 of this document.

## Biosecurity – marine

Marine pests are far less visible than their land-based counterparts, and are an increasing risk with each passing year. Though we've made progress on our marine biosecurity programme, and were a key player in developing an inter-regional marine pathway plan, we want to do more.

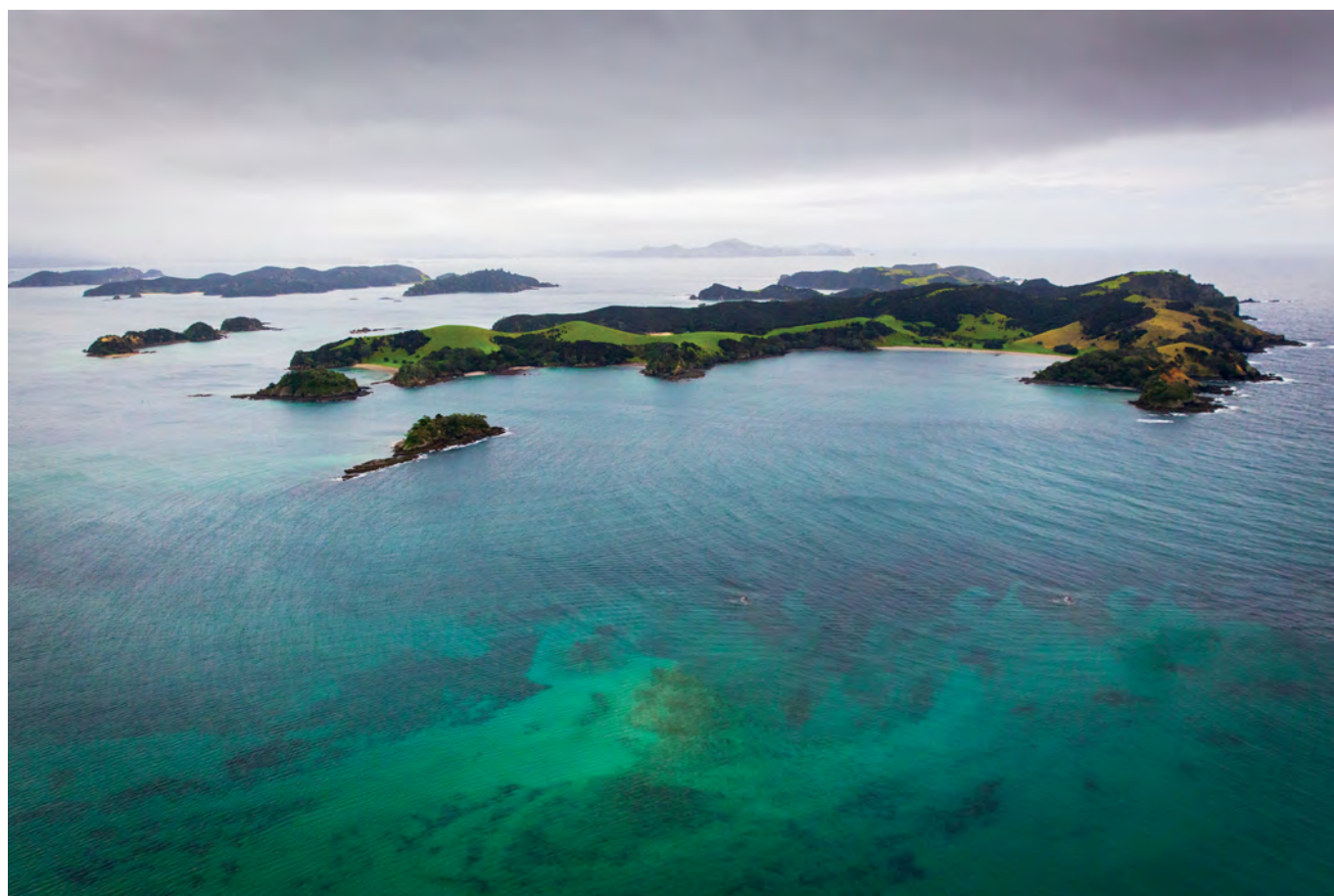
We plan to respond to growing marine threats – everything from introduced crabs to seaweeds – while dealing with current incursions. Our proposal is to further develop inter-regional partnerships (as part of the Clean Hull Plan, formerly known as the Inter-regional Marine Pathway Plan), and invest in a marine-vessel database so council and boaties can easily share information to help us track and assess risk. We also want to boost funding to eradicate Mediterranean fanworm.

For the past few years, some of our marine biosecurity funding has come from a charge paid by the owners of moorings, marina berths, boatsheds and ports. We're now proposing to fund new incursion work – where a new pest pops up – through rates for the first year of this plan. (Boaties will still contribute to the cost of inspections and monitoring.)

The work we're proposing to do will cost \$712,000 over the next three years and will continue across the 10 years of this plan. Details on the areas of individual

spend that make up this cost are set out under 'Changes to the cost of delivering services' in section 1.4 Biosecurity on page 66 of this document.

An alternative option involves doing the work proposed, but funding it partly by user charges. If the proposed new marine biosecurity incursion work (\$314,000) was funded solely through an increased charge paid by the owners of moorings, marina berths and ports, this would equate to around \$70 per mooring marina berth or boatshed (a rough estimation only). The portion allocated to ports would be determined during deliberations on the proposal. Council will determine the most appropriate funding mechanism during deliberations, taking in to consideration any submissions received in relation to funding the proposed new marine biosecurity work. The options available to council would then be to increase user charges as described above or to opt for partial user charges and partial rates funding, which would mean the increase in user charges would be less than the proposed option.



# Manawaroa te hāpori

## Community resilience

### Flood protection

Predictions of sea-level rise and increased rainfall intensity are putting extra pressure on our communities. We need to build, monitor and maintain flood protection systems that preserve human life and minimise damage to property and infrastructure.

We're striving to get the work done as quickly as we can, so vulnerable communities can adapt to changing conditions sooner. But we need to balance the pace of work with the cost to our communities.

An extra consideration we have this time is how to make the best use of government funding that has been approved for two of our schemes, via the shovel-ready infrastructure fund (the Awanui scheme received \$8.5M, and the proposed Otiria-Moerewa project received \$2.89M). We borrow to fund these projects, so we plan to use this funding to pay off the work more quickly, significantly reducing the overall cost.

#### How we pay for our flood schemes

Our previous Long Term Plan (2018-2028) introduced a flood infrastructure rate, which now funds 70% of new flood work that costs \$500,000 or more and meets certain criteria. The balance of the work, and ongoing operational costs, are funded by the relevant targeted rate on the area. The criteria for the flood infrastructure rate, and more information on existing and planned flood works, is outlined in our draft 'Rautaki Hanganga || Infrastructure strategy: Flood protection and control', on page 40 of this document.

### Awanui River flood scheme upgrade

\$15.2 million | 2020-2027

The Awanui River flood scheme upgrade will reduce damage to the Kaitiāia community by providing flood protection for 1:100-year flood events, up from 1:30-year events. The project is already well underway, with \$15M of funding approved through our previous Long Term Plan. We recently secured \$8.5M from central government for this project, greatly reducing the project cost for ratepayers.

The overall project will cost \$15.2M, so now ratepayers only need to contribute \$6.7M to the project. Thanks to the central government funding, we can complete the project in three years instead of eight. We will also be able to pay off our contribution (which was financed through borrowing) in 12 years instead of 30, which will save ratepayers a substantial amount in interest.

The cost of this project is split across the region-wide flood infrastructure rate and the Awanui River management rate. These rates won't increase as a result of accelerating this work.

### New flood work and a new rate for Otiria-Moerewa and Kawakawa

We're planning new flood mitigation work in two areas where floods are known to occur, and have been successful in securing central government funding for some of this. While these are two separate pieces of work, they're both located within the same catchment and we're proposing to strike one new targeted rate (the Taumārere rivers management rate) to help fund the work.

To see if you fall in to the Taumārere rivers management rating area, check the rates section of this document: 'Ngā Reiti || Rates'





### **Otiria-Moerewa flood mitigation spillway**

\$5 million | 2021–2023

Moerewa and Otiria are frequently flooded when heavy rain events occur. Our goal is to reduce that risk to Otiria and Moerewa by constructing a spillway that diverts floodwater away from the town; work is proposed to kick off in 2021. The total cost of the project is approximately \$5M, but with \$2.89M coming from central government, less than half of the cost will need to be covered by ratepayers. This portion will be split, with \$1.5M coming from the region-wide flood infrastructure rate and \$630,000 from the new targeted Taumāreke rivers management rate.

Our usual method of funding this type of work is to fund 30% from targeted rates. However, taking the central government funding (\$2.8M) into account, only about 13% of the total cost of works will need to be funded by the targeted (local community) rate.

### **Kawakawa flood mitigation stopbank**

\$1.5 million | 2024–2027

There has been a call to reduce the flood risk along Old Whangae Road in Kawakawa. This would involve building a stopbank to deflect the floodwater away from local businesses. The stopbank work could begin in 2024 and cost around \$1.5M. For rates, this means about \$1 on the region-wide flood infrastructure rate, and \$29.40 (including GST) on the targeted rate, from 2024.

For the proposed works to be effective, Far North District Council would also need to install a stormwater pump to remove stormwater trapped behind the stopbank during a flood.

### **Whangārei flood mitigation project – Tarewa Road flood wall**

\$251,000 | 2020–2023

We plan to build a flood wall into the footpath, and an earth bund into the existing landscape area, along Tarewa Road to reduce flooding of the road and shops. The cost over the next three years will be \$251,000. The overall project has been underspent to date, so even with this proposed new work, the average cost to the ratepayer will decrease.

The proposed spending will be funded from the flood infrastructure rate, and the targeted Whangārei urban river management rate.

For more information on the areas of individual spend, please see section 2.1 Flood protection page 74 of this document, and our infrastructure strategy: 'Rautaki Hanganga || Infrastructure strategy: Flood protection and control'

### **Upgrading our tsunami warning system**

The Northland tsunami siren network is reaching the end of its lifespan, and we want to replace and upgrade the network to make sirens more easily heard and reduce confusion with other alarms. The new sirens also cover a wider area, so we won't need as many, and communicate specific verbal messages.

This new tsunami siren network will serve Northland's coastal communities for the next 20–30 years. We're budgeting on a district council contribution of \$1M a year for the first two years.

The work we're proposing to do will cost \$2.02 million over the next three years, as well as maintenance costs of \$20,000 a year from 2023. Details on the timing of these costs are set out under 'changes to the cost of delivering services' in section 2.3 Emergency management on page 76 of this document.

## New emergency coordination centre

Recent emergency events in New Zealand have highlighted the need for purpose-built, multi-agency emergency coordination centres that are set up with technology and software to enable faster and better coordinated responses to support affected communities.

While most regions now have a dedicated multi-agency emergency coordination centre, there's no facility like this in Northland.

As administrator of the Northland Civil Defence Emergency Group, and provider of the Civil Defence Emergency Management shared service for Northland's four councils, we propose to build a multi-agency emergency coordination centre. The proposal is for a modern, purpose-built centre that includes office space for daily operations of our emergency management team and other emergency management agencies, including Whangarei District Council, which will contribute \$685,000 to the overall project cost of \$6.18M.

The building would need to meet Building Code Importance Level 4, and construction is planned to kick off in 2023, depending on the availability of a suitable site.

The work we're proposing to do will cost \$5.68 million over the next three years, with operational costs continuing across the 10 years of this plan. Details on the areas of individual spend are set out under 'changes to the cost of delivering services' in section 2.3 Emergency management on page 76 of this document.

## Climate change resilience

Climate change is heightening the impact that natural hazards, such as flooding, drought and coastal erosion, have on Northland. But we don't know when the next big weather event will strike, or how quickly factors such as sea-level rise will affect communities – and there's currently no coordinated strategy to address this.

We're already doing a lot of work to help our communities prepare for the effects of a changing climate. Our scientists are mapping vulnerable areas of Northland, and developing rules and projects to

protect at-risk land. We provide funding and support for large-scale tree planting, and invest in research so we can plan for different climate scenarios.

Working with district councils, tangata whenua and affected communities is crucial. We want to create three adaptive pathways plans to cover how to manage larger population centres when they're threatened. For smaller coastal communities, we want to create a toolkit that communities and hapū can use to develop their own adaptive pathways plans.

The Climate Change Response Act 2002 (and the 2019 amendment) is prompting us to create a zero-carbon transition plan, outlining how we intend to achieve net-zero carbon emissions by at least 2050. We're also investigating replacing our ageing harbour boat with an electric or hybrid vessel (see section 2.5 Harbour safety and navigation, page 77), and moving to electric buses (see section 2.6 Transport box page 78).

The work we're proposing to do will cost \$2 million over the next three years and will continue across the 10 years of this plan. Details on the areas of individual spend are set out under 'changes to the cost of delivering services' in section 2.2 Climate change resilience on page 75 of this document.



## Improving water resilience

Water is a crucial resource, and access to safe drinking water is also a fundamental right of all New Zealanders. Recent drought conditions led to severe water shortages and prolonged restrictions in Northland, exposing the region's lack of water resilience. The drought also exposed significant water poverty issues, particularly in remote communities that couldn't access public water-supply schemes, and lacked water storage infrastructure.

Due to climate change, droughts are expected to become more frequent and severe. We're proposing to provide funding and grants to those most in need so they can buy water tanks, guttering and spouting, in partnership with other funders.



This will cost \$1.5 million over the next three years, with \$500,000 a year budgeted beyond that. For more information on how this fits with other climate change work, please see section 2.2 Climate change resilience on page 75 of this document.

## Harbour safety and navigation

We use our existing maritime vessel as a pilot boat, to maintain buoys and beacons, and to respond to oil spills. It's critical to the safe running of our maritime functions. But it's 20 years old and we need a replacement vessel.

A new maritime vessel will mean gains in efficiency, design and technology. Having a purpose-built boat will increase our capacity for an oil-spill response in Northland, so we've budgeted \$1.6M of additional capital to get a new boat designed and built, and will offset the project cost by selling our current boat. We're looking into the option of an electric/hybrid vessel too, and will consult with you again if the feasibility study shows this is a viable option, as it will probably involve a higher cost.

We also need to replace 11 fixed steel beacons, which are old and time consuming to maintain, with 14 relocatable, more durable plastic buoys. Abandoned vessels are a growing issue in our coastal waters and cost money to deal with, despite our best efforts to charge the owners. We're proposing to add an extra

charge to our mooring fees to cover much of this cost, but want to split the cost so 35% is covered by general rates (a total cost of \$14,175 per year).

The work we're proposing to do will cost \$1.75 million over the next three years. Details on the areas of individual spend are set out under 'changes to the cost of delivering services' in section 2.5 Harbour safety and navigation on page 77 of this document.

## Increasing CityLink services

Prioritising public transport instead of personal car use reduces traffic congestion and pollution, and carbon emissions – which makes for a cleaner, greener Northland. We're proposing more frequent buses on main arterial routes once bus lanes have been added and upgraded (by Whangarei District Council), to encourage people to move from cars to buses. During peak hours, buses would run every 15 minutes instead of every 30 minutes, and off-peak buses would run every 30 minutes instead of once an hour.

Increasing these services will cost approximately \$4.2M over three years, but with a 54% subsidy from Waka Kotahi NZ Transport Agency the cost to the ratepayer is significantly reduced, equating to \$437,000 in 2022/23, and \$644,000 and \$851,000 in the two subsequent years.

For more information on the areas of individual spend, please see section 2.6 Transport on page 78 of this document.



# Hautūtanga ā rohe

## Regional leadership

### Māori partnerships

Approximately one-third of Northlanders identify as Māori, compared with one-sixth of the national population. We see creating and sustaining meaningful partnerships with Māori as key to a thriving Northland.

We've been actively working to identify and implement meaningful opportunities for Māori to have a voice and influence within council. The Te Taitokerau Māori and Council Working Party (TTMAC), established in 2014, advises council on governance, environmental and strategic matters that are relevant to tangata whenua. We're also part of two co-governance partnerships: Te Oneroa-a-Tōhe Board, and Kaipara Moana Remediation Joint Committee.

In October 2020, council voted to introduce dedicated Māori seats from the next local-body election in 2022. Issues such as land use, water quality and allocation, and poverty mean it's vital we work in true partnership with iwi/hapū.

The projects we propose are seeking to support greater Māori representation and leadership, and enable tangata whenua to participate more fully in decision making. We recently signed Mana Whakahono ā Rohe agreements with two hapū, to give tangata whenua more opportunities to be involved in Resource Management Act decisions, and plan to roll these out more widely. As part of this, a fund will enable hapū members to train in resource consents, planning and decision making.

Other planned initiatives include improving council's cultural competency and meeting our Treaty obligations, putting more resources into relationship management, employing Māori technical advisors, and professional development for TTMAC members.

The work we're proposing to do will cost \$1.24 million over the next three years and will continue across the 10 years of this plan. Details on the areas of individual spend that make up this cost are set out under 'changes to the cost of delivering services' in section 3.2 Māori partnerships on page 86 of this document.





## Supporting the work across council

A lot of work goes on behind the scenes to make council's activities happen. As our region grows and we deliver more large-scale projects, we need more resources to keep council running smoothly. We're planning to spend more money on a variety of behind-the-scenes and public-facing projects, from information technology (IT) and customer services to community engagement and corporate excellence.

Over the past few years in our annual plans, we've talked about the challenge we face with striking the right balance between maintaining efficient, fit-for-purpose IT systems and keeping everything as cost-effective as possible. We're embarking on a major IT project, which will upgrade and streamline our IT systems into one cloud-based system – this will improve efficiency, security and data management.

To stay connected with our communities, we're planning to expand our network of regional service centres, increase our online services, and work with

district councils to develop a regional accessibility strategy. There's also growing demand for the EnviroSchools programme.

As council expands, we want to ensure we keep striving for excellence. This applies to the way we run our finances, respond to law changes, and deal with major disruptive events such as Covid-19. We need extra resources to employ new staff, put more money into training and development, and buy more vehicles to support our work in the field.

The work we're proposing to do will cost \$7.29 million over the next three years and will continue across the 10 years of this plan. For more information on the areas of individual spend, please see 'changes to the cost of delivering services' in the following sections:

- **3.4 Community engagement** on page 88 of this document
- **3.5 Customer services** on page 89 of this document
- **3.6 Corporate excellence** on page 90 of this document.

# Other decisions

## Ērā atu whakataunga

### Oruku Landing conference and events centre

The proposed Oruku Landing development, on Riverside Drive in central Whangārei, is a significant opportunity for local economic development. The proposed development would include a four-star hotel, apartments, restaurants and shops, as well as a conference and events centre that we are considering contributing funding to.

The privately owned Northland Development Corporation will build the hotel, apartments, hospitality venues and retail shops. Whangārei District Council (WDC) will be responsible for developing and running the conference and events centre, which it will own. The conference and events centre will tap into the lucrative domestic market for hosting meetings, functions and trade shows. The conference and events centre can also host community and performing arts events.

Construction is scheduled to begin in September 2022, and once fully operational, the conference and events centre is expected to employ around 35 people full time.

Central government is prepared to put \$60M towards the conference and events centre, providing there is also a local share contributed. WDC has asked us to contribute up to \$14M towards a high-quality internal fit-out of the conference and events centre as part of this.

We need to hear what you think before deciding whether to contribute the funding. This financial arrangement also depends on the project being successfully supported through WDC's Long Term Plan.

If we decide to fund the project, we will establish a specific rate in the 2023/24 year to cover our contribution: 80% from ratepayers in the Whangārei area, and 20% from ratepayers in the rest of Northland.

This would cost \$1.2 million a year for 12 years, starting in 2023/24.

For more information on the proposed rate, see the rates section on page 104 of this document.

### Funding economic development

The way we pay for economic development isn't exactly simple, so we're looking to clarify it. This means we're planning to make some changes to rates and reserves.

First, we're proposing to change our **regional infrastructure rate**, originally set up to fund infrastructure projects beginning with the Marsden Point rail link project. The rates money collected (around \$700K a year) currently goes into the **infrastructure facilities reserve**. We're proposing to change the name of this rate to the **regional economic development rate**, and to apply it to activities that support economic wellbeing and community infrastructure in Northland – which is a better use for the rate now the joint venture with KiwiRail has concluded.

We're also planning to close our **infrastructure facilities reserve**, which has fulfilled its purpose of smoothing costs, and is now at zero balance. If this reserve is closed, revenue collected through the new **regional economic development rate** will be directed into council's **investment and growth reserve (IGR)**, which funds most of our economic development activity (through funding for Northland Inc and other projects).

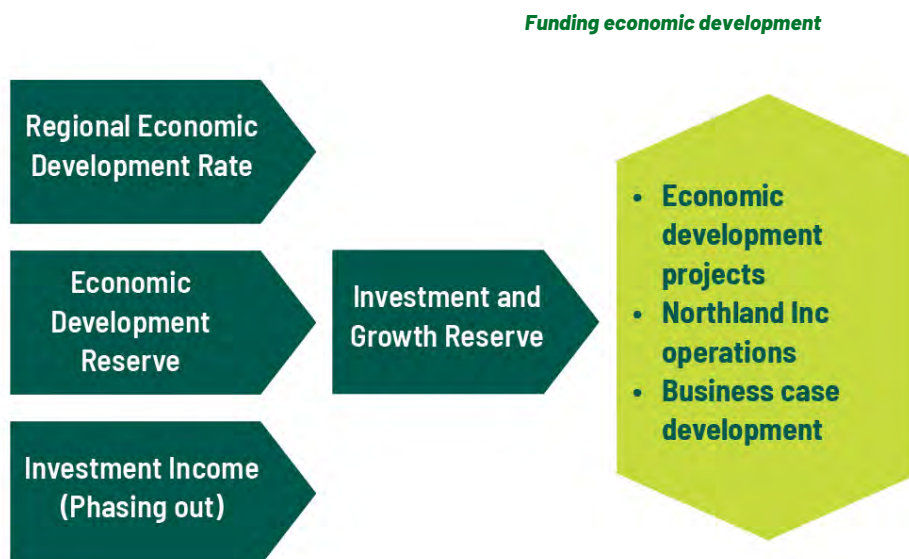
Projects we've supported through the IGR in the past include:

- Manea – Footprints of Kupe visitor and education centre, Opononi (\$500,000)
- Hundertwasser Art Centre, Whangārei (\$1.5M)
- Te Hononga Hundertwasser Memorial Park, Kawakawa (\$500,000)
- Pou Herenga Tai – Twin Coast Cycle Trail, Ōpua to Hōreke (\$900,000).

The changes will mean the IGR is funded by revenue from the repurposed rate, investment income, and gains made from our community investment fund. To make it even clearer, we're re-naming the community investment fund as the **economic development reserve**.

The aim of these changes is to phase out the IGR's dependence on investment income and fund our economic development activity from just two sources:

our economic development rate and the income generated by the economic development reserve.



## Reviewing reserves

Reserves help us to be able to have money ready to go when it's needed, and we are planning to increase our ability to do this by making some changes to what's currently known as our infrastructure investment fund reserve. This reserve, with a current balance of \$21M, was set up to help smooth the financial impact of big, irregular infrastructure projects. The current balance is the result of commercial and investment income.

We're now proposing to broaden the purpose of the reserve to allow us to be more agile and provide support to projects in the timeliest manner, e.g. co-investment in urgent infrastructure opportunities. We're planning to set it up so income from the reserve can contribute to operational spend, reducing the impact on future rates, and capital can be used for joint projects with central government, other agencies and the private sector. Council would decide which projects to fund through a formal decision.

Possible opportunities for investment from this reserve could arise from continued monitoring of the infrastructure requirements of Northport, and water storage and water resilience issues.

As part of these changes, we're going to re-name the reserve as the regional project reserve.

If we don't make these changes, a lack of clarity will remain about the use of the reserve, and we may not be able to take advantage of opportunities or secure shared funding for projects.

We're also making some minor changes to our equalisation fund reserve, which sets aside surplus income from our forestry investments.

## Changes to rates

We're making a few changes to the names and purposes of our rates. These changes won't in themselves affect how much you pay, but in some cases will result in a slight change to what the rate funds.

Firstly, we're looking to combine our land management and freshwater management rates. These rates are calculated in the same way and fund very similar activities, particularly now that the link between land management and freshwater management is stronger than ever. We've found that in many cases, we were splitting the cost of projects across these two rates. The move to combine the rates won't result in an additional cost, but many of the proposals outlined in this document would be applied to this new rate. The new rate will simply be called the **land and freshwater management rate**.

We also plan to re-name the current civil defence and hazard management rate as the **emergency and hazard management rate**, to align with changes at central government level. The activities that the rate is applied to will expand slightly to include targeted climate change work we're carrying out.

As explained above, we're also going to re-name the regional infrastructure rate as the regional economic development rate, and there will be a new **targeted Taumāreere rivers management rate**.

For more information on these rates, see the rates section on page 104 of this document.

## Joint ownership of Northland Inc

There are some changes afoot around how we approach regional economic development.

Northland Regional Council uses the investment and growth reserve (the reserve) to fund Northland Inc's operations and support wider regional economic development. Currently, council is the only organisation that puts money into the reserve, and is the 100% shareholder in Northland Inc (which is a council-controlled organisation).

We plan to set up a new structure to run the reserve with Kaipara District Council (KDC) and the Far North District Council (FNDC). Northland Inc would become jointly owned by Northland Regional Council, KDC and FNDC. Whangārei District Council will be able to join the initiative later if they choose.

Why are we doing this?

- Improve Northland Inc's work across all districts in the region.
- Increase the amount of money we can use to support projects and businesses.
- Reinforce Northland Inc's regional mandate when discussing matters that affect us all, especially with central government.
- Efficiently deliver services across Northland Inc and councils, and improve engagement with Māori/iwi organisations, for economic development.

Our contribution to Northland Inc – by way of the investment and growth reserve – will remain the same whether the district councils opt to join or not, so there's no impact on Northland Regional Council budgets as a result of this proposal. If the district councils choose to become joint owners, then their contributions will add more to the economic development pot.

KDC and FNDC will consult their ratepayers about this proposal during their Long Term Plan consultation periods. If the ratepayers agree, we will become joint owners of Northland Inc, establish the committee and begin working together.



## Updates to our policies

We're consulting on some of our policies as part of our long term plan consultation process. This includes our:

- Revenue and financing policy
- Financial contributions policy
- Kaupapa here whakaurunga mo te iwi Māori – Policy on fostering Māori participation in council processes
- Significance and engagement policy
- Rating policies

These policies can be found in full in this document (see page 186), with the exception of the rating policies (see below).

### Revenue and financing policy

Our revenue and financing policy outlines our approach to funding our operating and capital expenses – in other words, how we pay for what we do. This policy has been altered where necessary to keep it up to date and accurate, including classifying the activities according to our new activity groupings: natural environment, community resilience and regional leadership. We've also separated out our monitoring sub-activities to more accurately show the majority funding source for compliance monitoring (fee/subsidy), environmental monitoring (rates/general funds), and waste management and contaminated sites (rates/general funds).

The full draft policy can be found in the 'policies' section on page 186 of this document, and the statement of proposal can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### Rating policies

The Far North, Kaipara and Whangārei district councils collect rates on Northland Regional Council's behalf. It is administratively efficient for Northland Regional Council to adopt policies on the remission and postponement of rates and penalties, and early payment of rates that are the same as those of the three district councils. The council does not adopt the policies, or parts of policies, that do not relate to rates collected on our behalf (e.g. a policy, or part of a policy, related solely to water rates).

Our proposed rating policies for the Far North, Kaipara and Whangārei districts, and the statement of proposal that relates to these, can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

Below is a summary of the proposed amendments to the policies that are relevant to Northland Regional Council:

### Far North district

Changes are proposed to definitions, background information, objectives, scope and conditions of many of the policies. Timeframes for some provisions in the policies have been added, changed or removed, and new requirements for applications and authority have been added.

These changes and the full suite of policies on the remission, postponement and early payment of rates proposed by Far North District Council can be found on their website: [www.fndc.govt.nz/ltp2021-31](http://www.fndc.govt.nz/ltp2021-31)

### Kaipara district

No changes are being consulted on.

The full suite of policies on the remission, postponement and early payment of rates proposed by Kaipara District Council can be found on their website: [www.kaipara.govt.nz/ltp](http://www.kaipara.govt.nz/ltp) (click on 'read the source documents').

### Whangārei district

Whangārei District Council are not proposing new policies, however they are proposing some changes to existing policy wording. This includes no longer allowing a discount for any rate, increasing the penalty for late payment of rates from 5% to 10%, and reconsidering the requirements for some residential remissions.

The proposed changes to the policy are set out in more detail in our statement of proposal on the draft rating policies, which you can find on our website [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

Whangārei District Council's statement of proposal, and a full draft of all their rating policies, can be found on their website [www.wdc.govt.nz/haveyoursay](http://www.wdc.govt.nz/haveyoursay) (Click on 'Long Term Plan 2021-2031' then find 'Policy consultations alongside the Long Term Plan 2021-2031')

### Significance and engagement policy

The council's significance and engagement policy sets out when and how we will engage with our communities in our decision-making processes. The policy has been refreshed and simplified, and also updated to reference council's regional projects reserve as being exempt from the 'high operational or capital expenditure' threshold.

The policy retains the requirement for council to consult before setting any new rate, increasing an existing targeted rate by any amount, or increasing an existing region-wide targeted rate by more than 2% (annually) above what was previously approved.

It also retains criteria for other decisions to be defined as 'significant' or 'likely to be significant'. The full draft policy can be found on page 202 of this document, and the statement of proposal can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **Policy on fostering Māori participation**

This policy outlines how we intend to foster the development of Māori capacity in order to contribute to council decision making. The policy considers the legislative context of the Local Government Act 2002 and the Resource Management Act 1991, council's own values, and the Treaty of Waitangi/Te Tiriti o Waitangi. The policy has been updated to better reflect the commitment of council to relationships and accurate communication of information.

The full draft policy can be found on page 199 of this document, and the statement of proposal can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **Financial contribution policy**

Our new Regional Plan for Northland no longer provides for financial contributions as a condition of resource consent, so our policy has been updated to reflect this.

The full draft pull policy can be found on page 198 of this document and the statement of proposal can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **User Fees and charges**

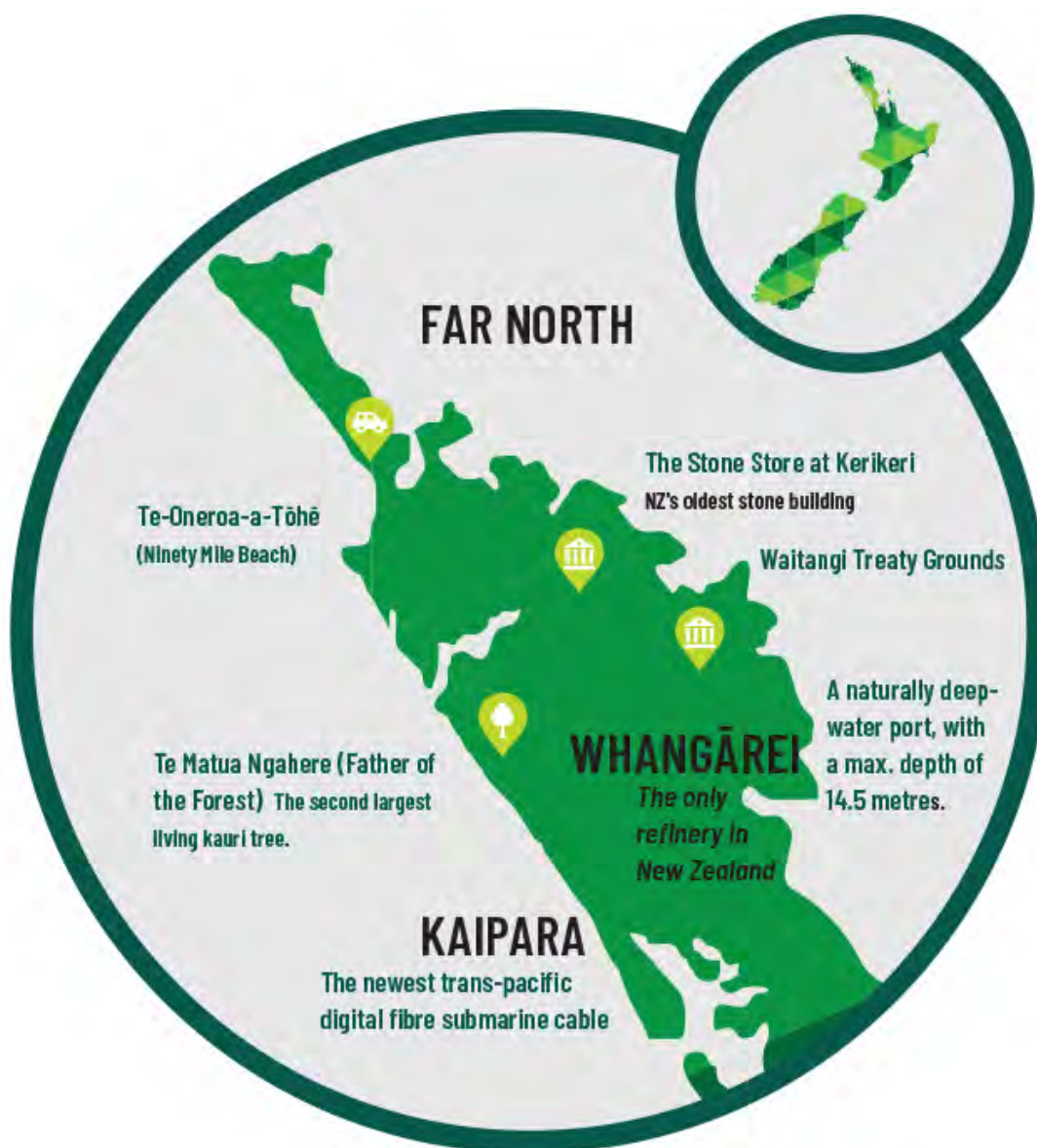
We're also consulting on our User fees and charges, including our principles and policies on charging, concurrently with the long term plan process. The draft policy, charges, and statement of proposal are in a separate document that can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **More policies relevant to the Long Term Plan process can be found on our website, including:**

- policy on the appointment of directors to council organisations
- significant accounting policies
- Treasury management policy
- liability management policy
- investment policy.

You can find these at [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

To tātou rohe  
About our region



	Far North	Whangarei	Kaipara
Population	71,000	96,000	24,100
GDP \$ Million	\$2,666	\$4,916	\$950
Avg. income	\$50,503	\$60,031	\$54,578
Unemployment	7.1%	4.7%	3.6%



Northland's population is projected to reach

**217,100** by 2031  
» at an average annual rate of 1%



**50%** of Northlanders live rurally  
» compared to just over 16% nationally



**36%** of Northlanders identify themselves as Māori  
» compared to 17% nationally



**24%** of the regional workforce is self employed  
» compared to 17% nationally



**6%** of regional GDP comes from Marsden Point oil refinery  
» an essential industry in Northland

## Our place

The Northland region covers an area of 13,940 km<sup>2</sup>, just over 5% of New Zealand's total area, extending from the very top of the country's North Island to a little north of Wellsford. As the northernmost and warmest of New Zealand's 16 regions, Northland is known as the 'winterless North'. The low elevation and close proximity to the sea result in a mild, subtropical and rather windy climate. Our region is a combination of natural taonga such as golden beaches, secluded coves, breathtaking seascapes, ancient forests, and a rich tapestry of flora and fauna.

Our region holds strong whanonga pono (values) and has a clear tūruapō/wawata/pohewa (vision). We are currently running several economic development projects and aim not only to create hundreds of new jobs to support our community, but also tackle environmental challenges. The region is developing a strong platform for economic growth, self-sufficiency and social cohesion.

## Our environment

Our natural taiao (world) is truly outstanding. Northland has more than 3,000km of coastline, 1.25 million hectares of land, excellent air quality and an abundance of freshwater. However, the region's environment is fragile and always at risk. Our priority is to protect our natural environment by working closely with landowners, tangata whenua, community organisations and government agencies.

Nearly half of our land is used for high-producing grassland, rendering Northland as the least urbanised region in the country; almost half the population resides in rural areas. Natural forest accounts for 29% of Northland's area. Since 1990, a concerted effort has been made to convert grassland areas to planted forest. By 2016, Northland had successfully increased its planted forest area by 42,000ha, which accounts for 15% of the region's total area (compared to 8% for the rest of the country).

Maintaining and improving Northland's biodiversity is and continues to be a focus. Council and communities work hard to tackle non-native invasive animal and plant species. More than 10,600 hectares of land in Northland is now under QEII covenant, and Northland has the largest number of covenants across all 16 regions of New Zealand. Kiwi-call counts have generally increased since the mid-2000s.

Despite our high rainfall compared to other parts of the country, clean water is one of Northland's scarcest resources. The main issues affecting river-water quality in Northland are E.coli, phosphorus and sediment (particularly during storm events), degraded habitat quality and ecological health. The region is known for its excellent coastal water quality, and most

of Northland's coastline is suitable for swimming – there are only a few occasions when swimming-water quality exceeds guidelines at sites with significant freshwater input.

## Our people

Northland was home to some of our country's first inhabitants. Since 2013 Northland's population has increased by 18%, well above New Zealand's overall increase of 14%. The Whangārei, Far North and Kaipara districts all experienced similar and relatively high growth rates. The region's population is estimated to be 194,600 as at June 2020, with forecasts indicating that the population could grow to about 217,000 by 2031.

The major causes of Northland's growth are increasing longevity (which results in a growing group of elderly people), natural increase and net migration. Between 2015 and 2018, the region had a net gain of 700 international immigrants per year, equivalent to a 0.4% annual increase in population, which is much higher than a few years back when Northland experienced a net international migration loss. This is largely due to a reduction in the number of New Zealanders moving to Australia and an increase in the number of New Zealanders returning from Australia.

Northland's unemployment rate, which had been relatively steady at 8% since the global financial crisis, dropped significantly from 8.6% in 2016 to 4.7% in 2020, and is at its lowest level since 2007. Northland no longer has the highest unemployment rate, being below Gisborne/Hawke's Bay and Bay of Plenty. There is a continuous rise in young Māori with NCEA Level 2 or equivalent, and non-Māori are maintaining a steady increase too.

Although New Zealand's response to the Covid-19 pandemic crisis has been relatively effective, Covid-19 has undoubtedly affected our communities and economy, particularly those more dependent on foreign tourists.

All regions except Taranaki have experienced a rise in the real median household income in the last five years, with Northland sixth out of 12 regions in terms of its growth rate. Northland's median annual household income was just over \$67,600 in 2020. Self-employment income has also risen in recent years.

The number of empty dwellings in Northland has fallen due to the region's rising population. There was a total of 80,082 private dwellings in 2018. Despite the relatively low average incomes, Māori and non-Māori Northlanders have high home ownership rates. About half of Northlanders own or partially own their usual



place of residency, slightly above the national average. One in 10 Northlanders report they don't have enough money to meet their daily needs: accommodation, food, clothing and other necessities.

## Our culture

Northland possesses a sense of history and culture that is uncommon elsewhere in New Zealand. Northland is called the 'birthplace of the nation', and its Māori and colonial history are an integral part of the region's identity. Waitangi is one of New Zealand's most important historic sites, marking the place where Te Tiriti o Waitangi/the Treaty of Waitangi between Māori and the English was first signed. The proportion of Northlanders identifying as Māori (approximately 33%) is double the national average (16%), while a much smaller proportion are of Asian origin. Generally, Northlanders find expressing their identity very easy compared to other regions.

Northland is not just New Zealand's historic gem, but is also a land of glorious coastal views, protected species and ancient kauri trees. Northlanders have high environmental awareness and a genuine concern for the local ao tūroa (natural world). They recognise the critical environmental concerns we face, such as the state of freshwater and oceans, plant and animal life becoming extinct, and climate change risks. In fact, just over one-quarter of Northlanders are involved with environmental projects, compared to less than 20% nationally.

Social connection is a pillar of the Northland lifestyle. The people of Northland have a strong sense of connection with others, which is a positive indicator for regional wellbeing. However, they are also more likely to feel lonely and have lower levels of trust compared to people from other regions. Commuting by public transport is harder than in other regions. Northland has a relatively high rural population that is predominantly dependent on private transport.

## Our economy

Northland Regional Council (NRC) is keen to lift the region's economic performance by increasing GDP, expanding job opportunities and raising household income. Between 2015 and 2020, the Northland economy grew at an annual rate of 2.9%, compared to 2.1% during 2010 - 2015. This is notable progress in view of the challenges we faced during and after the 2007 flood, the recession brought on by the global financial crisis, and a drought the following summer – this series of events slowed the growth of Northland's economy. The impact of the Covid-19 virus and the lockdown, coupled with the 2019/20 drought, will constrain our regional economy too.

Whangarei district produces nearly 60% of Northland's GDP. The Far North and Kaipara districts contribute a much smaller amount to the regional GDP (30% and 10% respectively). Northland includes one of the fastest-growing towns in New Zealand – Mangawhai – which is expanding rapidly because of residential and subsequent commercial development. We have a strong manufacturing industry, followed by agriculture, forestry and fishing, then business and property services. While kiwifruit and avocado production is rising, dairy and roundwood removals is falling. The oil refinery at Marsden Point makes a valuable contribution to the Northland economy, as it's directly responsible for almost 7% of Northland's GDP, without including the wider economic effects from the spending of wages and salaries earned by refinery employees. Plans to scale back refinery production will cause a flow-on drop in economic activity and job losses.

The region has shown an impressive increase (15%) in the number of people employed in the past few years. There were 76,175 filled jobs in 2020, both employed and self-employed. Remarkably, one in four positions in Northland are identified as being self-employed, the highest rate in New Zealand. After a 7% decrease caused by the global financial crisis, the number of businesses in the region has steadily grown to a new record high of 21,636 in 2020. However, Covid-19 is likely to slow the number of new business start-ups.

Northland also managed to hit a record annual tally of more than 1.96 million guest nights for the year 2018/19. The numbers will be significantly different for the months to come, given the profound impact that Covid-19 continues to have on the tourism sector.

Finally, rates revenue received by NRC has increased from \$10.7M in 2009 to \$27.3M in 2019. NRC's rates revenue is equivalent to \$143 per person living in Northland.

# Rautaki Pūtea Financial strategy

## The financial strategy brings together financial forecasts from the Long Term Plan and a summary of issues that may affect council's finances. These inform council's overall financial direction.

The Local Government Act 2002 (LGA) requires every local authority to prepare and adopt a financial strategy as part of its Long Term Plan (section 101A).

The purpose of the strategy is to facilitate:

- prudent financial management by providing a guide to consider proposals for funding and expenditure
- consultation on our proposals for funding and expenditure by making the overall effects of those proposals on the local authority's services, rates, debt and investments transparent.

Note that all figures are GST exclusive, except when we are talking about rates we collect, which are GST inclusive.

SUIP = Separately Used or Inhabited Part of a rating unit

We aim to ensure that infrastructure is resilient in the face of future natural hazards; invest in environmental enhancement and economic growth; and deliver high-quality services.

To fund these activities, we must have a fair rating system, keep rates increases reasonable, achieve returns on investments that meet our risk and return policies, and carefully manage borrowing.

Our ongoing challenge is to achieve a balance between meeting community expectations, responding to legislative changes, and providing quality services, while keeping rates affordable.

### Key issues and drivers

We have expanded our environmental work programmes to address the growing expectations from our communities and requirements from central government about the way we manage water, biodiversity, forestry, climate change, flood risks and other natural and physical resources.

New work involves increased cost, and we need to understand what level of investment ratepayers are willing to make towards achieving community aspirations. To help ratepayers make these important decisions, the Long Term Plan sets out the proposed programmes of work for the next 10 years, and the cost of funding these activities.

Overall, the areas of new and extended work in this Long Term Plan will mean significant rates increases.

The major areas are:

- **Water:** implementation of the National Policy Statement for Freshwater Management has significant resource impacts for the council.
- **Pests and predators:** we're continuing to contribute towards the government's ambitious goal to rid New Zealand of possums, rats and stoats by 2050.
- **Climate change:** as weather events become more intense there is greater emphasis, including legislated obligation from central government, on ensuring the region has effective flood protection in place, and is planning for a changing climate.
- **Support services:** we need to make sure that our systems are fit for purpose and able to keep up with the rate of change proposed in this Long Term Plan.

We are in a sound financial position.

Rates income for the 2020/21 year is expected to be \$31 million.

The council holds investment assets (including current cash and cash equivalents) with a market value of \$273 million<sup>(1)</sup>. These investments are expected to provide annual investment income of approximately \$7.1 million (2020/21). Investment income is used to further economic development and fund operations, thereby reducing the rating burden for all ratepayers.

At December 2020, the council held flood infrastructure assets valued at \$21.8 million.

At December 2020, council debt was \$14 million.

### Looking ahead

We are living in a world affected by Covid-19, and the long-term impact of this on Northland is still largely unclear.

Population and housing is expected to continue to grow, but at a slower rate than the national average. High-rainfall events are expected to continue, and our communities' ability to pay rates (including payment of rates arrears) remains an even greater issue.

<sup>1</sup> . The council holds 22,142,907 shares in Marsden Maritime Holdings Limited (53.61%). These shares are recorded at an historical cost of \$7,827,563 (25 cents per share) in the council's balance sheet, but have a current share value (as at 1 February 2021) of \$140,607,460 (\$6.35 per share)

While the Northland economy has been performing relatively well in recent years, with benefits spread throughout each district, Covid-19 has created significant uncertainty over the short to medium term. We will continue to take an active role in supporting sustainable regional economic development.

### **The world around us**

National and international economic, environmental and political factors affect the council's finances. These factors can include future changes, interest rates, markets, legislation, natural hazards and climate change. Specifically, the cost of providing public transport is increasing due to rising contract costs and fuel prices.

Price increases associated with inflation are expected to continue to increase at a rate of between 1.5% and 2.9% per annum across all expenditure categories, except for salaries. Salary costs are expected to increase at approximately 3% per annum.

There is also a growing skills shortage which represents a risk to future service delivery.

### **Population**

Our population is expected to grow at an average rate of approximately 1% per annum over the life of this plan. These small population changes generally have very little impact on our services, and existing resources can cope with service demands without major adjustments. However, a slower population growth will also lower the increase in rateable properties over the next 10 years, reducing the ability to distribute the rates burden across additional ratepayers.

The average age in Northland is increasing, with people aged 65 years or older now accounting for 20% of the Northland population. We recognise that people in this age bracket are more likely to retire on low fixed incomes and rely predominantly on superannuation in their later years.

### **Economic growth**

There has been a steady rise in Northland's gross domestic product (GDP) rate in the decade following the global financial crisis, with an average annual growth rate of 2.9% from 2015 to 2020. There had been a steady rise in employment prior to the Covid-19 pandemic, with a corresponding lift in the median household income. However, Covid-19 has introduced uncertainty to future growth projections, and it's worth remembering that Northland took longer to recover from the global financial crisis than the national economy.

While the economy has been performing well, Northland's GDP per capita – an indicator of the region's standard of living – was still the third lowest among all 16 regions in New Zealand (ahead of Gisborne and Tasman) in 2020, and is about 70% of the national average.

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.

### **Land use**

The Northland region has extensive development on floodplains. While a change in land use is occurring rapidly in some places (particularly the expansion of horticulture), land use is not expected to significantly change within our region in a way that would affect our services and costs over the next 10 years.

### **Weather**

Climate change is predicted to cause higher temperatures and more extreme weather patterns in Northland, with rain events and periods of drought of greater intensity.

Projected increases in rainfall intensity and sea level rise will affect the coping capacity of our flood protection infrastructure, meaning more flood protection work. Our infrastructure strategy (see page 40 of this document) identifies major flood-scheme projects over the next 30 years in Awanui, Kāeo-Whangaroa, and the Whangārei urban area, with work also taking place in Panguru. Works are also soon to be implemented in Kerikeri-Waipapa, Matangirau and Otiria-Moerewa.

### **Payment of rates**

Rates arrears are expected to continue. This issue predominately relates to the Far North district, where there are significant portions of Māori freehold land. Over the past three years, the Far North has collected about 87% of our rates compared with 93% in Kaipara and 96% in Whangārei. Similarly, the Far North collects around 11% of our rates arrears compared with 38% and 54% collected in Kaipara and Whangārei respectively. As a result, we had a net rates write-off of \$349,248 in the 2019/20 financial year (\$797,708 in 2018/19). We anticipate a similar level of rate write-offs in the years of this Long Term Plan.

We make an allowance for unpaid rates when setting our budget of \$700,000, funded from rates and general funds. The debt management teams of Northland's three district councils proactively manage our debt arrears collection, and we'll continue to work with them on solutions to reduce our rate arrears.



## Approach to funding levels of service

We must balance our role and purpose (as defined in the Local Government Act 2002) with wider community desires and what we believe will make a positive difference. We will listen to the community to ensure we are aware of their needs, and plan to maintain or increase the services we provide as efficiently as possible.

Efficient delivery of services must be carried out within the rating and borrowing limits set out in this financial strategy. We are confident that we can provide for the maintenance of existing levels of service, and increases where required, through prudent financial management and by focusing on the right activities.

We plan to increase spending on a number of new initiatives to meet government and community expectations, particularly of the council's role as environmental guardians:

- continued investment in new flood protection schemes
- freshwater and coastal water initiatives, including better science and government-subsidised programmes for land management
- an increased pest control programme
- providing for better partnerships with Māori
- support services for increased core business.

The infrastructure strategy on page 40 of this Long Term Plan sets out the council's role in managing flood risks, and how it intends to manage flood protection and control work assets. It helps us make informed decisions in the short term that position us to deal with major decisions and infrastructure investments in the future.

### Investing in sustainable economic development

Council will continue to invest in sustainable economic development initiatives, as we believe this will make a positive difference to the economic wellbeing of Northland. Previously this investment was funded using a portion of council's investment income. It is proposed that over a six-year period, the source of funding be transitioned away from investment income to a new economic development rate and investment returns from the economic

development reserve (previously named the community investment fund). This funding will continue to be directed into council's **investment and growth reserve (IGR)**, from which investment allocations will be made.

In addition to council's funding, it is proposed that both Kaipara District Council and the Far North District Council will also make an annual funding contribution to the IGR. Council is able to make a discretionary additional contribution from the economic development reserve into the IGR as needed, provided the balance of the economic development reserve does not fall below \$13.5 million.

The objective of the IGR is to provide a fund from which strategic investments can be made to lift the long-term growth of the Northland economy. Council has adopted criteria and procedures for the allocation of funding, to govern the allocation of funding from the IGR. The IGR is used to provide operational funding for Northland Inc, to support the development of projects to an investment-ready stage, and to make investments into projects that enable them to be implemented. Council have given priority for project investment into the following regionally strategic sectors: agriculture and horticulture, marine, tourism and digital. One of the key functions of Northland Inc is to be the gateway through which projects are assessed, development and recommended for funding from the IGR.

### Maintaining a balanced budget

We aim to operate a balanced budget, meaning our operating expenditure, including depreciation, is covered by our available funding in each year. We are continuing to run the council with a small surplus. Our funding sources, including rates (targeted region-wide rates and specific targeted rates), investment income, user fees and charges, and grants and subsidies, continue to be sufficient to meet operating expenses.

We hold some of our funds in reserves, from which we can fund unexpected or unplanned expenditure. This enables us to extend and support increased service levels and a range of environmental and economic development initiatives, while limiting fluctuations in rate levels year to year.

We have forecast conservative surpluses after transfers to reserves of less than \$200,000 for the term of this plan (after transfers to/from reserves).



## Operating reserve

This reserve was established to ensure the stability of work programmes, employment and ongoing day-to-day operations of council by ensuring that the portion of annual operating costs intended to be funded from gains derived from council's managed funds is in the reserve, to cover any unanticipated loss in council funding arising from adverse economic conditions or volatility in financial markets.

## Investments

### Managing capital values

The capital value of our non-cash investments (investment property, forestry, and shares held in Marsden Maritime Holdings Limited) are subject to market fluctuations. Generally, over the long term, we consider the value will appreciate at a rate similar to, or greater than, inflation and therefore the real value will be maintained. This is important as it ensures the comparative value is maintained for the benefit of today's and tomorrow's ratepayers. However, because the fair value of these assets does not directly impact our day-to-day funding and cashflows, our forecast financial statements assume no fair-value movements over the 10-year period of this plan.

We review and decide on a continuing basis whether to re-capitalise cash and cash-equivalent investments (stocks, bonds and convertible notes) to maintain

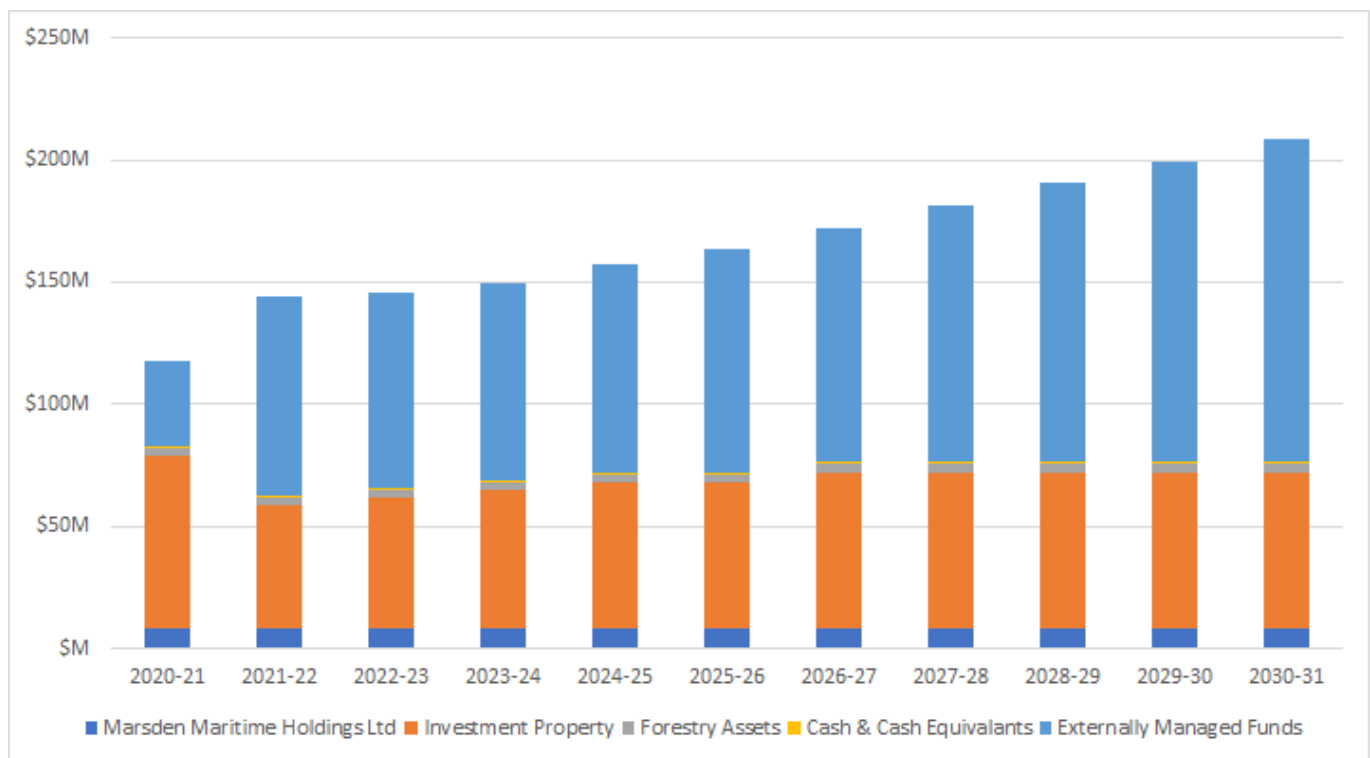
their real values. This decision is made after taking into account the current market conditions and our desire to subsidise rates.

The economic development reserve is available for economic development initiatives. To ensure the integrity of the fund, it should not move below \$13.5 million.

### Increasing returns on investments

We hold investments on behalf of the Northland community to produce a revenue stream that reduces our reliance on rates revenue and/or supports the wider economic benefit of the region. We must balance the desire to increase investment returns against the need to safeguard ratepayers' assets so the benefits can be enjoyed by future generations. Investment returns can be affected by influences outside the council's control. As per its investment policy, the council seeks to achieve a net return of around 7% per annum across its whole investment portfolio (excluding Marsden Maritime Holdings Limited and the Working Capital Fund). The investment policy is informed by expert advice, and outlines how our investment portfolio is managed.

As an example of our reliance on investment income, a 1% decrease in forecast returns on investments (excluding forestry, which has highly variable returns year to year), and a one-cent-per-share reduction in the dividend from Marsden Maritime Holdings Limited, will result in average rates per rating unit or SUIP increasing by \$3.08 in a single year.



#### *Marsden Maritime Holdings Limited (port company)*

The objectives for holding shares in Marsden Maritime Holdings Limited are: to provide a revenue stream to be available to fund council work programmes and projects; to hold an investment asset on behalf of and for the benefit of Northland; and to hold a strategic asset (the LGA classifies a local authority's shareholding in a port company as a strategic asset).

#### *Property*

The objectives for holding investment property are: to provide a revenue stream to be available to fund council work programmes and projects; to hold assets on behalf of an regional community for strategic protection and development of the region; to meet statutory obligations in relation to endowment properties; and to achieve the best possible returns subject to the powers and provisions of the LGA, Public Bodies Leases Act 1969 and the Property Law Act 2007.

#### *Forestry*

The objectives for holding forestry investments are: to provide an income stream to be available for projects that contribute towards economic wellbeing

for Northland; and the development, maintenance and protection of the council's timber plantations to maximise long-term revenue, while meeting the council's environmental responsibilities.

#### *Cash and cash equivalents*

The objectives for holding investments in cash and cash equivalents are to maximise returns and to protect council's investment capital within the risk profile as set by Council.

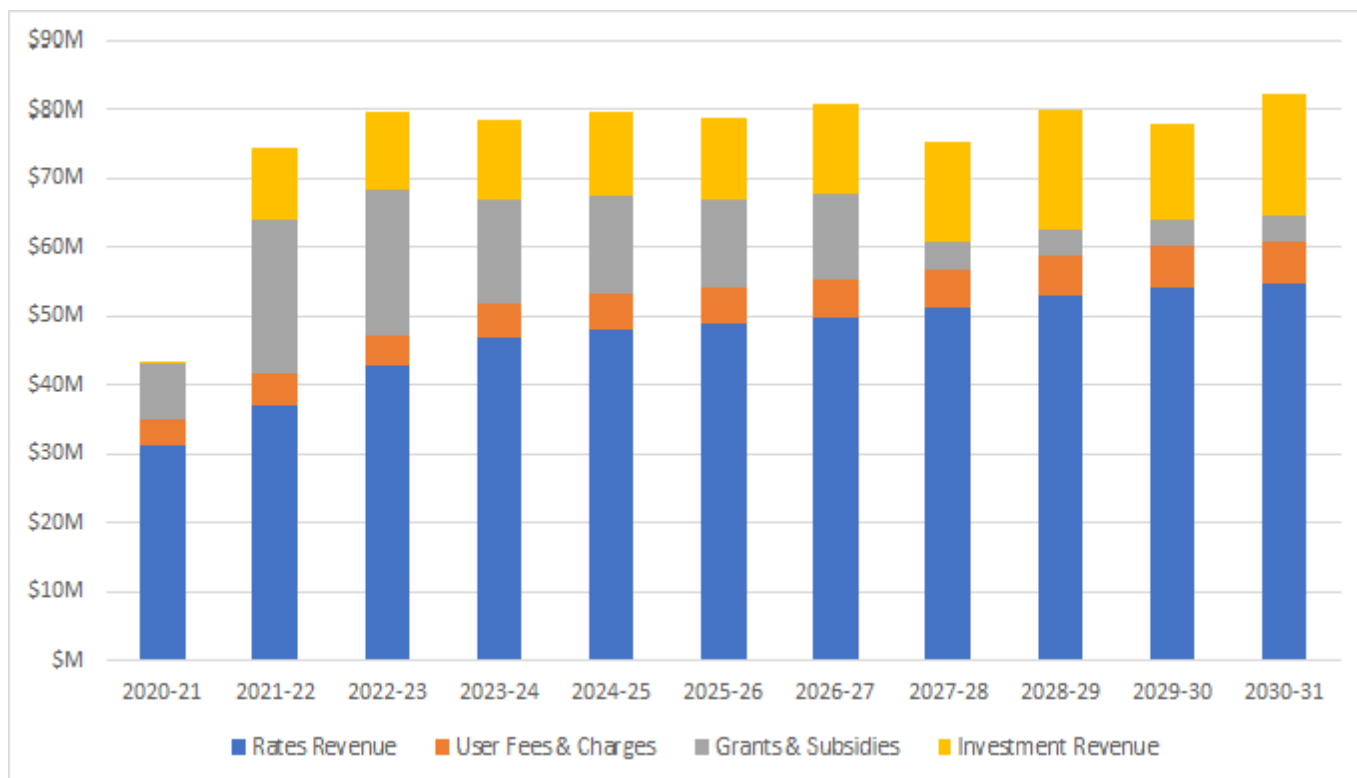
#### *Externally managed funds*

The objectives for holding investments in externally managed funds are to maximise returns and protect the council's investment capital. Further purposes of managed funds are defined in each fund's statement of investment policy and objectives.

### **Funding our expenditure**

We pay for our activities through a range of funding sources. The way we fund each activity is set out in the revenue and financing policy, on page 185 of this document.

The proposed funding mix over the period of the Long Term Plan is set out in the graph below.



## Rates

### Rates limits

Total rates will not exceed 75% of total revenue.

Total region-wide rates increases will not exceed 15% on average per SUIP<sup>(2)</sup> in any one year.

Our rate limits represent a balance between:

- addressing a range of issues facing the region
- increased community and government expectations
- continuing to manage our financial resources prudently by maintaining a strong and sustainable financial position, and
- remaining mindful of the affordability of rates.

Over the 10 years of this proposed plan, the average annual rates increase is \$21.61 (5.4%) per rating unit or SUIP.

However, the average increases in 2021/22 and 2022/23 are, at \$56.93 (16.1%), much higher than the 10-year average. This is an anomaly caused by increases in service levels, particularly in flood risk reduction, improving freshwater management and

increased pest and predator management. In 2021/22, we exceed our total rates increase limit of 15% per year.

For the remaining eight years of this plan, much more modest increases on average per SUIP (all within our rates limits) are forecast, between 0.48% (\$2.61) and 9.44% (\$41.68). We achieve this by continuing to use some of our investment earnings and reserves to help fund operating expenditure.

After the initial step-change in years one and two, we will smooth any rate increases over the following eight years, to help give ratepayers certainty about their rates bill. We'll do this by conservatively estimating expenditure that is highly variable, on the understanding that the equalisation reserve can be used for distinct and one-off costs if necessary.

The council is confident it can continue to provide and maintain existing levels of service within the rates and borrowing limits, and provide the new initiatives.

### Targeted region-wide rates

We use targeted region-wide rates to fund operational activities where it is impossible or impractical to clearly identify customers or users, or to fully recover costs from those who benefit from the situation or make the situation worse. Targeted region-wide rates are also used to fund those activities that the council considers provide a public benefit or public good.

<sup>2</sup> SUIP = separately used or inhabited part of a rating unit



The targeted region-wide rates are:

- council services rate
- land and freshwater management rate
- pest management rate
- flood infrastructure rate
- emergency and hazard management rate.

### Specific targeted rates

The council will use specific targeted rates where it provides services to a specific area or group within the regional community but there is no mechanism to directly charge those who benefit from the situation or make the situation worse, or for transparency and accountability reasons.

The specific targeted rates include:

- transport rates (Whangārei and Far North)
- river management rates (Awanui, Kaihū, Kāeo-Whangaroa, Whangārei urban, and Taumārere rivers)
- regional sporting facilities rate
- regional infrastructure rate
- emergency services rate
- regional economic development rate
- oruku landing fit-out rate.

All flood schemes that have both operational and capital works are managed to spread the cost (and loan repayment, if any) over a suitable period that takes into account the period of benefit, inter-generational equity and affordability. The river management rates are constant throughout the term of the plan. Where external grant funding is available to contribute to flood works, rates may change to reflect this.

The transport, sporting facilities and emergency services rates are not proposed to increase by inflation in this plan. We may consider these rates for inflation adjustment in the future.

### Balancing affordability and who pays

Getting the right balance in terms of who benefits and who pays for services, against affordability, wider social benefits and important flood protection and control work infrastructure, is essential. These elements are closely scrutinised when the council proposes and establishes its rates.

The same scrutiny is applied (private versus public benefit) in setting user fees and charges. The way that we fund each activity is set out in the revenue and financing policy on page 187 of this document. The user fees and charges are set out in the charging policy on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan).

### Managing our infrastructure assets: flood protection and control

All the council's infrastructure assets are related to our river management activity. They include stopbanks, floodgates and other river scheme assets to protect areas from flooding.

We currently have flood control infrastructure assets in place in Awanui, Kāeo-Whangaroa, Whangārei and Panguru. The value of these infrastructure assets is \$21 million (at 30 June 2020). More detailed information can be found in the 'Rautaki Hanganga | Infrastructure strategy: Flood protection and control' and on the council's website at [www.nrc.govt.nz/priorityrivers](http://www.nrc.govt.nz/priorityrivers).

In response to demand, the infrastructure strategy provides for new and extended flood schemes. Assets also need to be maintained so they keep on functioning as expected. In conjunction with the affected communities, we aim to find the right balance between providing the necessary infrastructure and the ability of affected communities (and the region) to pay. The capital cost of providing new capital flood scheme works will be split between the targeted flood infrastructure rate (70%) and the specific flood/river scheme rates for Awanui, Kāeo-Whangaroa, Whangārei urban rivers, Kawakawa and Otiria-Moerewa (30%).

The following table shows the cost of these capital works.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)	\$'(000)
Kāeo	360	-	-	50	250	250	200	-	-	-
Awanui	4,297	5,157	-	-	-	-	-	100	522	-
Whangārei urban rivers	-	50	-	-	-	-	-	200	700	600
Whangārei mitigation - new	251	-	-	-	-	-	-	-	-	-
Kawakawa - new	-	-	-	250	1,250	-	-	-	-	-
Otiria-Moerewa - new	1,500	3,500	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>6,408</b>	<b>8,707</b>	<b>-</b>	<b>300</b>	<b>1,500</b>	<b>250</b>	<b>200</b>	<b>300</b>	<b>1,222</b>	<b>600</b>

## Borrowing

Borrowing is intended to achieve a degree of inter-generational equity. It allows ratepayers to fund projects over an extended period of time, in part reflecting the lifetime of the asset or project, and the benefits from it. The council can borrow externally, or internally from its reserves. The council may borrow externally to fund infrastructure assets where investment returns are forecast to exceed external borrowing costs. This approach will be reviewed. The council's liability management policy is informed by expert advice, and contains the criteria by which our borrowing decisions are made.

The council is a non-rated, guaranteeing participant of the Local Government Funding Agency (LGFA). The council's projected borrowing over the period of this plan peaks at \$59M in 2030/31, which is well within our current borrowing policy limit of \$85M. As a guarantor member council guarantees the obligations of the LGFA. The guarantee provides for a proportionate liability based on the relative share of total rates revenue of all guarantors. Standard and Poor's ascribe a AA+ credit rating to the LGFA with a positive outlook (i.e. may improve to AAA, the highest possible credit rating). This credit rating implies a 0.15% probability of default over the next five years. Therefore, the risk associated with council being a guaranteeing member of the LGFA is considered to be low.<sup>(3)</sup>

**Borrowing limits** Total revenue is defined as cash earnings from rates, government grants and subsidies (excluding one off grants or subsidies), user charges, interest, dividends, financial and other

revenue, and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total consolidated debt, less liquid financial assets and investments. Net interest is defined as the amount equal to all interest and financing costs, less interest income for the relevant period. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

- Net debt will not exceed 175% of total revenue.
- Net interest will not exceed 10% of total revenue<sup>(4)</sup>.
- Liquidity will be greater than 110%.

Compliance with these limits over the 10 years of the Long Term Plan is demonstrated in the financial prudence section on page 179 of this document.

## Policy on securities for borrowing

To borrow money externally, we must offer our lenders some securities, just like residents do with their mortgage. Like most councils, we usually secure our debt against our rates revenue.

When we borrow externally, we provide a debenture trust deed prior to accessing funds. Under a debenture trust deed, our borrowing is secured by a floating charge over all council rates assessed under the Local Government (Rating) Act 2002. In such

<sup>3</sup> As assessed against the financial threshold set out in council's significance and engagement policy

<sup>4</sup> Section 21(1) of the Local Government (Financial Reporting and Prudence) Regulations 2014 states that a local authority meets the debt servicing benchmark for a year if its borrowing costs for the year are equal to, or less than, 10% of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) for the year.

circumstances, the security offered by the council ranks equally ('pari passu') for all stock issues by the council.

Where appropriate, we may seek project financing that may have a charge over a project or specific assets rather than rates. Physical assets will only be charged where:

- there is a direct relationship between the debt and the purchase or construction of the asset which it funds (such as an operating lease or project finance)
- the council considers a charge over physical assets to be appropriate, and
- any pledging of physical assets complies with the terms and conditions contained within the debenture trust deed.

The council may use its reserve and special funds, and refers to this activity as 'internal borrowing'. 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.

### **Loans for infrastructure assets**

The capital infrastructure of our river management schemes is expected to have a useful life of up to 150 years. The council used internal and external borrowing for the Whangārei urban, Kāeo-Whangaroa and Awanui river schemes.

The council will borrow externally to fund future river schemes. The maximum loan period is 30 years. The actual loan period is determined after considering the extent of the capital works and the period of benefit, affordability, and commitment of future generations. Rates will be collected to ensure the council has sufficient funds to repay these loans when they are due. The rates collected will be held and invested in managed funds until the loans are due.

In some cases we are unable to borrow for the equivalent period for which the rate has been set. In these cases a partial loan repayment will be made at the end of the loan period and a new loan raised for the residual amount. Whenever possible this is avoided as it represents an elevated interest rate risk.

### **Internal borrowing rates**

In determining the internal borrowing rate, council considers the long-term returns that it earns on its reserves/investments. The actual internal borrowing rate is subject to change and is reviewed by the council annually.

For the purposes of budgeting, the cost of internally borrowed funds is 7% per annum. Interest may be applied to a reserve balance when in surplus by \$50,000 or more funds at a rate of 3% plus the 90-day bank bill rate.

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.

# Rautaki Hanganga Infrastructure strategy: Flood protection and control



## Overview

This strategy has been prepared for flood protection infrastructure as required under the Local Government Act 2002, section 101B. The Local Government Act (LGA) 2002 Amendment Act 2014 included provisions that require councils to prepare an infrastructure strategy for at least a 30-year period, and to incorporate this into long-term plans. The purpose of this strategy is to:

- identify significant infrastructure issues over the period of this strategy
- identify the principal options for managing those issues, and the implications of those options
- outline how Northland Regional Council (the council) intends to manage its flood protection assets, and what the most likely scenario is for the management of these assets.

This strategy presents a 30-year plan for the council's flood protection and control assets. It will help us make informed decisions in the short term that will position us to deal with the major decisions and investments that will occur in the next 10-30 years.

Northland's flood scheme infrastructure currently comprises four main flood management schemes: the Awanui flood scheme; the Kāeo-Whangaroa flood scheme; the Hopua te Nihotetea detention dam in Whangārei; and flood management works in the small Hokianga settlement of Panguru. These schemes have a combined asset value of \$20.7 million.

The Whangārei, Kāeo-Whangaroa and Panguru flood schemes have been constructed in the past 10 years, so the assets are relatively new. We anticipate that maintenance on these new assets over the period of this infrastructure strategy will be limited. New capital expenditure is planned to extend the Kāeo-Whangaroa and Whangārei flood schemes within the first 10 years of this strategy.

The Awanui flood scheme is much older, and its assets are variable in age and condition. This scheme is also much more extensive than the other two schemes, in terms of the length of stopbanks and the spillway, and the number of floodgates that the council is responsible for. Maintenance and renewal costs are significantly higher. A review of the Awanui flood scheme identified a number of major upgrades that are likely to be required, which are included in this infrastructure strategy as well as in other financial planning included in this Long Term Plan.

There are a number of new areas where flood scheme works are to be implemented, including the Kerikeri-Waipapa catchment, and Matangirau. A

region-wide flood infrastructure rate will fund a portion of qualifying capital works on flood schemes to reduce the burden on the local targeted rate.

## Northland context

Northland is a long, narrow peninsula with a subtropical climate. It has a land area of 13,286km<sup>2</sup>, of which 526km<sup>2</sup> is classified as alluvial and estuarine plains and low terraces, much of which is prone to flooding. More than 50% of the land is in pasture and 10% in forests. Northland's mainland coastline is 3,127km long, and a high proportion of the population live in coastal settlements, including the main urban centres of Whangārei and Dargaville. The region, therefore, has a relatively high exposure to potential sea level rise and future coastal inundation, and this is clearly shown in council's coastal flood hazard maps.

River flooding provides the highest natural hazard risk to the Northland region because of the extensive development on floodplains and the region's exposure to high-intensity rainfall events. River flooding affects many of Northland's main urban centres and smaller townships. It presents a risk to human life, disrupts communications and access, and damages property and infrastructure, including the productivity of farmland. River flood hazard has been mapped for the major urban centres as well as a number of rural catchments.

## Demand assumptions

Unlike the demand for a number of other infrastructure types, the demand for flood protection and control works is not directly related to population growth. Instead, demand is driven by:

- the geographical extent of population centres and assets sited within floodplain areas
- public perceptions of flood risk, and acceptable levels of flood risk
- population density within at-risk areas, which has a bearing on level of service expectations.

Future demand for flood protection works can be reduced via alternative interventions such as land use planning, managed retreat from at-risk areas, and investment in improving the resilience of assets located within at-risk areas. Effective land use planning requires at-risk areas to be mapped with some precision. The council commissioned a land information LIDAR (Light Detection and Ranging) survey across the whole region, which will enable flood risk to be mapped across all catchments and around the coast. Current flood mapping is based on LIDAR surveys done since 2003, which covers only

21.7% of the region. The coastal flood hazard mapping clearly shows the impact of projected sea level rise over 50 and 100 years.

We consider that population growth within floodplains is unlikely to make a significant difference to the funding basis of flood schemes, or on the demand for services over the timeframe of this strategy, especially in rural areas. This is primarily due to improved land use planning, based on more accurate flood mapping. However, identifying flood risk areas across the whole region, including areas that may be affected by future climate change, does have the potential to change public perception of flood risk. If sea level rise becomes evident to the public, public demand for flood protection works in coastal areas is likely to increase significantly over the timeframe of this strategy.

In 2008 we identified 26 river catchments where we considered the risks from river flooding were highest to communities and essential infrastructure throughout Northland – the Priority Rivers Flood Risk Reduction Project. The rivers and streams in these priority catchments pose potential threats to life, buildings, road access, infrastructure and agriculture. River management plans were developed for these 26 catchments, documenting the potential flood risks and identifying mitigation options to reduce the impacts of flooding. In 2018, two additional river catchment flood models were developed for Waipū and Paparoa. Our focus has now moved towards implementing river management plans with communities, and this is reflected in the capital works programme put forward in this strategy.

In many cases it is not physically possible, nor affordable, to provide communities with total protection from flooding in Northland. In this context, we work with communities to identify and map at-risk areas, develop community response plans, issue flood warnings and carry out minor river works to reduce flood risks.

## Vision for the community over the next 30 years

The overall vision for this strategy is to progressively reduce the flood risk to defined and achievable levels in a cost-effective manner, integrating environmental and climate change considerations.

A starting point for this vision is the assumption that if no intervention was made, existing levels of service would gradually reduce due to asset deterioration and projected climate change effects.

When looking ahead, we expect flood protection will be a major activity for us. The vision includes pro-active consultation and planning to put in place strategies and structures that will endure well beyond the timeframe of this strategy.

## Overview of flood protection assets

### Existing flood protection infrastructure

At the current time, we have flood control infrastructure in place to reduce flood risk in four scheme areas:

- Awanui flood scheme (asset value of \$12,142,000)
- Kāeo-Whangaroa flood scheme (asset value of \$885,000)
- Whangārei (asset value of \$7,712,000)
  - Hopua te Nihotetea detention dam, part of the Whangārei urban rivers flood scheme
  - Woods Road flood wall, part of the Whangārei urban rivers flood scheme
- Panguru flood scheme (asset value \$506,000).

Details of each scheme are shown in the following table.

## Summary of existing flood protection infrastructure

	Awanui flood scheme	Kāeo-Whangaroa flood scheme	Whangārei urban rivers flood scheme	Panguru flood scheme
Total value of assets	\$12,142,000	\$885,000	Hopua te Nihotetea dam and Woods Road flood wall: \$7,712,000	\$506,000
Types of assets	89km of stopbanks and 142 floodgates	30,000cu m of stopbanks, 1 spillway, 1 flood wall and 4 floodgates	Detention dam: 18m high Flood wall: 112m long	1.6km of stopbanks, 60m spillway and 1 floodgate
Age of assets	Floodgates: average 35 years Stopbanks: varies, majority constructed prior to 1970	All assets constructed in 2013/14	Dam constructed 2014/15 Flood wall constructed 2019	Stopbanks: varies, some newly constructed 2019/20
Depreciation replacement cost (DRC) (2019/20)	DRC: \$131,174 per annum	DRC: \$10,672 per annum	DRC: \$67,362 per annum Flood wall: \$7,471 per annum	DRC not calculated: works completed 2020
Level of service objective (flood protection)	Urban areas: 1:100 years Rural areas: 1:20 years	Township: 1:20 years	Urban CBD: 1:50 years	1:10 years for West Coast Road  1:5 years for Otengi Road
Current level of Service	Urban Kaitāia: 1:30 years  Rural areas: <10 years	Township: <1:20 years	Urban CBD: <1:20 years	<1:10 years

### Awanui flood scheme

The key levels of service for the Awanui flood scheme are contained within the scheme's asset management plan, including specific details on how we renew or replace our existing assets. Renewing floodgates and maintaining stopbank assets is scheduled to be undertaken prior to the end of expected life.

### Kāeo-Whangaroa flood scheme

The key levels of service for the Kāeo-Whangaroa flood scheme are contained within the scheme's asset management plan, including specific details on how we renew or replace our existing assets.

The completed stage one of the Kāeo-Whangaroa flood scheme was designed to prevent high-velocity floodwaters from Kāeo River flowing through the township. While the Kāeo stopbanks are designed to be above the 1:100-year flood level, the township is still exposed to flooding from the Waikare Creek as well as from backwater from the Kāeo River. This Long Term Plan includes implementation of stage two of the Kāeo flood scheme. Other Kāeo-Whangaroa river

works to be implemented under this Long Term Plan include the construction of a new floodway at Matangirau.

### Whangārei urban rivers flood scheme

#### Hopua te Nihotetea detention dam and Woods Road flood mitigation works

The key levels of service for the Hopua te Nihotetea (Kotuku Street) detention dam and the Woods Road flood protection works (flood wall) are contained within the Whangārei urban rivers asset management plan, including specific details on how we renew or replace our existing assets. We do not anticipate that the Hopua te Nihotetea dam or the Woods Road flood wall will require significant renewal or replacement expenditure in the first 30 years of operation (having been constructed in 2014/15 and 2019/20 respectively).





### **Panguru flood scheme**

The key levels of service for the Panguru river scheme are contained within the scheme's asset management plan. We do not anticipate that the Panguru scheme will require significant renewal or replacement expenditure in the first 30 years of operation.

## Significant issues, options and implications

The most significant high-level strategic issues facing our flood protection and control infrastructure are outlined in the table below, with options to address them. Decisions over specific works options for existing and proposed flood schemes are outlined later in this document.

*Strategic overview of issues and options for flood protection assets*

Issue	Issue summary	Principal options	Implication of options	Preferred option
Climate change	If climate change projections are realised, protecting floodplains and low-lying coastal areas will become less sustainable and more expensive over time. Levels of service associated with flood protection assets will gradually reduce and public demand for protection will be likely to increase. There may also be a need for council to increase its role in providing coastal protection.	Protect	Depending on the context, this may be a preferable short- to medium-term approach but costs will gradually increase over time, especially for coastal areas vulnerable to sea level rise.	The preferred option is likely to be location and context specific. The various options may each be suitable for different areas. Consultation and planning through an adaptive pathways planning process is required to determine optimal adaptation options. Adaptation planning for Awanui and Whangārei planned for 2024-2027.
		Retreat	There is potential for managed or unmanaged retreat from at-risk areas. The main implications are loss of land or development potential, and likely expectation for compensation. Land use planning to regulate new development is a first step in a retreat strategy.	
		Accommodate	A strategy of less intervention means lower initial cost. Gradual adaptation over time through more resilient buildings and infrastructure. Requires acceptance of reducing levels of service over time.	
Renewal/ replacement of assets	Ageing assets will require renewal or replacement at end of design life.	Renewal at end of design life to design standard/level.	Depends on design standard but likely to result in reduction of level of service over time. Short-term saving relative to other options.	The Kāeo, Panguru and Whangārei flood schemes require no renewal or replacement over the next 30 years.  Awanui flood scheme assets are being renewed at or near end of design life.
		Renewal at end of design life with upgrade to maintain/increase level of service.	Maintains level of service for a finite period of time but without flexibility to re-configure areas to be protected to achieve efficiencies.	
		Replace with alternative structure, including potential relocation of asset.	Consistent with a managed retreat option from areas that have highest residual risk, and are more expensive to defend. High initial cost due to asset relocation and	



Issue	Issue summary	Principal options	Implication of options	Preferred option
			lost land. Opportunity to set back stopbanks and create wider flow paths to raise level of service.	
Demand for services	Demand for services likely to increase due to region-wide mapping of flood risk. Increased demand is anticipated if/when climate change effects become readily apparent.	Limit increase in demand by identifying at-risk areas, and promote regulatory approach to risk avoidance for new development.	Not directly related to management of flood protection assets, but critical to limiting increase in future demand.	Limit increase in demand through land use planning and respond to future demand by expanding number of flood protection schemes.
		Limit number of schemes/extent of existing schemes.	Fails to meet current demand, or anticipated increase in demand. Lower flood scheme cost but higher flood damage cost.	
		Increase number of schemes, and extent of existing schemes.	Responds to current demand, and anticipated increase in demand. Higher flood scheme cost. Flood damage cost minimised.	
Levels of service (existing schemes)	Levels of service are not always well defined or met. Actual level of service from existing assets is likely to reduce over time due to climate change impacts and geomorphological changes.	Upgrade existing assets in the Awanui flood scheme to meet current levels of service.	Limited initial cost to meet current intended levels of service.	Upgrade and expand assets for existing flood schemes to meet target levels of service.
		Upgrade and expand assets.	Considerable investment required to reduce flood risk to urban Kaitiāia.	
Public health and environmental outcomes	Flood schemes are required to prevent or reduce public health and environmental impacts associated with flood events. Levels of service and resilience for scheme assets are likely to be affected by new regulation such as a National Policy Statement for Natural Hazards, and the outcomes from independent reviews (such as into the Edgecumbe flooding of April 2017).	Implications and principal options are unclear until the regulation or information is made available. Presumption is that flood protection assets will need to comply with any new requirements.	Complying with new requirements is likely to incur a cost. Non-compliance is likely to incur a liability risk, however there should be a grace period over which compliance with new requirements can be achieved.	Comply with new requirements in a cost-effective manner.

Issue	Issue summary	Principal options	Implication of options	Preferred option
Resilience of infrastructure	Resilience of flood protection infrastructure may be compromised due to structural failure, or effects of climate change.	Maintain assets to design standard.	New scheme works at Whangārei and Kāeo are designed to be resilient over the next 100 years.	Implement measures to safeguard resilience of flood channels that protect urban areas.
		River channel banks through urban Kaitāia require targeted toe protection to ensure bank stability.	Kaitāia river bank stabilisation works to be undertaken. Potential liability risk if these works are not completed.	

Recurrent themes in the preceding table are the affordability and resilience of assets, and uncertainty associated with current and future flood risk.

Affordability relates to the ability to continue to invest in the maintenance, renewal and upgrade of infrastructure, and depends on the condition of the assets, what increases in service level are required, and the ability of ratepayers to fund the works. We will continue to strive to ensure that the flood protection and control works are affordable by providing options that can be sustained on both a financial and an operational basis. Funding policies have been reviewed for flood scheme works, and under this Long Term Plan a Flood Infrastructure Rate will fund 70% of qualifying capital works on flood schemes to reduce the burden on the local targeted rate.

Ensuring our infrastructure assets are resilient in the face of future climate change and natural hazards is important in continuing to protect our communities in flood-prone areas. Flood scheme works implemented since 2010 have been designed to be resilient in a 1:100-year event, and allowing for climate change effects in line with the Ministry for the Environment's publication 'Coastal hazards and climate change: guidance for local government' (2017)<sup>1</sup>.

While we have modelled flood risk and gained an understanding of the risk profile, a degree of uncertainty remains. Floodplains and river channels are dynamic, and it is not possible for us to model all potential storm profiles and flood scenarios, including the potential for structural failure of flood protection assets and long-term accretion of floodplains. Climate change effects are currently predicted to fall within a wide range, and it is likely that over the course of

the next 30 years, climate change projections will be refined, resulting in greater certainty. This will facilitate the design process, especially in relation to the timing of replacement or upgrading of affected scheme assets.

### Management of future flood protection works

Significant decisions have been made on management of flood protection works in Northland, including which new flood schemes to construct, and which existing schemes should be expanded or upgraded to increase levels of service.

### Significant decisions about capital expenditure

A timeline of new flood infrastructure projects, including upgrades to existing and new schemes, is shown in the following image. The timing of future decisions required for these flood schemes is also identified. As can be seen from the timeline below, work on all four of the flood schemes is planned to be undertaken within the period of the Long Term Plan 2021–2031.

This infrastructure strategy includes a capital works programme of up to \$23.9 million. A substantial part of this budget is for planned upgrades to the Awanui flood scheme, which accounts for up to \$13.7 million of the total capital works in this strategy.

### Proposed funding methods

Flood control schemes have historically been funded by targeted rates collected from the properties that are within the defined catchment area of each scheme. Funding for large capital works projects has been borrowed from the council and repaid over a set

<sup>1</sup> <https://www.mfe.govt.nz/publications/climate-change/coastal-hazards-and-climate-change-guidance-local-government>

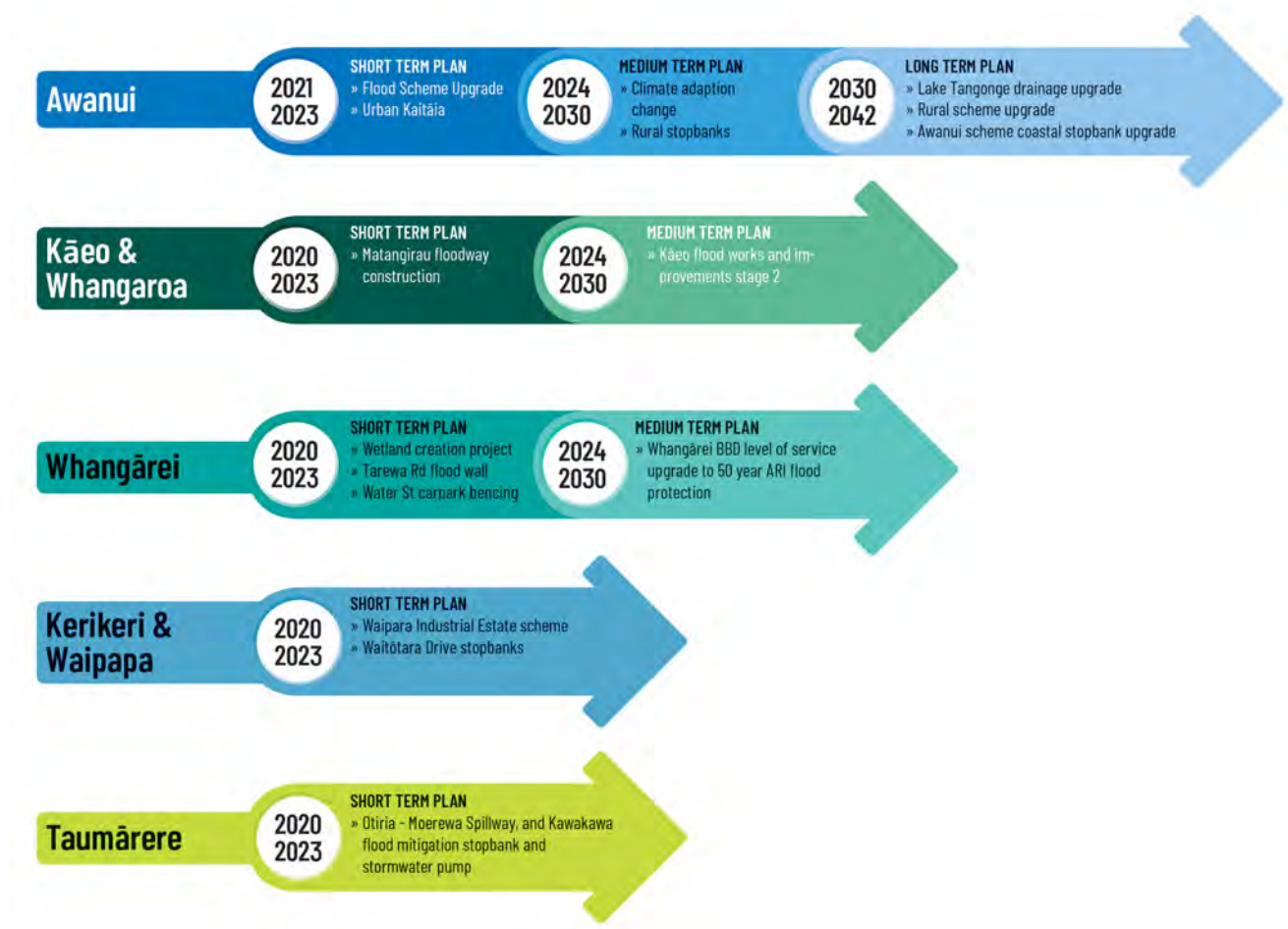
period from the revenue received from targeted rates. Occasionally these works also receive grant subsidies from central government.

Under the Long Term Plan 2018-2028, a flood infrastructure rate was adopted so that new qualifying capital works for flood protection will receive at least a 70% subsidy. The remaining 30% will be collected from the local targeted rate, which will also be used to cover all ongoing operational and maintenance costs of each scheme.

*Central government funding approved 2020*

Investment in 'shovel-ready' infrastructure projects was part of central government's Covid-19 response in 2020. Two flood schemes have funding approved through this scheme; the value of the funding is shown in the table below. The total funding through a flood infrastructure rate and local targeted rates will decrease relative to this central government funding.

	Total cost	Central government funding	Flood infrastructure rate (70%)	Targeted rates (30%)
Awanui	\$9,454,994	\$6,194,427	\$2,282,397	\$978,170
Otiria-Moerewa	\$5,000,000	\$2,889,194	\$1,479,664	\$634,142



## Significant decisions about capital expenditure

	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Awanui flood scheme: urban Kaitāia	Urban Kaitāia	Upgrades to Kaitāia river channels, including rock protection.	2021–2025	LTP 2018
	Urban Kaitāia resilience upgrade with level of service upgrade for urban areas to 100-year average recurrence interval (ARI) event.	Total resources: \$9.45 million	(LTP years 1–5)	(Decision made)
Awanui flood scheme: rural and coastal	Rural scheme upgrade to achieve 20-year ARI flood protection.	Rural stopbanks: \$622,000	2028–2030	LTP 2027
		Total resources: \$622,000	(LTP years 8–10)	
	Rural scheme upgrade	New second floodgate and channel: \$500,000	2032–2037	LTP 2030
	Lake Tangonge drainage upgrade	New lake outlet to Waipapakauri drain, and 5km drain upgrade: \$640,000	(LTP years 12–17)	
		Total resources: \$1.14 million		
	Rural scheme renewal	Total resources: \$300,000	2038–2040	LTP 2036
	Renewal of existing major floodgates (Waihoe and Oinu floodgates)		(LTP years 18–20)	
	Climate change adaptation planning*	Adaptive planning including infrastructure risk analysis and adaptation options assessment, options development and analysis, increases in maintenance/replacement work made worse by climate change.	2024–2027	LTP 2024
	Adaptive pathways planning process to develop optimised programme considering sea level rise.		(LTP years 4–7)	
	* Work not currently budgeted, to be applied for in the 2024 Long Term Plan.	Total resources: \$300,000		
	Coastal stopbanks	Coastal stopbanks (3m reduced level): \$2.15 million	2041–2047	LTP 2039
	Increase coastal stopbank crest levels to 20-year ARI storm surge and defend against potential 1m of sea level rise over 100 years.	Note: will require re-assessment once all coastal stopbanks have been surveyed.	(LTP years 21–27)	

	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Matangirau floodway construction/channel benching	<p>Matangirau flood scheme*</p> <p>Floodway (1.5km), including 1km upstream and 500m downstream of Wainui Road.</p> <p>* Planned to be complete by 2021, included here as Covid-19 delays may mean work is carried forward into 2022.</p>	<p>Floodway construction/channel benching</p> <p>Total resources: \$360,000</p> <p>(Total planned to be spent by June 2021)</p>	<p>2021-2022</p> <p>(LTP years 1-2)</p>	<p>LTP 2018 (decision made LTP 2018)</p>
Kerikeri/Waipapa flood scheme	<p>Waipapa Industrial Estate flood protection, including rerouting and containing Kerikeri River overflow*</p> <p>and</p> <p>Waitōtara Drive stopbanks (part of original Kerikeri River flood scheme)*</p> <p>* Planned to be complete by 2021, included here as Covid-19 delays may mean work is carried forward into 2021.</p>	<p>Waipapa Industrial Estate scheme works: \$200,000</p> <p>Waitōtara Drive stopbanks: \$140,000</p> <p>Total resources: \$340,000 (within existing reserve)</p>	<p>2021-2023</p> <p>(LTP years 1-3)</p>	<p>LTP 2018 (decision made LTP 2018)</p>
Kāeo-Whangaroa flood scheme	<p>Kāeo-Whangaroa flood scheme</p> <p>Adjusted stage two works:</p> <p>creek widening, re-alignment and bank extension.</p>	<p>Waikare Creek widening: \$150,000</p> <p>Kāeo River re-alignment: \$450,000</p> <p>Deflection bank number four extension: \$150,000</p> <p>Total resources: \$750,000</p>	<p>2024-2028</p> <p>(LTP years 4-8)</p>	<p>LTP 2018 (decision made LTP 2018)</p>
Taumārere	<p>Taumārere flood scheme</p> <p>Otiria-Moerewa spillway, and Kawakawa flood mitigation stopbank</p>	<p>Otiria-Moerewa spillway: \$5 million</p> <p>Kawakawa flood mitigation stopbank: \$1.5 million</p> <p>Total resources: \$6.5 million</p>	<p>2021-2023</p> <p>(LTP years 1-2)</p> <p>2024-2025</p> <p>(LTP years 4-5)</p>	<p>LTP 2021</p>
Whangārei flood scheme	<p>Hopua te Nihotetea detention dam basin wetland project</p> <p>Creation of wetland</p>	<p>Total resources: \$50,000</p>	<p>2022-2023</p> <p>(LTP years 2-3)</p>	<p>LTP 2018 (decision made LTP 2018)</p>
	Tarewa Road flood wall	Total resources: \$251,287	<p>2021-2022</p> <p>(LTP years 1-2)</p>	LTP 2021
	Whangārei CBD climate change adaptation planning*	\$300,000	<p>2024-2027</p> <p>(LTP years 4-7)</p>	LTP 2024



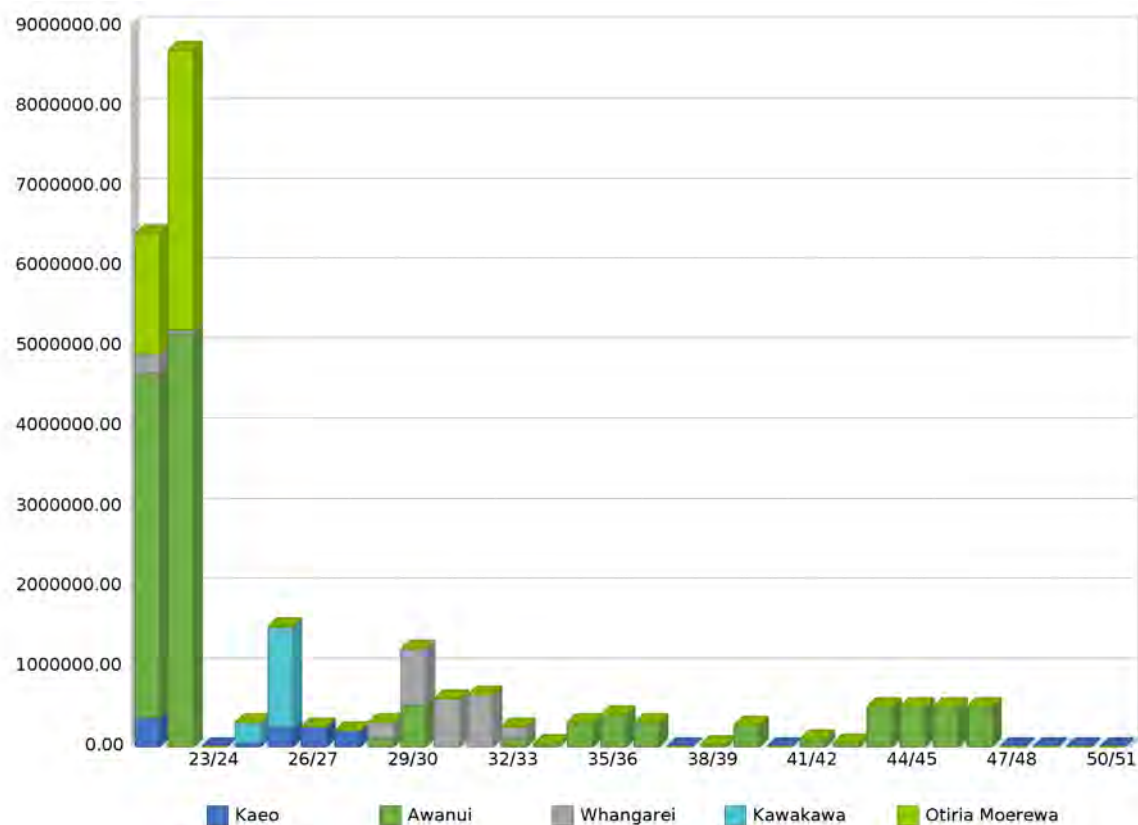
	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
	*Work not currently budgeted, to be applied for in the 2024 Long Term Plan.	Adaptive pathways planning process to develop optimised programme considering sea level rise, in conjunction with WDC Blue Green Network Strategy.		
	Whangārei CBD level of service upgrade to 50-year ARI flood protection.	Waiarohia Stream greenway flood corridor (Rust Avenue to Lower Tarewa Road)	2024–2032 (LTP years 4–12)	LTP 2024
	Total resources: \$3.3 million  (Details and timing of projects to be confirmed through adaptive pathways planning programme)	Water Street carpark benching: \$400,000 (LTP year 4–5)  Other project details and timing to be confirmed (LTP year 4–12)  Total resources: \$2.15 million		
		Wharowhara Stream re-alignment at Carruth Park, including drop structure  Total resources: \$150,000	2032–2033 (LTP years 12–13)	LTP 2030

## Indicative estimates of projected and operating expenditure

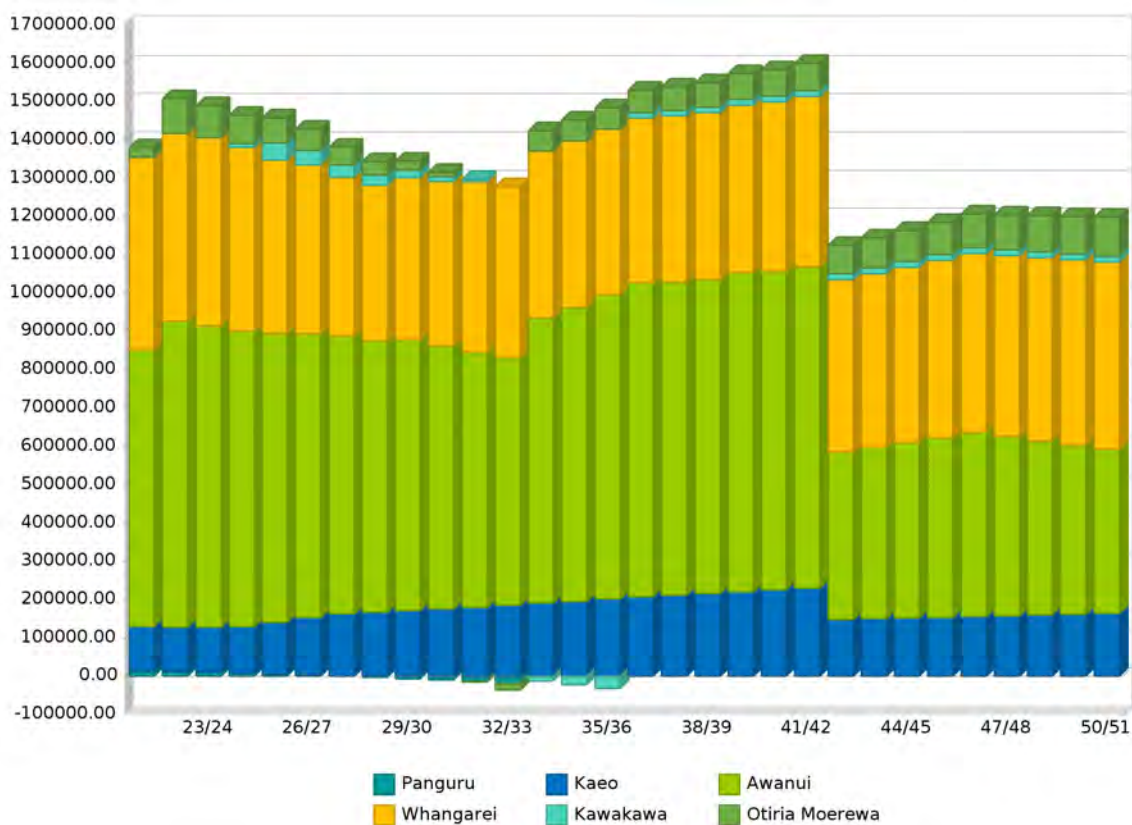
Our indicative estimates of the projected capital and operational expenditure for flood scheme assets are provided below. They show:

- projected capital expenditure in each of the 30 years covered by the strategy (see graph: *Projected capital expenditure*) and
- projected operational expenditure in each of the 30 years covered by the strategy (see graph: *Projected operational expenditure*).

## Projected capital expenditure



## Projected operational expenditure



Asset maintenance and renewal expenditure is a relatively small cost that is used to ensure existing flood control assets are replaced as they reach the end of their design life. Operational expenditure is the cost associated with running the five existing river management schemes, including items such as insurance, interest repayment and general maintenance.

All our scheme assets carry full insurance replacement cover, including cover for the risk of natural hazards. We also ensure that operational expenditure is budgeted at a level sufficient to undertake maintenance to scheme assets from minor storm damage (i.e. damage that is not sufficient to lodge an insurance claim for). The maintenance programme includes repair and long-term renewal of stopbank assets and, therefore, no depreciation is applied to stopbank assets within the operational spend budget.

The three existing flood schemes have significantly different operational expenditure forecasts over the 30-year timeframe of this strategy. Awanui and Kāeo-Whangaroa operational spend is projected to increase, mirroring increased capital expenditure, while the Whangārei operational spend progressively reduces over time due to repayment of scheme debt.

#### Estimated projected capital and operating expenditure summary

Expenditure category, all schemes	Total over 30 years	Annualised
Operational	\$40,943,684	\$1,364,789
New capital	\$23,878,281	\$795,943
Totals	\$64,821,965	\$2,160,732

## Key assumptions

In developing this infrastructure strategy, we have identified a number of key assumptions that we have made in determining our future planning and expenditure estimates. These are summarised in the following table.

Area	Assumption	Level of uncertainty (low to high)	Nature of that uncertainty	Potential effects of that uncertainty
Life cycle of significant infrastructure assets	Significant renewal expenditure for newly constructed assets will not be required over the first 30 years of asset life.	Medium	Stopbank settlement rates and failure of ancillary components	Increased expenditure
	Accuracy of asset data and flood modelling underlying the financial projections is sufficiently robust.	Medium to low	Flood modelling assumptions. Large, low-probability events have the potential to shift probability estimates.	Increased expenditure
	Potential structural failures are able to be detected and remedied before they occur.	Medium	River bank and stopbank conditional surveys are successful in identifying risk.	Flooding of protected areas if structural failure occurs.
	Future sea level rise associated with climate change, and increases in extreme rainfall intensities, do not exceed existing projections.	Low	More rapid sea level rise would lead to more frequent over-topping of coastal stopbanks and higher tailwater conditions for coastal river basins.	Higher cost of protecting and draining low-lying coastal areas. May trigger managed retreat strategy earlier than anticipated.

Area	Assumption	Level of uncertainty (low to high)	Nature of that uncertainty	Potential effects of that uncertainty
Growth or decline in the demand for relevant services	Population growth/decline and land use development in floodplains is not expected to be a significant driver.	Low	Accuracy of growth projections and effectiveness of land use planning	Significant additional growth and development in flood-prone areas will lead to additional flood risk and drive additional demand for protection.
	Public perception of flood risk may change, and demand may increase as climate change effects become apparent.	High	Public perception about climate change and personal risk	Changes in public perception of risk are hard to anticipate and may lead to a sudden increase in demand, especially when coastal flooding becomes more frequent due to sea level rise.
	New legislation (e.g. National Adaptation Plan process or National Policy Statement on natural hazards or climate change) may place requirements on regional councils to provide coastal protection.	Medium	Legislative framework	The question of responsibility for coastal hazard management, response and funding remains unsettled. Sea level rise is likely to bring about legislative change in the future which may result in a greater role for regional councils to provide adaptation solutions, including protection or managed retreat.
Increases or decreases in relevant levels of service	Adequate provision has been made for the projected impacts of climate change in scheme designs based on Ministry for the Environment climate change projections.	Low	Climate change tracks along high-end projections, resulting in lower levels of service.	Effect is low, as scheme adaptation can take place over decadal timescales, but ultimately there will be increased costs to maintain levels of service or implement a retreat strategy.
	Adequate operational expenditure is provided to maintain scheme service levels.	Medium	Estimation of extent of maintenance works required	Reduce level of service or increase expenditure to maintain level of service.
	Level of service standards for urban areas may eventually be adopted at a national level, following public enquiries into flood events.	Medium	May require urban flood schemes to meet a higher level of service.	Review and change potential funding mechanisms to enable national standards to be met.





# Ngā mahi a te kaunihera Council activities

## Our services and activities

This section summarises our activities and sets out the key services we intend to deliver during the 2021–2031 period. We have identified the significant aspects of each service and set performance measures and targets for these so you can assess the level of service we intend to provide – this means the quantum, quality or extent of the service you can expect. We report on these performance measures and targets in our annual reports, which we aim to adopt in October each year.

We also carry out comprehensive internal monitoring of the delivery of our programmes of work, which in some cases will contribute to measures included in our Long Term Plan. Detailed activity management plans support all the programmes of work.

This section sets out:

- our groups of activities
- any intended changes from our current levels of service for each activity (as set out in our most recent Long Term Plan, 2018–2028), and the rationale for these changes
- the proposed performance measures for each activity
- changes to costs and the reason for any material change to the cost of delivering the activity.

Our council intends to deliver the proposed levels of service through three activity areas. The grouping of these activities has changed from our most recent Long Term Plan, and is now as follows:

- natural environment
- community resilience
- regional leadership.

### **Note to readers:**

*The services, performance measures and targets set out in this document are proposed. They may change as a result of feedback received from the community during formal consultation and subsequent council deliberation. The final service information will be included in the council's Long Term Plan 2021–2031, which will be adopted by 1 July 2021.*

*For each performance measure in this section, we have provided the most recent performance result available at the time of writing, to enable readers to compare targets with current performance. Where new measures have been added, there may not have been a measure of current performance available at the time of writing. Where results were available, these results may not have been included in the council's most recent Annual Report at the time of adopting this Long Term Plan, and were therefore not audited by council's external auditors. These results have been marked with an asterisk (\*).*

*All dollar figures outlined in this section are based on present value. These will be adjusted for inflation each year during the term of the plan.*

### **Explaining costs and how they affect rates:**

*When we talk about costs, we'll either refer to capital expenditure (typically one-off costs associated with major purchases or infrastructure assets, which are funded from various sources and don't directly affect your rates), operating expenditure (ongoing costs of a project, usually funded directly by rates), or a mixture of both.*

*Projects involving high capital cost will have a relatively reduced direct impact on rates, as the cost is spread over multiple years. So projects of similar total cost will impact rates differently based on the mix of operational and capital expenditure.*

# Te Taiao

## Natural environment

### Tiakina te taiao, tiakina te iwi e

#### *We look after the environment, the environment looks after us*

Northland's natural resources are critical to the wellbeing of the region and its community. This fact is reflected in the significant new spend proposed for our Long Term Plan 2021–2031.

The range of activities required to manage our natural resources is captured in this natural environment group of activities: it combines our focus on quality data and science, programmes of protection and enhancement, and management via council's regulatory and planning responsibilities. Our natural environment work relies on collaboration with other agencies, communities and landowners to achieve great outcomes.

Through our natural environment group of activities, we're working to:

- Develop high-quality environmental information and advice to support our legislative functions and policy development, with a big focus on water.
- Maintain and improve ecosystems through habitat interventions and restoration, while building enduring relationships with landowners, iwi/hapū and other agencies.
- Collaborate with other agencies, iwi/hapū and communities to identify, control and remove new pests before they can affect ecosystems, and manage existing pest species.
- Collaborate with landowners, iwi/hapū and catchment communities to plan and fund afforestation and planting, wetland and riparian management, looking after lakes, and growing poplars for soil conservation.
- Ensure appropriate planning and systems are in place for sustainably managing resources and delivering our legislative functions, including plans and policies, processing resource consents, and carrying out extensive monitoring.
- Monitor compliance with consents we've granted and investigate environmental complaints, provide a collection and disposal service for chemicals, and maintain records on the history of potentially contaminated land.

The natural environment group of activities includes the following:

- science
- catchment management
- biodiversity
- biosecurity
- planning and policy
- consents
- compliance monitoring.

#### These activities contribute to the following council community outcomes:

- healthy waters for the environment and our people
- protected and flourishing native life
- resilient, adaptable communities in a changing climate
- meaningful partnerships with tangata whenua.

Any significant negative effects to the community, which are anticipated as a result of delivering any of the activities within the natural environment group of activities, have been identified and mitigated. This includes having sound and robust consent processes to ensure that contentious consent applications, or those with a perceived negative effect, are appropriately considered. We also ensure that our planning and policy processes are robust and inclusive to minimise negative impacts on communities as a result of rules and regulation.

### **Changes to levels of service**

The proposed level of service provided by each activity in the natural environment group has either remained the same or increased as a result of this Long Term Plan. We're also proposing changes to the way we group and measure these activities:

- The activities included in the natural environment group were previously grouped under environmental services (science – previously 'hydrology' and 'environmental monitoring', biodiversity, biosecurity, catchment management – previously 'land and water') and regulatory services (planning and policy, consents, compliance monitoring, state of the environment monitoring).
- The science activity includes activities previously covered by the hydrology and state of the environment monitoring activities.

### **Changes to costs**

The cost of delivering the levels of service for the natural environment group of activities is proposed to change significantly in this Long Term Plan. Proposed new work across the activities would mean \$11.9 million of new operational spend and \$2.6 million of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates are assessed. The spend is considered here as a material change to the cost of this service.

This change in cost has occurred as council continues to respond to demand from central government and the community to do more to protect Northland's natural environment. There's an increasing policy focus on water management, biodiversity and climate change, and a maintained focus on biosecurity. The increase in cost for the service represents a continuation in the work that will be delivered across each of the activities, and is required to work toward council's community outcomes of 'Healthy waters for the environment and our people', 'Protected and flourishing native life', and 'Resilient, adaptable communities in a changing climate'.



## 1.1 Science

It is proposed that the following services are provided:

- Information on water quantity and water resources, including rainfall, river flow, groundwater and flood levels, is made available.
- Information on the life-supporting capacity of water (fresh and marine) is made available.
- Information on the standards for ambient air quality is made available.

### **Changes proposed**

- The level of service for science will increase in line with the need to support council activities and respond to legislative requirements. This includes building the capacity of our hydrology services, expanding our monitoring programmes and creating systems to manage the increasing amount of data we process and produce.
- The science activity group combines two activities from the most recent Long Term Plan: hydrology and state of the environment monitoring.
- The hydrology activity previously sat within the environmental services group of activities, but has been brought under the natural environment group of activities as part of the science activity.
- The state of the environment monitoring activity previously resided within the regulatory services group of activities, but has been brought under the natural environment group of activities as part of the science activity.
- The level of service statement for hydrology and the three level of service statements for state of the environment monitoring have been removed, and a new 'significant level of service statement' has been developed that brings together the main elements of the science activity and focuses on delivering that science to the community.
- The previous measures relating to state of the environment monitoring, including the specific monitoring of swimming and shellfish collection sites (and all specific measures used to monitor the life-supporting capacity of water uses and values), have been removed and replaced with measures relating to the actual monitoring and delivery of results to the community.
- A new measure relating to the production of critical data has been added.



## Proposed measures and targets

1.1.1 Information on water quantity and water resources including rainfall, river flow, groundwater and flood levels is made available

1.1.2 Information on the life-supporting capacity of water (fresh and marine) is made available

1.1.3 Information on the standards for ambient air quality is made available

How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of time that flood-level monitoring is accurate (to enable flood warnings to be developed) and is made available to the community	New measure	100%			
Percentage of NRC environmental networks monitored for water quality and quantity, and ecology, with results made available to the community	New measure	100%			
Percentage of time that continuous monitoring of air sheds is achieved, with any exceedances of National Environmental Standards reported and made available to the community	New measure	100%			
Percentage of data from routinely monitored sites that meets quality standards and is made available to the community within 12 months of collection	New measure	90% or more			

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity.

### Providing quality data:

- Ensuring we collect data of high quality and integrity is critical to providing quality advice, informing decisions, and achieving compliance with national environmental monitoring standards. We are investing in tools that allow us to carry out continuous and automated data collection and processing: \$95,000 is budgeted in 2021/22 and 2022/23, \$30,000 in 2023/24 and 2024/25, and \$25,000 each year following. Capital spend of \$25,000 is also budgeted in 2021/22.
- Data underpins a massive amount of the work we do, and we are planning to fund additional data management officers to ensure our data is meeting environmental monitoring standards and that it is relevant, timely and easily accessible. We've budgeted \$73,000 in 2021/22, \$79,000 in 2022/23 and \$158,000 each year following. Capital spend of \$2,200 is also required in 2021/22 and 2023/24 to support these roles.
- We're planning to bring a specific hydrology data officer on board, at a cost of \$90,000 in 2023/24 and \$89,000 each year following, with \$2,200 of capital spend in 2023/24, to carry out audits of all flow, stage and rainfall data. This will ensure high-quality data is ready and available when needed to inform us about our water resources, and for drought and flood analyses.
- We have a large quantity of historic environmental records that we need to digitise and safeguard. We've budgeted \$35,000 in 2023/24 to do this.

### Monitoring water health and responding to legislation:

- People need to know if water is clean and safe enough for swimming. We are upgrading our recreational bathing system to provide real-time reports and future water-quality predictions at swimming sites, at a cost of \$10,000 in 2021/22 and \$45,000 each year following, with capital spend of \$95,000 budgeted in 2021/22.
- To support all the hydrology work we do, we're planning to bring a junior hydrology officer on board; the budgeted cost is \$60,000 in 2022/23 and \$58,000 each year following. To support this role, there'll also be capital spend of \$2,200 in 2022/23.
- In response to the National Policy Statement and National Environmental Standards for Freshwater Management, we need to employ a freshwater ecologist. This will allow us to better understand freshwater ecology, meet national requirements, and assess the ecological impacts of climate change. We've budgeted \$95,000 for this in 2023/24 and \$94,000 each year following, as well as capital spend of \$2,200 in 2023/24 to support this role.
- Parts of our existing monitoring network are more than 20 years old. It's time to adopt an updated and improved freshwater monitoring network, which will deliver better freshwater quality and ecology monitoring programmes. We've allocated \$71,000 in 2021/22, \$154,000 in 2022/23 and \$153,000 each year following for this project. We've also allocated capital spend of \$12,000 in 2022/23 and 2024/25, and \$10,000 in 2027/28 and 2030/31.
- Another piece of our work that needs to be upgraded to meet national policy changes is our lake monitoring programme; we're proposing to revise it with better, more frequent monitoring at a greater number of key sites. This will cost \$167,000 in 2022/23, \$244,000 in 2023/24 and \$243,000 each year following.
- We need to carefully monitor, investigate and model the impacts of water allocation regimes on ecosystem health. We're planning to employ a water resources scientist to carry out ecological impact assessments. This will cost \$115,000 in 2021/22 and \$114,000 each year following. To support this role, capital spend of \$2,200 is also required in 2021/22.

### Water resilience:

- We're planning to hire another groundwater monitoring officer to help us monitor and understand dune lakes, explore conductivity in coastal groundwater to watch for warning signs of saltwater intrusion during dry periods, and keep an eye on consented water takes. This will cost \$79,000 a year from 2022/23, and drop to \$44,000 a year from 2025/26 when user fees will begin to cover some of the cost. Capital spend of \$2,200 is also required in 2022/23 to support this role.
- A water allocation tool will help us monitor, investigate and model the impacts of water allocation on ecosystem health. We've set aside \$40,000 a year for this.
- To understand the resilience of Northland's freshwater ecosystems in response to climate change, we're planning a targeted project involving research of historical records together with long-term monitoring at key sites. This will cost \$50,000 in 2024/25, with capital spend of \$155,000 in 2023/24 and \$10,000 each year following.
- We're planning a financial contribution to a project aimed at gaining a better understanding of the Aupouri aquifer and surrounding surface water, to guide decision making and security of supply. This project is receiving a significant amount of funding from the Provincial Growth Fund, and our contribution is \$100,000 in 2021/22 and \$150,000 in 2022/23.
- In order to support the step-change in work within the science team, we need to increase the general operating budget, which covers costs such as summer students, annual subscriptions for telemetered equipment, training and consultants. We've budgeted \$160,000 in 2021/22, \$232,000 in 2022/23, \$248,000 in 2025/26 and \$235,000 every other year to cover these costs for the entire science team.

We propose to fund the cost increase for providing this service from the land and freshwater rate, flood infrastructure rate and the civil defence and hazard management rate.

### Capital spend only:

- We're making sure we have new capital spend in the budget to update and replace assets and equipment for coastal water quality and hydrology programmes, so our people can do their work safely and effectively. This also means that in some cases we can get better data, and spend less time doing it. For this, we've budgeted \$113,000 of capital spend in 2022/23, \$292,000 in 2023/24, \$12,000 in 2025/26, \$178,000 in 2028/29, \$105,000 in 2029/30 and \$151,000 in 2030/31.
- We're proposing to install new groundwater monitoring stations to improve our data collection and quality, so we can better assess risks, supply resilience and the impact of climate change. The capital cost will be \$60,000 in 2022/23.
- A high-resolution digital river network model will generate longer-term and more detailed information about Northland's rivers, meaning we can provide better advice to landowners. We propose \$80,000 of capital spend for this in 2021/22 and \$20,000 in 2022/23.
- In response to the National Policy Statement for Freshwater Management, we need to set limits for freshwater resources at a catchment scale. A GIS-based high-resolution land use GIS (Geographic Information System) layer is crucial to allow us to do this. We've budgeted capital spend of \$160,000 in 2021/22 to enable this.
- We need to extend our hydrometric network so we have good, continuous data on in-stream contaminants, to help us provide sound advice on resource allocation, and to meet the requirements of the National Policy Statement for Freshwater Management. For new telemetered flow stations, we've budgeted capital spend of \$72,000 in 2022/23 and \$54,000 in 2023/24 and 2024/25.

We propose to fund this capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

## 1.2 Catchment management

It is proposed that the following service is provided:

Improved water quality is advanced through advice and funding to support sustainable land management.

### Changes proposed

- The level of service for catchment management is proposed to increase in line with the need to support council activities and respond to legislative requirements. This includes our support for the Kaipara Moana Remediation Programme, continued expansion of our Flyger Road poplar nursery, more soil monitoring and mapping, providing support to landowners developing freshwater farm plans, and more financial support for catchment management work.
- The catchment management activity was previously named the land and water activity. At that time, it sat within the environmental services group of activities, which is now the natural environment group of activities.
- The level of service statement for catchment management has been re-worded to reflect a more tangible outcome for the community.
- Previous measures relating to farm environment plans and kilometres of waterway margins protected have been removed as they are no longer considered to be the most relevant or accurate way of measuring progress made. New measures have been added relating to the use of our Environment Fund, and delivery of the Kaipara Moana Remediation Project.

### Proposed measures and targets

1.2 Improved water quality is advanced through advice and funding to support sustainable land management					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Number of subsidised poplar poles provided for erosion-prone land by the council-owned nursery	4,616 poles – not achieved	5,000	7,000	9,000	25,000
The percentage of Environment Fund allocation (in dollar value) that proceeds to completion of successful projects that meet council objectives	New measure	95% or more			
Successful delivery of Kaipara Moana Remediation Project workplan milestones through the contribution of financial, governance, staff and technical support	New measure	100% of milestones (as set out in the project workplan)			
Percentage of routinely monitored river sites with a Water Quality Index (WQI) score of 'Excellent' or 'Good'	New measure	Maintain or increase			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We're contributing a large amount to the Kaipara Moana Remediation Programme, a joint partnership programme that aims to halve the sediment loss from land to sea via the Kaipara Harbour. Our overall contribution to the programme will be \$1.6 million, including our existing operations, staff time and proposed

new spend of \$585,000 a year to support the programme. In addition, we're proposing to allocate \$311,000 in 2022/23 and 2023/24 to support work in other catchments across the region, through our environmental fund.

- Our successful poplar and willow nursery is a key component of our soil conservation strategy, and has been progressively expanding to keep up with demand. We're suggesting some additional spend to meet future demand and ensure we have enough stock ready to go: \$57,000 is budgeted in 2021/22, \$66,000 in 2022/23 and \$16,000 in 2023/24 to support operations. For the next six years beyond this, the spend fluctuates between \$76,000 and \$174,000 a year. As part of this, we're also planning capital spend of \$777,000 in 2021/22 and \$250,000 in the two years following, then \$26,000 a year of capital spend from 2027/28.
- Recent changes to central government policies and regulations are changing the way our land team works. We need to shift from the delivery of traditional farm plans to a more catchment-based model, working with groups of landowners in catchments to create Catchment Action Plans and implement the required work. To support this change, we've budgeted \$50,000 in 2022/23, \$80,000 in 2023/24 to 2025/26, \$60,000 from 2026/27 to 2029/30, and \$40,000 in 2030/31. We're also planning capital spend of \$12,500 in 2021/22 and 2022/23, and \$15,000 in 2023/24 and 2024/25.
- We've budgeted an extra \$30,000 a year from 2024/25 to provide extra support to landowners as they undertake freshwater farm planning as required by new government legislation. Capital spend of \$250,000 is proposed in 2022/23 and 2023/24.
- The health of our soils is critical to the health of our environment and also to many livelihoods. We're proposing new spend of \$230,000 a year up until 2025/26, and then \$10,000 each year following to meet our national policy obligations by expanding our soil quality monitoring network, and gather high-resolution data via a soil mapping (S-map) survey. \$1,000 of capital spend is also proposed in 2021/22.
- To better understand, protect and restore Northland's wetlands, we propose to spend \$125,000 in 2024/25 and 2025/26 to carry out comprehensive wetland mapping.

We propose to fund the cost increase of providing this service from the **land and freshwater rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.



## 1.3 Biodiversity

It is proposed that the following service is provided:

Indigenous biodiversity and ecosystems are maintained and enhanced, particularly around our rivers, lakes, wetlands and coastal margins.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The biodiversity activity previously sat within the environmental services group of activities, which is now the natural environment group of activities.
- The level of service statement has been re-worded slightly to be more outcome based.
- The current measures relating to wetland projects funded by our Environmental Fund and freshwater improvement objectives have been replaced with a measure relating to work carried out under the Northland Lakes Strategy.

### Proposed measures and targets

1.3 Indigenous biodiversity and ecosystems are maintained and enhanced, particularly around our rivers, lakes, wetlands and coastal margins					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Number of plants provided through CoastCare programme	12,962 - achieved	14,000	15,000	16,000	20,000
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management <sup>(1)</sup> with stock excluded	New measure	20 lakes			

1. Active management includes basic care standards for lakes: nutrient management, ecological monitoring, submerged weed surveillance, and weed and pest control if necessary

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- To cover the staff and operational costs associated with developing and implementing a Biodiversity Action Plan, a budget of \$82,000 is planned for 2021/22, increasing to \$109,000 from 2022/23 onwards. This will align with new central government policy requirements, and will enable us to prioritise and expand work programmes where they're most needed. We've also planned \$2,200 of one-off capital spend to support the required new staff role.
- Our coastal environments are under threat from dangerous behaviour, such as vehicles on beaches. We're proposing an additional staff member and extra operational spend to expand our existing programme and enable a coordinated, ongoing approach to reducing the impacts of this behaviour, and expand our CoastCare programme. Our Taitokerau Coastal Kaitiaki programme will cost \$85,000 in 2021/22, increasing to \$90,000 in 2022/23 and each year following.
- We're proposing to spend \$20,000 in 2024/25 to deliver a collaborative Regional Biodiversity Strategy implementation plan, which will bring together the work being done by different agencies across the region, and align with central government policy.

We plan to fund the cost increase for providing this service from the **land and freshwater rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

## 1.4 Biosecurity

It is proposed that the following services are provided:

- Community involvement in pest management is promoted in both urban and rural environments through successful implementation of initiatives in the regional pest management plan.
- The introduction and spread of marine pests is slowed through inter-regional management.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The biosecurity activity previously sat within the environmental services group of activities, which is now the natural environment group of activities.
- The level of service statement has been divided into two elements and expanded to include pest management in urban environments, link up with the regional pest management plan, and reference inter-regional management.
- The current measure relating to the increase in kiwi populations has been removed, as it was largely out of council's control.

### Proposed measures and targets

1.4.1 Community involvement in pest management is promoted in both urban and rural environments through successful implementation of initiatives in the regional pest management plan					
1.4.2 The introduction and spread of marine pests is slowed through inter-regional management					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	10,953 ha increase - achieved	5000 ha annually			
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2,048 hulls inspected - achieved	2000 hulls annually			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We're working with other regional councils to develop a cohesive approach to managing marine pests, and have budgeted \$100,000 in 2021/22 towards this work. That includes the cost of growing these partnerships, developing an Inter-regional Marine Pathway Management Plan, and developing a centralised database for vessels to support the plan and help vessel owners and councils keep track of hull assessments and risks. The database will have an ongoing cost of \$25,000 a year from 2022/23.
- We're responding to an incursion of the invasive marine pest *Sabellia spallanzanii* (Mediterranean fanworm) in Ōpua. We're continuing our efforts to eradicate the pest in conjunction with regular surveys to keep tabs on the programme's success. We're proposing to spend \$314,000 in 2021/22 and \$124,000 for the three years following to carry out this work.
- We're boosting funding by \$110,000 a year to stay on top of low-incidence pest plants, and move closer to eradicating some of these species from the region.

- Northland's mighty kauri are at risk from kauri dieback, and we are increasing funding to help manage this disease. We're proposing extra spend of \$438,000 in 2022/23, increasing to \$536,000 in 2023/24, \$818,000 in 2024/25 and \$866,000 from 2025/26 onwards. This will fund the staff and operational costs of vector control programmes (controlling the pigs, goats and cattle that spread the disease) and increased surveillance through soil sampling so we can see where the biggest issues are. Also proposed is \$4,400 of capital spend in 2022/23 and 2024/25 to support the new roles.
- To fund work to eradicate feral deer from Northland, we propose spending \$190,000 a year from 2022/23 to 2024/25, increasing to \$290,000 a year from 2025/26. This will include a new team member to manage the programme of work; \$2,200 of capital spend is budgeted in 2022/23 to support this role.
- We're planning to better resource our work to support the community in the fight against pest plants, with \$53,000 budgeted in 2021/22, increasing to \$81,000 over the two following years, and then to \$162,000 from 2024/25 onwards as we hire new staff to expand the team. This will enable us to provide the type of support we currently provide for community-led animal pest-focused work. \$2,200 of capital spend is also proposed in 2021/22 and 2024/25 to support the new roles.
- To boost funding and cover shortfalls in the multi-agency Predator Free Te Taitokerau project, we propose spending \$100,000 in 2021/22, increasing to \$200,000 in 2022/23 and \$300,000 each year following. This will enable landscape-scale predator control including possums, rats and mustelids.

We propose to fund the cost increase of providing this service from the **pest management rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

## 1.5 Planning and policy

It is proposed that the following service is provided:

Good management of Northland's environment is supported by up-to-date legislative planning documents based on sound evidence and processes.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The planning and policy activity previously sat within the regulatory services group of activities, but has been brought under the natural environment group of activities.
- The level of service statement has been re-worded to be more outcome based, and focus on quality planning.
- The current measures relating to developing a regional plan and policy statement have been replaced with a more focussed measure relating to meeting legislative requirements.

### Proposed measures and targets

1.5 Good management of Northland's environment is supported by up-to-date legislative planning documents based on sound evidence and processes					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of environmental planning legislative requirements achieved each year	New measure	100% of requirements met			

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- Council has the option of proposing a new coastal occupation charge for structures in the coastal marine area. We've budgeted an extra \$80,000 in 2021/22 and 2022/23 to adequately cover the costs of this process.
- In response to new government requirements set out in the National Policy Statement for Freshwater Management, we need to make changes to our Regional Plan for Northland. We're budgeting an extra \$255,000 in 2022/23 for this process.
- The National Policy Statement for Freshwater Management includes the concept of Te Mana o Te Wai which directs regional councils to provide for greater involvement of tangata whenua in freshwater management. We're anticipating what the cost of implementing Te Mana o Te Wai will be, and are proposing new spend of \$250,000 a year from 2022/23.

We propose to fund the cost increase of providing this service from the **council services rate**. No capital spend is planned.

## 1.6 Consents

It is proposed that the following service is provided:

Processing and administering of resource consents is efficient and effective.

### Changes proposed

The level of service provided remains unchanged. While it previously resided within the regulatory services group of activities, the consents activity has been brought under the natural environment group of activities, and there has been a slight re-wording of the level of service.

### Proposed measures and targets

1.6 Processing and administering of resource consents is efficient and effective					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of all resource consent applications that are processed within the statutory timeframes	100% - achieved	100%			

## Changes to the cost of delivering services

There are no material changes to the cost of delivering the consents activity.

No capital expenditure is proposed for the consents activity.

## 1.7 Compliance monitoring

It is proposed that the following service is provided:

Compliance monitoring of resource consents, and response to reported environmental incidents, is timely and effective.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The compliance monitoring activity previously sat within the regulatory services group of activities, but has been brought under the natural environment group of activities.
- The level of service statement has been combined and re-worded to be more outcome based with an added focus on timeliness.
- The current measures relating to specific elements of monitoring have been replaced with a measure of overall consent monitoring. The measure relating to the resolution of environmental incidents has been broadened to include all incidents, not just those with more than minor effects.

### Proposed measures and targets

1.7 Compliance monitoring of resource consents, and response to reported environmental incidents, is timely and effective					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of consents that are monitored as per the council's consent monitoring programme	New measure	90% or more			
Percentage of environmental incidents reported to the Environmental Hotline resolved within 30 working days	New measure	80% or more resolved within 30 working days			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We're proposing to expand our compliance monitoring team in response to new requirements from central government, primarily around freshwater. This will cost an extra \$95,000 in 2021/22, \$228,000 in 2022/23 and \$226,000 each year following. \$8,800 of capital spend has also been budgeted across the first two years to support the new staff positions required.

We propose to fund the increased cost of providing this service from user fees and charges, the land and freshwater rate, capital expenditure from council's retained earnings, and depreciation from the council services rate.



## Northland Regional Council: Funding impact statement for 2021–2031 for natural environment group activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operating funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	15,996	19,930	22,219	23,569	24,499	25,426
Grants and subsidies for operating purposes	3,181	14,588	11,789	10,067	9,812	9,050
Fees Charges and targeted rates for water supply	2,512	2,640	2,841	3,067	3,039	3,128
Internal charges and overheads recovered		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	32	64	96	129
Debt Funding		1,167	1,167	1,167	1,167	1,167
<b>Total operating funding</b>	<b>21,689</b>	<b>38,325</b>	<b>38,048</b>	<b>37,934</b>	<b>38,613</b>	<b>38,900</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	18,940	34,948	34,910	34,038	34,864	34,420
Finance costs	-	29	58	88	117	146
Internal charges and overheads applied	8,924	8,754	9,231	9,438	9,644	9,828
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>27,864</b>	<b>43,731</b>	<b>44,199</b>	<b>43,564</b>	<b>44,625</b>	<b>44,394</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>(6,175)</b>	<b>(5,406)</b>	<b>(6,151)</b>	<b>(5,630)</b>	<b>(6,012)</b>	<b>(5,494)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	609	1,242	1,230	857	202	264
- To replace existing assets	425	111	177	449	126	257
Increase/(Decrease) in reserves	-	(611)	(609)	(686)	(602)	(599)
Increase/(Decrease) in investments	(7,209)	(6,148)	(6,949)	(6,250)	(5,738)	(5,416)
<b>Total applications of capital funding</b>	<b>(6,175)</b>	<b>(5,406)</b>	<b>(6,151)</b>	<b>(5,630)</b>	<b>(6,012)</b>	<b>(5,494)</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>6,175</b>	<b>5,406</b>	<b>6,151</b>	<b>5,630</b>	<b>6,012</b>	<b>5,494</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operating funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
25,740	27,100	27,949	28,613	28,796	Targeted rates (other than targeted water rates)
9,050	50	50	50	50	Grants and subsidies for operating purposes
3,308	3,339	3,405	3,602	3,642	Fees Charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
162	195	230	267	307	Local authorities fuel tax, fines, infringement fees and other receipts
1,167					Debt Funding
<b>39,427</b>	<b>30,684</b>	<b>31,634</b>	<b>32,532</b>	<b>32,795</b>	<b>Total operating funding</b>
<b>Applications of operating funding</b>					
34,792	25,810	26,591	27,487	28,079	Payments to staff and suppliers
175	175	175	175	175	Finance costs
10,415	11,289	11,551	11,872	11,855	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
<b>45,382</b>	<b>37,274</b>	<b>38,317</b>	<b>39,534</b>	<b>40,109</b>	<b>Total applications of operating funding</b>
<b>(5,955)</b>	<b>(6,590)</b>	<b>(6,683)</b>	<b>(7,002)</b>	<b>(7,314)</b>	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	-	-	- To meet additional demands
83	183	246	101	109	- To improve levels of service
160	149	202	129	176	- To replace existing assets
(676)	604	640	597	716	Increase/(Decrease) in reserves
(5,522)	(7,526)	(7,771)	(7,829)	(8,315)	Increase/(Decrease) in investments
<b>(5,955)</b>	<b>(6,590)</b>	<b>(6,683)</b>	<b>(7,002)</b>	<b>(7,314)</b>	<b>Total applications of capital funding</b>
<b>5,955</b>	<b>6,590</b>	<b>6,683</b>	<b>7,002</b>	<b>7,314</b>	<b>Surplus/(Deficit) from capital funding</b>
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>FUNDING BALANCE</b>

# Manawaroa te hāpori

## Community resilience

**Hei aha te mea nui i tenei Ao? He tangata, he tangata, he tangata**

*What is the greatest thing in the world? It is people, it is community*

Northland's awe-inspiring geography provides us with places to visit, play and make a living, but it also makes us vulnerable to high-intensity rainfall, drought and other hazards. The region covers a significant area, on land and out on the water. Council is continually working to improve Northland's safety and resilience, and stay one step ahead of the next challenge we're likely to face.

Our community resilience group of activities pulls together different aspects of resilience. This mahi involves our efforts to keep people safe on the roads and on the water; identifying, assessing and providing information on natural hazards, in particular working to protect Northland communities from flood hazards; preparing for climate change and emergency situations, and responding when we need to. All these activities rely heavily on collaboration with our communities, tangata whenua, other agencies and landowners to achieve shared goals.

Through our community resilience group of activities, we're working to:

- Collaborate with communities to identify and map areas at risk of flooding, develop strategies to reduce and mitigate the risk as much as possible, and guide future development.
- Coordinate climate change adaptation planning across Northland, while investigating, mapping and planning for the natural hazards we already face.
- Work in partnership with other agencies to reduce the risk of major natural hazards that can have a big impact on the region, and ensure we are ready, we know how to respond, and we can recover as quickly as possible.
- Ensure the risk of oil spills is reduced, and the impact of any spill is safely minimised with the smallest possible impact on the marine environment.
- Manage our ports and harbours safely, providing guidance to those out on the water and responding to maritime incidents and other issues.
- Ensure there is a region-wide approach to transport planning and safety, and people can move around the region on buses and Total Mobility services.

The community resilience group of activities includes the following:

- Flood protection. This is required as a group of activities on its own under the Local Government Act, but is included here as part of the community resilience package. It has a separate funding impact statement at the end of this section.
- Climate change resilience.
- Emergency management.
- Oil pollution response.
- Harbour safety and navigation.
- Transport.

## These activities contribute to the following council community outcomes:

- Resilient, adaptable communities in a changing climate.
- Safe and effective transport networks connecting our region.

Any significant negative effects to the community as a result of delivering the community resilience activity have been identified and addressed. For flood protection schemes, cost-benefit analyses are used to determine the negative effects on the community and identify the level of risk that the community is willing to accept.

### Changes to levels of service

The proposed level of service provided by each of the activities in the community resilience group has either remained the same or increased during the development of this Long Term Plan. Changes are also proposed to the way we group and measure these activities:

- The activities included in the community resilience group previously sat under the customer services and community resilience (emergency management, oil pollution response, harbour safety and navigation, and transport), and environmental services (climate change resilience, previously called natural hazards), groups.
- The flood protection activity was previously known as the river management group of activities. It is now included in the community resilience group, but retains its own funding impact statement as a technicality.

### Changes to costs

The cost of delivering the levels of service for the community resilience group of activities is proposed to change significantly in this Long Term Plan. New work proposed across the activities would mean \$6.7 million of new operational spend (including repayment of some capital costs), and \$14.7 million of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates are assessed. They are considered here as a material change to the cost of this service.

This change in cost has occurred as council continues to respond to and mitigate risks, plan for projected effects of climate change, and ensure the organisation is future-proofed for these challenges. We're also responding to a drive towards being more carbon neutral and providing alternative modes of transport for the community.

## 2.1 Flood protection

It is proposed that the following service is provided:

Life and property are protected by the building, monitoring and maintenance of flood schemes.

### Changes proposed

- The level of service for flood protection is proposed to increase in line with completing new flood infrastructure.
- River management was previously treated as a group of activities on its own. It has been brought under the community resilience group of activities, where it is a natural fit. However a funding impact statement for the activity has been retained, which can be found at the end of the community resilience section of this document.
- The level of service statement has been re-worded slightly to be more outcome focused.
- The current measure has been expanded to include new planned flood works in Panguru and Otiria/Moerewa.

### Proposed measures and targets

2.1 Life and property are protected by the building, monitoring and maintenance of flood schemes					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Number of flood events occurring as a result of failures of flood protection systems below specified design levels, for the Awanui, Whangārei, Kāeo, Panguru and Otiria/Moerewa schemes	Zero	Zero			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- To fund repayment of the Kawakawa flood mitigation stopbank, we've budgeted \$250,000 of capital spend in 2024/25 and \$1.25 million of capital spend in 2025/26, which would be borrowed and repaid at a cost of \$135,600 a year. The increased cost will be split between the **flood infrastructure rate** and a new **targeted Taumārere rivers management rate**.
- We plan to spend \$219,400 a year to fund repayment of the Otiria-Moerewa flood mitigation spillway. There's a budget of \$1.5 million of capital spend in 2021/22, and \$3.5 million in 2022/23, with \$2.9M of this to be funded by funding from the Provincial Growth Fund. The increased cost will be split between the **flood infrastructure rate** and a new **targeted Taumārere rivers management rate**.
- To fund repayment of the Tarewa Road flood wall component of the Whangārei flood mitigation project, \$23,600 a year is proposed. We've budgeted \$251,000 of capital spend for this in 2021/22. The increased cost will be split between the **flood infrastructure rate** and the **targeted Whangārei urban river management rate**.
- The cost of the Awanui flood scheme upgrade will be reduced, and the work completed more quickly, with the help of \$8.5M of funding from the Provincial Growth Fund. \$15M of funding was approved for the project in our previous Long Term Plan, however we recently secured \$8.5M from central government for this project, meaning ratepayers will now only need to contribute \$7.2M to the project, and our borrowings for the work will be repaid in 12 years instead of 30. This decrease in cost will positively impact the **flood infrastructure rate** and the **targeted Awanui river management rate**, resulting in substantial savings for ratepayers.



## 2.2 Climate change resilience

It is proposed that the following service is provided:

Council provides proactive and coordinated planning for projected climate change and adaptation responses

### Changes proposed

- The level of service for climate change resilience is proposed to increase in line with the need to adapt to increasingly heightened impacts of natural hazards, and a legislative requirement to respond to carbon emission targets and climate change.
- The climate change resilience activity was previously named the natural hazard management activity.
- The climate change resilience (natural hazard management) activity previously sat under the environmental services group of activities.
- The previous measure relating to flood mapping has been replaced with a measure relating to the delivery on climate change plans and documents.

### Proposed measures and targets

2.2 Council provides proactive and coordinated planning for projected climate change and adaptation responses			
How we'll measure our performance	Latest result:	2021/22	2022-2024
Development, delivery and implementation of key regional climate change plans and documents	New measure	<ul style="list-style-type: none"><li>• NRC climate change strategy complete with high-level vision</li><li>• Regional climate change risk assessment and adaptation strategy developed</li></ul>	Implementation of regional adaptation strategy

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- To carry out adaptive pathway planning for the region, \$296,000 is proposed in 2021/22, \$301,000 in 2022/23 and \$505,000 in 2023/24 to 2026/27 for staff and operational resourcing. To support these new positions, \$2,200 of capital spend is budgeted in 2021/22 and \$4,400 in 2023/24.
- We're embarking on a zero-carbon transition plan, supported by a proposed \$103,000 in 2021/22, and \$126,000 in 2022/23 and 2023/24, with \$2,200 of capital spend budgeted in 2021/22 to support the new staffing position required.
- To support hapū and marae communities to develop risk management plans and resilience strategies in the face of climate change, we're proposing to spend \$182,000 in 2021/22 and \$178,000 each year following. To support a new staff member, \$2,200 of capital spend is also budgeted in 2021/22.
- Droughts are becoming more frequent, so we're proposing to set up a grant scheme to enable those people with the greatest need to be able to buy water tanks, guttering and spouting. We plan to spend \$500,000 a year on the scheme.

We propose to fund the cost increase for providing this service primarily from the **civil defence and hazard management rate**. It's planned that **council's retained earnings** will pay for the capital expenditure, and the **council services rate** will fund depreciation.

## 2.3 Emergency management

It is proposed that the following service is provided:

Communities are supported to understand, plan for and manage hazards and risks.

Changes proposed

The level of service for emergency management is proposed to increase in line with the need to deliver more effective tsunami warnings and the most efficient emergency response coordination.

- The emergency management activity was previously named the civil emergency management activity.
- The emergency management activity previously sat within the customer services and community resilience group of activities, which is now the community resilience group of activities.
- The previous level of service statements for emergency management have been removed and replaced with a new statement that more accurately represents what the activity intends to deliver.
- The current measures relating to flood warnings and emergency debriefs have been replaced with a measure relating to community engagement and community response plans.

Proposed measures and targets

2.3 Communities are supported to understand, plan for and manage hazards and risks					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of engaged communities subject to significant hazards that are supported to develop community response plans to guide their responses	New measure	100%			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We're proposing to upgrade our tsunami siren network, which is reaching the end its lifespan. For this project, there's a budget of \$1 million of capital spend in 2021/22 and 2022/23, to be combined with a district council contribution of \$1 million a year. We've budgeted \$20,000 a year from 2023/24 for testing and maintaining these sirens.
- As the frequency and scale of hazards and emergencies affecting Northland increases, we need to plan ahead in order to respond well. We've budgeted capital spend of \$5.5 million across 2022/23 and 2023/24 for a new joint emergency coordination centre to provide a central, purpose-built facility for the various agencies that work together in times of emergency response, including council staff, Fire and Emergency New Zealand, and NZ Police. Whangārei District Council are contributing \$685,000 to the cost of the project. The impact on rates will be \$501,890 from 2023/24 - \$473,000 to repay the cost of the build, and \$90,000 a year in operating costs.

We propose to fund the cost increase of providing this service from the civil defence and hazard management rate, capital expenditure from council's retained earnings, and depreciation from the council services rate.

## 2.4 Oil pollution response

It is proposed that the following service is provided:

An efficient and responsive oil pollution response is maintained.

## Changes proposed

The level of service provided for oil pollution response remains unchanged. It sits within the re-named community resilience group of activities, and there has been a slight re-wording of the level of service.

## Proposed measures and targets

2.4 An efficient and responsive oil pollution response is maintained					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Maintain a regional oil spill response plan, including a minimum of 30 up-to-date trained responders	30 responders - achieved	Maintain a minimum of 30 responders at all times			

## Changes to the cost of delivering services

There are no material changes to the cost of delivering the oil spill response activity.

## 2.5 Harbour safety and navigation

It is proposed that the following service is provided:

Regional navigational safety is maintained, and marine activities are safely managed.

## Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The harbour safety and navigation activity previously sat within the customer services and community resilience group of activities, which is now called the community resilience group of activities.
- The level of service statement has been simplified and re worded to reflect a more tangible outcome for the community.
- The previous specific measures relating to pilotage, aids to navigation and servicing of moorings have been replaced with one measure focused on safely managing marine activities.

## Proposed measures and targets

2.5 Regional navigational safety is maintained, and marine activities are safely managed					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Marine activities are safely managed, with nationally compliant Harbour Safety Management Systems that comply with the Port and Harbour Marine Safety Code Operational safety management system <sup>(1)</sup>	New measure	100% compliance			

1. Compliance with the Port and Harbour Marine Safety Code is measured by conducting an annual self-assessment and periodic peer review

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- Vital navigation aids need to be replaced. We propose spending \$20,000 in 2022/23 and 2023/24, with capital spend of \$70,000 also budgeted in 2022/23, to replace fixed steel beacons with relocatable plastic buoys.
- We need to replace our existing maritime vessel, which we use as a pilot vessel, as this is an essential piece of equipment for our harbour safety and navigation activity. We've budgeted \$100,000 of capital spend in 2021/22 for feasibility and design, and \$1.5 million of capital spend in 2022/23 to build the vessel; this cost takes into consideration money from the sale of the existing vessel. The feasibility and design study will provide more accurate final costs.
- As part of a new council initiative to recover the costs associated with dealing with and disposing of abandoned and derelict boats, \$14,175 has been budgeted each year as the rated share of the overall cost being recovered. The majority of the cost (65%) will be covered by boat users via an additional charge on moorings.

We propose to fund the cost increase of providing this service from the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

## 2.6 Transport

It is proposed that the following service is provided:

**A resilient transport network is planned for and implemented, including passenger transport services.**

Changes proposed

- The level of service for transport is proposed to increase in line with a move toward greater accessibility of public transport and fewer carbon emissions.
- The transport activity previously sat within the customer services and community resilience group of activities, which is now the community resilience group of activities.
- The two previous level of service statements have been combined into one statement that covers the activity and is more outcome-focused.
- Current measures relating to the Whangārei bus service have been replaced with a measure relating to all three bus services in Northland.
- An additional measure has been included, related to the work of the Northland Transportation Alliance, which our council is a part of.

### Proposed measures and targets

2.6 A resilient transport network is planned for and implemented, including passenger transport services					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of passengers surveyed on the Whangārei, Kaitiāia and Mid-North bus services that are satisfied with the overall service provided	New measure	90% or more compliance from 3/3 measures			
The aggregated score for Northland Transport deliverables for capital works programmes, maintenance programmes and the quality of customer experience is maintained or increased	New measure	Aggregated score is maintained or increased			

## Changes to the cost of delivering services

There are two changes to the cost of delivering this activity:

- We propose to increase the frequency of the CityLink bus service in Whangārei. Assuming the Waka Kotahi NZ Transport Agency subsidy of 54% stays in place, this is budgeted to cost \$437,000 in 2022/23, \$644,000 in 2023/24 and \$851,000 in 2024/25. Our portion would be funded by the targeted **Whangārei transport rate**.
- There's a long-term possibility of moving to electric buses for the CityLink services, a project that would cost around \$15M and take several years to implement. Further consultation will take place as we progress these investigations.



# Northland Regional Council: Funding impact statement for 2021-2031 for community resilience group activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operating funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	4,782	6,132	7,687	8,606	8,535	7,863
Grants and subsidies for operating purposes	3,321	3,560	4,097	5,029	4,591	3,619
Fees Charges and targeted rates for water supply	1,298	1,550	1,640	1,727	1,818	1,910
Internal charges and overheads recovered		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	22	38	55
Debt Funding	-	-	-	-	-	-
<b>Total operating funding</b>	<b>9,401</b>	<b>11,242</b>	<b>13,424</b>	<b>15,384</b>	<b>14,982</b>	<b>13,447</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	8,279	9,794	11,081	11,897	12,368	10,697
Finance costs	-	-	113	138	138	138
Internal charges and overheads applied	1,775	1,744	1,839	1,880	1,921	1,958
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>10,054</b>	<b>11,538</b>	<b>13,033</b>	<b>13,915</b>	<b>14,427</b>	<b>12,793</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>(653)</b>	<b>(296)</b>	<b>391</b>	<b>1,469</b>	<b>555</b>	<b>654</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	4,500	1,000	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	0	0	4,500	1,684	0	0
- To replace existing assets	36	1,100	2,618	38	38	40
Increase/(Decrease) in reserves	(60)	(60)	237	918	247	262
Increase/(Decrease) in investments	(629)	(1,336)	(2,464)	(171)	270	352
<b>Total applications of capital funding</b>	<b>(653)</b>	<b>(296)</b>	<b>4,891</b>	<b>2,469</b>	<b>555</b>	<b>654</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>653</b>	<b>296</b>	<b>(391)</b>	<b>(1,469)</b>	<b>(555)</b>	<b>(654)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operating funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
8,043	8,076	8,377	8,631	8,767	Targeted rates (other than targeted water rates)
3,601	3,605	3,609	3,614	3,618	Grants and subsidies for operating purposes
2,007	2,111	2,221	2,278	2,338	Fees Charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
73	91	111	132	154	Local authorities fuel tax, fines, infringement fees and other receipts
-	-	-	-	-	Debt Funding
13,724	13,883	14,318	14,655	14,877	<b>Total operating funding</b>
<b>Applications of operating funding</b>					
10,882	10,544	10,728	10,912	11,100	Payments to staff and suppliers
138	138	138	138	138	Finance costs
2,075	2,249	2,301	2,365	2,362	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
13,095	12,931	13,166	13,415	13,600	<b>Total applications of operating funding</b>
629	952	1,151	1,240	1,277	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	-	-	- To meet additional demands
0	0	1,000	1,000	1,000	- To improve levels of service
41	42	43	45	45	- To replace existing assets
278	294	312	330	350	Increase/(Decrease) in reserves
310	616	(204)	(135)	(118)	Increase/(Decrease) in investments
629	952	1,151	1,240	1,277	<b>Total applications of capital funding</b>
(629)	(952)	(1,151)	(1,240)	(1,277)	<b>Surplus/(Deficit) from capital funding</b>
-	-	-	-	-	<b>FUNDING BALANCE</b>

## Northland Regional Council: Funding impact statement for 2021–2031 for river management

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operating funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	4,079	4,485	4,682	4,819	4,968	5,036
Grants and subsidies for operating purposes	-	3,941	5,140	-	-	-
Fees Charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	9	5	5	4	3	3
Local authorities fuel tax, fines, infringement fees and other receipts	36	37	84	122	164	217
Debt Funding						
<b>Total operating funding</b>	<b>4,124</b>	<b>8,468</b>	<b>9,911</b>	<b>4,945</b>	<b>5,135</b>	<b>5,256</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1,456	1,447	1,594	1,676	1,717	1,749
Finance costs	589	452	522	501	491	517
Internal charges and overheads applied	546	554	584	597	610	622
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>2,591</b>	<b>2,453</b>	<b>2,700</b>	<b>2,774</b>	<b>2,818</b>	<b>2,888</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>1,533</b>	<b>6,015</b>	<b>7,211</b>	<b>2,171</b>	<b>2,317</b>	<b>2,368</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	3,116	2,468	3,568	-	300	1,500
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>3,116</b>	<b>2,468</b>	<b>3,568</b>	<b>-</b>	<b>300</b>	<b>1,500</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	3,351	6,703	8,784	4	300	1,500
- To replace existing assets	104	-	-	-	-	-
Increase/(Decrease) in reserves	1,059	5,158	6,210	1,020	1,181	1,199
Increase/(Decrease) in investments	135	(3,378)	(4,215)	1,147	1,136	1,169
<b>Total applications of capital funding</b>	<b>4,649</b>	<b>8,483</b>	<b>10,779</b>	<b>2,171</b>	<b>2,617</b>	<b>3,868</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>(1,533)</b>	<b>(6,015)</b>	<b>(7,211)</b>	<b>(2,171)</b>	<b>(2,317)</b>	<b>(2,368)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operating funding</b>					
-	-	-	-	-	General rates, uniform annual general charges, rates penalties
5,081	5,125	5,171	5,218	5,265	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
-	-	-	-	-	Fees charges and targeted rates for water supply
2	1	-	-	-	Internal charges and overheads recovered
269	323	380	439	499	Local authorities fuel tax, fines, infringement fees and other receipts
5,352	5,449	5,551	5,657	5,764	<b>Total operating funding</b>
<b>Applications of operating funding</b>					
1,797	1,793	1,841	1,903	1,963	Payments to staff and suppliers
507	495	489	510	512	Finance costs
659	714	731	751	750	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
2,963	3,002	3,061	3,164	3,225	<b>Total applications of operating funding</b>
2,389	2,447	2,490	2,493	2,539	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
250	200	300	1,222	600	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
250	200	300	1,222	600	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	-	-	- To meet additional demands
252	200	300	1,222	600	- To improve levels of service
-	-	-	-	-	- To replace existing assets
1,227	1,273	1,310	1,311	1,334	Increase/(Decrease) in reserves
1,160	1,174	1,180	1,182	1,205	Increase/(Decrease) in investments
2,639	2,647	2,790	3,715	3,139	<b>Total applications of capital funding</b>
(2,389)	(2,447)	(2,490)	(2,493)	(2,539)	<b>Surplus/(Deficit) from capital funding</b>
-	-	-	-	-	<b>FUNDING BALANCE</b>

# Hautūtanga ā rohe

## Regional leadership

### Mā e huru huru, ka rere te manu

#### *With support anything can be accomplished*

There's a lot we do that our community can see, touch and experience, such as trapping pests, planting plants or riding buses. But many of the things we do are less visible, yet critical to the successful operation of council. Having a good understanding of the wants and needs of Northland's people to inform strong leadership and decision-making, ensuring that we're ahead of the game with statutory obligations to Māori and that we're transparent and accessible – this underpins all that we do as regional leaders.

The regional leadership group of activities sets out what we're doing in these areas, and encompasses the essential corporate and support functions required to ensure we're running in the most efficient, accountable and legislatively compliant manner. It also captures the work we're doing to promote sustainable economic development for Northland.

Through our regional leadership group of activities, we're working to:

- Provide effective, transparent governance on behalf of the community, and be a strong advocate for Northland, while ensuring that we operate within our statutory requirements.
- Ensure we are a culturally competent council, that we uphold the Crown's Treaty of Waitangi obligations, and develop increasingly effective partnerships with Māori.
- Support sustainable economic development in Northland through promotion, investment and monitoring, championing regionally significant infrastructure, and building a business-friendly council environment.
- Keep our communities informed, and make it as simple as possible for them to get involved in our processes.
- Be accessible and make all interactions with our customers as smooth as possible.
- Ensure we have quality, future-proofed systems in place to support all the work we carry out for the environment, economy and community.

The regional leadership group of activities includes the following:

- Governance.
- Māori partnerships.
- Economic development.
- Community engagement.
- Customer services.
- Corporate excellence.

## These activities contribute to the following council community outcomes:

- Healthy waters for the environment and our people.
- Protected and flourishing native life.
- Resilient, adaptable communities in a changing climate.
- A strong and sustainable regional economy.
- Meaningful partnerships with tangata whenua.
- Safe and effective transport networks connecting our region.

There are no significant negative effects to the community anticipated as a result of delivering any of the activities within the regional leadership group of activities.

### Changes to level of service

The proposed level of service provided by each activity in the regional leadership group either remains the same or increases as a result of this Long Term Plan. Changes are also proposed to the way we group and measure these activities:

- The corporate excellence activity was previously a group of activities on its own, but has been brought under the regional leadership group of activities.
- The other activities included in the regional leadership group were previously grouped under governance and engagement (governance, Māori relationships, economic development, community engagement) and customer services and community resilience (customer services).

### Changes to costs

The cost of delivering the levels of service for the regional leadership group of activities is proposed to change significantly in this Long Term Plan. New work across the activities is incurring \$7 million of new operational spend, including repayment of some capital costs, and \$450,000 of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates is assessed. They are considered here as a material change to the cost of this service.

This change in cost has occurred in response to an increasing need for robust, reliable systems and technology to support the organisation, remain legislatively compliant and reduce cybersecurity risks, particularly as a result of Covid-19.

### Performance measures and targets

The results marked with an asterisk (\*) were not included in the council's last Annual Report and have not been audited by council's external auditors.



## 3.1 Governance

It is proposed that the following service is provided:

Council maintains effective, open and transparent democratic processes.

### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The governance activity previously resided within the governance and engagement group of activities, but has been brought under the regional leadership group of activities.
- The previous measures relating to audit opinions on corporate plans, and the community satisfaction with decision making, have been removed as they are no longer considered to be the most relevant or accurate way of measuring progress made.

### Proposed measures and targets

3.1 Council maintains effective, open and transparent democratic processes					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of official information requests that are responded to within 20 working days	90% - not achieved	100%			
Percentage of time that elected members attend council meetings	93% - achieved	90%			

### Changes to the cost of delivering services

There are no material changes to the cost of delivering this activity.

## 3.2 Māori partnerships

It is proposed that the following service is provided:

Regional leaders have the capabilities and skills to support council's enduring relationships and active engagement with Māori.

### Changes proposed

- The level of service for Māori partnerships is proposed to increase in line with increasing demand from central government, as policies such as Te Mana o Te Wai take effect and to address pre-treaty settlement legislation.
- The Māori partnerships activity previously sat within the governance and engagement group of activities, but has been brought under the regional leadership group of activities.
- The level of service statements for Māori partnerships have been combined and re-worded as a more tangible outcome for the community.
- The previous measures relating to meetings, Treaty of Waitangi settlement legislation and pre-consultation have been removed as they are no longer considered to be the most relevant or an accurate way of measuring progress made. New measures have been added relating to treaty health checks and core cultural competency training.

## Proposed measures and targets

3.2 Regional leaders have the capabilities and skills to support council's enduring relationships and active engagement with Māori					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
An independent treaty health check is completed annually	New measure	Annual completion			
All councillors and executive leadership team participate in core cultural competency training annually	New measure	100%			

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- To fund the recently signed Manawhakahono ā rohe agreements, to give tangata whenua more opportunities to be involved in Resource Management Act processes, \$30,000 a year is budgeted.
- Employing a kaiawhina kaupapa Māori (Māori technical advisor) is proposed, to support council's commitment to partnerships with Māori. There's a budget of \$102,000 a year for this, and one-off capital spend of \$2,200.
- Starting in 2022/23, \$10,000 a year has been budgeted to support the development of Iwi and Hapū Environmental Management Plans (IHEMP).
- To support the process of introducing Māori seats in the 2022 election, as the council has voted to do, we've budgeted \$20,000 in 2021/22 and 2022/23.
- We're planning to further develop and support our cultural capacity. This involves spend of \$127,000 in 2021/22, and \$138,000 each year following to implement mātauranga Māori (Māori knowledge) across council activities, plan for systems that improve the way tangata whenua engage with council, and develop a Māori internship to build understanding and capacity across council activities. Capital spend of \$2,200 is also budgeted in 2021/22 to support the intern position.
- For the first time, we plan to carry out a 'health check' of council's legislative compliance with its Treaty of Waitangi/Te Tiriti o Waitangi obligations and best practice within the local government sector. This will be the first time we've carried out a health check of this type, so it'll cost slightly more in the first year to establish a baseline. We've budgeted \$50,000 in 2021/22, and \$25,000 each year following. In addition, \$100,000 is proposed each year from 2022/23 for implementing the health check, ensuring budget is available to make any required changes to plans, policy or other operations, as highlighted by the health check.
- Council's Te Taitokerau Māori and Council working party (TTMAC) was established in 2014, with membership comprising 21 hapū/iwi representatives and nine regional councillors. \$25,000 a year has been budgeted to increase members' allowances to recognise the increasing time, technical capability and experience required of them.

We propose to fund the cost increase of providing this service from the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

### 3.3 Economic development

It is proposed that the following service is provided:

Northland's economic wellbeing is enhanced by the coordination and delivery of economic development services, activities and funding across Northland.

#### Changes proposed

While the level of service provided remains unchanged, there are a number of changes proposed to the way we measure this activity:

- The economic development activity previously sat within the governance and engagement group of activities, and has been brought under the regional leadership group of activities.
- The level of service statement for economic development has been re-worded to include the full scope of activity carried out.
- The previous measure relating to Northland Inc's compliance with Local Government Act requirements has been removed to focus on the delivery of outputs.

#### Proposed measures and targets

3.3 Northland's economic wellbeing is enhanced by the coordination and delivery of economic development services, activities and funding across Northland					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year	69% - not achieved	100%			

#### Changes to the cost of delivering services

There are no material changes to the cost of delivering this activity.

There are changes proposed to the way in which wider economic development activity is funded, via the Investment and Growth Reserve. More information on this can be found in the 'key issues for feedback' section of this document.

### 3.4 Community engagement

It is proposed that the following service is provided:

Communities are well informed about council's work, know how to get involved, and are engaged in council processes.

#### Changes proposed

The level of service for community engagement is being maintained in line with increased services across council, and there are a number of changes proposed to the way we measure this activity:

- The community engagement activity was previously named the communications and engagement activity.
- The community engagement activity previously sat within the governance and engagement group of activities, but has been brought under the regional leadership group of activities.

- The level of service statements for community engagement have been combined and re-worded as a more tangible outcome for the community.
- The previous measures relating to Enviroschools, online subscribers and collaborative community engagement groups have been removed, as they are either too specific, no longer relevant, or are not an accurate way of measuring progress made. A new measure has been added for achievement of overall communication and engagement.

### Proposed measures and targets

3.4 Communities are well informed about council's work, know how to get involved, and are engaged in council processes					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of residents who are satisfied with overall communication, community involvement and engagement	36% sample* 25% self-selected*	Maintain or increase			

### Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We plan to employ additional staff over the first three years of the plan, to support the increased needs for engagement, communications and online services resulting from the new work proposed in this Long Term Plan. For these roles, there's a budget of \$115,000 for 2021/22, \$152,000 in 2022/23 and \$225,000 each year following. We've also budgeted \$5,600 of capital spend over the first three years to support these positions.
- To continue expanding our very successful Enviroschools programme, \$78,000 is budgeted each year for an Enviroschools support position, with an extra \$65,000 budgeted in 2024/25, \$97,500 in 2025/26, and \$127,500 each year following for delivering an Enviroschools strategy.

We propose to fund the cost increase for providing this service from the council services rate, capital expenditure from council's retained earnings, and depreciation from the council services rate.

## 3.5 Customer services

It is proposed that the following service is provided:

Council provides efficient and meaningful customer service.

### Changes proposed

The level of service provided remains unchanged. The customer services activity previously sat within the customer services and community resilience group of activities, and has been brought under the regional leadership group of activities.

### Proposed measures and targets

3.5 Council provides efficient and meaningful customer service					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Percentage of customers surveyed who are satisfied with the quality of service received following an interaction with council	58% - achieved	Maintain or increase			

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

- We're planning to develop and implement a regional accessibility strategy at a cost of \$25,000 in 2023/24 and 2024/25, increasing to \$90,000 in 2025/26 and \$100,000 every year following. We've also budgeted \$95,000 of capital spend in 2021/22 for this proposal.
- To support the expansion of our regional service centre network, we've budgeted \$10,000 a year, and \$5,000 of capital spend in 2021/22.

We propose to fund the cost increase for providing this service from the **council services rate**, capital expenditure from **council's retained earnings**, and depreciation from the **council services rate**.

## 3.6 Corporate excellence

It is proposed that the following service is provided:

Corporate systems and investment are efficient and forward-thinking to support council activities.

### Changes proposed

- The level of service for corporate excellence is proposed to increase in line with the need to support council activities, and ensure the organisation is as efficient and compliant as possible.
- Corporate excellence was previously treated as a group of activities on its own, but has been brought under the regional leadership group of activities.
- A level of service statement and measure have been added, in line with the new proposed spend on the corporate excellence activity.

### Proposed measures and targets

3.6 Corporate systems and investment are efficient and forward-thinking to support council activities					
How we'll measure our performance	Latest result:	2021/22	2022/23	2023/24	By 2030/31
Key project milestones for the council's technology solutions are met as per the project plan	New measure	2021/22 – 40% of enterprise system modules implemented 2022/23 – 100% of enterprise system modules implemented 2023/24 – Benefits realisation report completed 2024-2031 – Annual efficiency report completed			

## Changes to the cost of delivering services

There are a number of changes to the cost of delivering this activity:

Information technology upgrades:

- Implementing a new enterprise system to support all other work and improve efficiency and security, at an initial cost of \$722,000 in 2021/22 and 2022/23, with ongoing operating costs of \$1.12M for the following eight years. One-off capital spend of \$20,850 is also required in 2021/22 to support the three new roles required for the first two years of the project.
- The need for cybersecurity resilience increased when we began using the distributed working model, rolled out in response to the Covid-19 lockdown. \$90,000 a year is budgeted to increase council's cybersecurity resilience.

- We're upgrading the specialised regional council database system we use to manage a lot of our operations. We're working with other regional councils on the upgrade, which will cost \$134,000 in 2021/22, \$252,000 in 2022/23 and \$1.4 million in 2023/24, and \$700,000 a year after that.
- Just over \$100,000 a year is budgeted to support the collaborative work programmes being carried out through the Regional Council Collaboration group, in conjunction with Regional Software Holdings Limited.
- A project to centralise the data we collect through LiDAR (Light Detection and Ranging) surveys will cost of \$50,000 in 2021/22 and 2022/23, \$75,000 in 2023/34 and \$100,000 each year following.
- We're budgeting \$75,000 in 2022/23 for a project to ensure our data is being stored correctly and can be accessed and used easily.
- To support the significant number of upgrades we're proposing, we're budgeting \$72,000 in 2021/22, and just under \$165,000 each year following (including overheads), for business and IT resource. One-off capital spend of \$2,200 is also required in 2022/23 to support these roles.
- A lot of the work we do at council relies on mapping and geographical information, and we're seeking to build our capability in this area. We propose spending \$107,000 in 2021/22, and \$140,000 each year following, for additional specialist staff support. Supporting these roles also requires \$2,200 of one-off capital spend.

#### Other support:

- We need to ensure we can support the new staff required to carry out the extra work proposed, and have budgeted \$17,000 in 2021/22 and \$46,000 each year following to ensure we have sufficient human-resources support and vehicles. We're also budgeting \$42,000 of capital spend in 2021/22 and \$84,000 the following year for vehicles.
- We need to keep the buildings where our teams work in good repair, to keep our people safe, protect our investment and ensure the buildings are visitor friendly. We're proposing to carry out renovations to the exterior of the Water Street building in 2022/23 at a cost of \$250,000 in capital spend. In 2024/25 the exterior of our Water Street building will need painting, for which we're budgeting \$94,000.
- We're proposing to develop a regional service centre in Waipapa, with capital expenditure of \$600,000 budgeted for 2025/26, and \$4 million budgeted in 2026/27.

We propose to fund the cost increase of providing this service from the **council services rate**, capital expenditure from **council's retained earnings or property investment fund**, and depreciation from the **council services rate**.



## Northland Regional Council: Funding impact statement for 2021–2031 for regional leadership group activities

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operating funding</b>						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	6,272	6,755	8,140	10,002	10,194	10,568
Grants and subsidies for operating purposes	1,646	156	156	156	157	156
Fees Charges and targeted rates for water supply	180	256	151	154	156	159
Internal charges and overheads recovered	12,701	12,568	13,253	13,549	13,845	14,110
Local authorities fuel tax, fines, infringement fees and other receipts	7,049	15,494	10,845	11,272	11,658	11,827
Debt Funding		4,203	3,146			
<b>Total operating funding</b>	<b>27,848</b>	<b>39,432</b>	<b>35,691</b>	<b>35,133</b>	<b>36,010</b>	<b>36,820</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	21,253	22,883	23,604	37,399	23,181	23,991
Finance costs	489	261	360	730	748	757
Internal charges and overheads applied	1,447	1,509	1,591	1,626	1,662	1,694
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>23,189</b>	<b>24,653</b>	<b>25,555</b>	<b>39,755</b>	<b>25,591</b>	<b>26,442</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>4,659</b>	<b>14,779</b>	<b>10,136</b>	<b>(4,622)</b>	<b>10,419</b>	<b>10,378</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>						
<b>Capital expenditure</b>						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	7,790	8,852	3,607	3,389	3,398	995
- To replace existing assets	5,548	56	107	134	188	99
Increase/(Decrease) in reserves	(1,578)	(1,812)	(937)	(11,710)	2,741	3,281
Increase/(Decrease) in investments	(7,101)	7,683	7,359	3,565	4,092	6,003
<b>Total applications of capital funding</b>	<b>4,659</b>	<b>14,779</b>	<b>10,136</b>	<b>(4,622)</b>	<b>10,419</b>	<b>10,378</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>(4,659)</b>	<b>(14,779)</b>	<b>(10,136)</b>	<b>4,622</b>	<b>(10,419)</b>	<b>(10,378)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operating funding</b>					
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
10,921	11,022	11,434	11,776	11,943	Targeted rates (other than targeted water rates)
157	157	157	156	156	Grants and subsidies for operating purposes
162	164	168	171	174	Fees Charges and targeted rates for water supply
14,951	16,206	16,582	17,042	17,018	Internal charges and overheads recovered
12,185	14,120	16,698	13,261	16,533	Local authorities fuel tax, fines, infringement fees and other receipts
<b>Debt Funding</b>					
38,376	41,669	45,039	42,406	45,824	<b>Total operating funding</b>
<b>Applications of operating funding</b>					
23,964	25,401	27,824	25,731	28,427	Payments to staff and suppliers
744	763	778	799	820	Finance costs
1,795	1,946	1,991	2,046	2,043	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
26,503	28,110	30,593	28,576	31,290	<b>Total applications of operating funding</b>
11,873	13,559	14,446	13,830	14,534	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	-	-	- To meet additional demands
4,405	421	428	441	457	- To improve levels of service
105	63	82	147	64	- To replace existing assets
4,321	5,672	6,491	5,635	5,911	Increase/(Decrease) in reserves
3,042	7,403	7,445	7,607	8,102	Increase/(Decrease) in investments
11,873	13,559	14,446	13,830	14,534	<b>Total applications of capital funding</b>
(11,873)	(13,559)	(14,446)	(13,830)	(14,534)	<b>Surplus/(Deficit) from capital funding</b>
-	-	-	-	-	<b>FUNDING BALANCE</b>



# Te tauākī pānga pūtea Funding impact statement

## Northland Regional Council: Funding impact statement for 2021–2031 (whole of council)

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	31,128	37,302	42,728	46,996	48,196	48,892
Grants and subsidies for operating purposes	8,149	22,245	21,184	15,253	14,559	12,826
Fees charges	3,989	4,446	4,632	4,948	5,013	5,197
Interest and dividends from investments	3,776	3,282	3,370	3,438	4,045	4,214
Local authorities fuel tax, fines, infringement fees and other receipts	3,310	12,249	7,590	8,041	7,911	8,014
Debt Funding	-	5,370	4,313	1,167	1,167	1,167
<b>Total sources of operating funding</b>	<b>50,352</b>	<b>84,894</b>	<b>83,817</b>	<b>79,843</b>	<b>80,891</b>	<b>80,310</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	49,928	69,073	71,189	85,011	72,131	70,859
Finance costs	1,060	729	1,040	1,444	1,481	1,545
Other operating funding applications	-	-	-	-	-	-
<b>Total applications of operating funding</b>	<b>50,988</b>	<b>69,802</b>	<b>72,229</b>	<b>86,455</b>	<b>73,612</b>	<b>72,404</b>
<b>Surplus/(Deficit) of operating funding</b>	<b>(636)</b>	<b>15,092</b>	<b>11,588</b>	<b>(6,612)</b>	<b>7,279</b>	<b>7,906</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	3,116	2,468	8,067	1,000	300	1,500
Gross proceed from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>Total sources of capital funding</b>	<b>3,116</b>	<b>2,468</b>	<b>8,067</b>	<b>1,000</b>	<b>300</b>	<b>1,500</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	11,751	16,797	18,121	5,934	3,899	2,759
- To replace existing assets	6,113	1,267	2,901	621	353	396
Increase/(Decrease) in reserves	(579)	2,675	4,902	(10,458)	3,567	4,142
Increase/(Decrease) in investments	(14,805)	(3,179)	(6,269)	(1,709)	(240)	2,109
<b>Total applications of capital funding</b>	<b>2,480</b>	<b>17,560</b>	<b>19,655</b>	<b>(5,612)</b>	<b>7,579</b>	<b>9,406</b>
<b>Surplus/(Deficit) from capital funding</b>	<b>636</b>	<b>(15,092)</b>	<b>(11,588)</b>	<b>6,612</b>	<b>(7,279)</b>	<b>(7,906)</b>
<b>FUNDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Sources of operating funding</b>					
-	-	-	-	-	General rates, uniform annual general charges, rates penalties
49,786	51,323	52,931	54,237	54,771	Targeted rates
12,807	3,811	3,816	3,820	3,825	Grants and subsidies for operating purposes
5,479	5,614	5,794	6,052	6,153	Fees charges
4,387	4,568	4,761	4,961	5,168	Interest and dividends from investments
8,301	10,162	12,658	9,138	12,324	Local authorities fuel tax, fines, infringement fees and other receipts
1,167	-	-	-	-	Debt Funding
81,927	75,478	79,960	78,208	82,241	<b>Total sources of operating funding</b>
<b>Applications of operating funding</b>					
71,439	63,550	66,983	66,033	69,567	Payments to staff and suppliers
1,553	1,561	1,572	1,613	1,637	Finance costs
-	-	-	-	-	Other operating funding applications
72,992	65,111	68,555	67,646	71,204	<b>Total applications of operating funding</b>
8,935	10,367	11,405	10,562	11,037	<b>Surplus/(Deficit) of operating funding</b>
<b>Sources of capital funding</b>					
-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	Development and financial contributions
250	200	300	1,222	600	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Other dedicated capital funding
250	200	300	1,222	600	<b>Total sources of capital funding</b>
<b>Applications of capital funding</b>					
<b>Capital expenditure</b>					
-	-	-	-	-	- To meet additional demands
4,740	804	1,975	2,765	2,166	- To improve levels of service
306	253	327	320	285	- To replace existing assets
5,150	7,843	8,753	7,874	8,312	Increase/(Decrease) in reserves
(1,011)	1,667	650	825	874	Increase/(Decrease) in investments
9,185	10,567	11,705	11,784	11,637	<b>Total applications of capital funding</b>
(8,935)	(10,367)	(11,405)	(10,562)	(11,037)	<b>Surplus/(Deficit) from capital funding</b>
-	-	-	-	-	<b>FUNDING BALANCE</b>



This statement is GST exclusive. It is required under the Local Government Act 2002 (Schedule 10, Clause 15) and conforms to Schedule 2, Form 3 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to funding impact statements as stated in section 11(2) of the Local Government Act 2002. Key divergences from GAAP are not including depreciation; including internal charges; and combining capital and operational items in one financial statement.

#### Reconciliation to statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Capital expenditure included above not in Comprehensive Revenue and Expense	17,864	18,064	21,022	6,555	4,252	3,155
Investment movements included above not in Comprehensive Revenue and Expense	(14,805)	(3,179)	(6,269)	(1,709)	(240)	2,109
Other Gains included in Comprehensive Income not above	-	-	-	-	-	-
Gross Proceeds included above not in Comprehensive Income	-	-	-	-	-	-
Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-	-	-	-
Financial Asset fair value adjustments included in comprehensive income but not above	-	(100)	(100)	(100)	(100)	-
Proceeds from Borrowings included above not in comprehensive revenue	(3,116)	(7,838)	(12,380)	(2,167)	(1,467)	(2,667)
Transfers to/(from) special reserves included above not in comprehensive Income	(579)	2,675	4,902	(10,458)	3,567	4,142
Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-	-	-	-
Depreciation Expense included in Comprehensive Income not above	(1,839)	(1,986)	(2,270)	(2,390)	(2,433)	(2,496)
<b>Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense</b>	<b>(2,475)</b>	<b>7,635</b>	<b>4,905</b>	<b>(10,269)</b>	<b>3,579</b>	<b>4,243</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
5,046	1,057	2,302	3,084	2,451	Capital expenditure included above not in Comprehensive Revenue and Expense
(1,011)	1,667	650	825	874	Investment movements included above not in Comprehensive Revenue and Expense
-	-	-	-	-	Other Gains included in Comprehensive Income not above
-	-	-	-	-	Gross Proceeds included above not in Comprehensive Income
-	-	-	-	-	Financial Asset fair value adjustments included in comprehensive income but not above
-	-	-	-	-	Financial Asset fair value adjustments included in comprehensive income but not above
(1,417)	(200)	(300)	(1,222)	(600)	Proceeds from Borrowings included above not in comprehensive revenue
5,150	7,843	8,753	7,874	8,312	Transfers to/(from) special reserves included above not in comprehensive Income
-	-	-	-	-	Infrastructure asset revaluation adjustments included in comprehensive income but not above
(2,497)	(2,460)	(2,530)	(2,586)	(2,643)	Depreciation Expense included in Comprehensive Income not above
5,271	7,907	8,874	7,976	8,394	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense



# Ngā Reiti Rates

# Rating funding impact statement

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Excluding GST	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Operational Expenditure	50,988	69,803	72,229	72,454	73,612	72,404
Capital Expenditure	17,864	17,704	21,022	20,555	4,252	3,155
<b>Total Gross Expenditure</b>	<b>68,852</b>	<b>87,507</b>	<b>93,251</b>	<b>93,009</b>	<b>77,864</b>	<b>75,559</b>
<b>Funded By:</b>						
Council Services Rate	9,098	10,381	11,994	14,025	13,317	13,731
Land and Freshwater Management Rate	7,330	9,357	10,139	10,455	10,876	11,082
Pest Management Rate	4,583	5,735	6,524	6,922	6,923	7,880
Flood Infrastructure Rate	2,236	2,667	2,904	3,159	3,261	3,343
Emergency and Hazard Management Rate	1,635	2,878	3,650	4,122	4,112	4,205
Targeted Regional Infrastructure Rate	611	-	-	-	-	-
Targeted Regional Sporting Facilities Rate	1,385	1,385	1,385	1,385	1,385	1,385
Targeted Regional Economic Development Rate	-	611	686	835	1,017	1,238
Other Targeted Rates	4,250	4,288	4,725	6,091	6,348	5,497
Grants and Subsidies	8,149	22,245	21,176	15,245	14,551	12,826
User Charges	3,989	4,446	4,632	4,948	5,013	5,197
Rental Income	3,309	3,109	3,390	3,713	3,743	3,622
Interest Income	2,281	182	270	339	336	506
Dividend Income	1,495	3,100	3,100	3,100	3,708	3,708
Forestry Income	-	-	-	266	-	-
Borrowings	3,116	7,478	12,380	16,167	1,467	2,667
Cash Reserves from/(to)	15,385	9,645	6,296	2,237	1,807	(1,328)
<b>TOTAL FUNDING</b>	<b>68,852</b>	<b>87,507</b>	<b>93,251</b>	<b>93,009</b>	<b>77,865</b>	<b>75,559</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	Excluding GST
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
72,991	65,111	68,555	67,646	71,204	Operational Expenditure
5,046	1,057	2,302	3,084	2,451	Capital Expenditure
78,037	66,168	70,857	70,730	73,655	Total Gross Expenditure
Funded By:					
13,959	14,115	15,143	15,973	16,317	Council Services Rate
11,193	12,005	12,281	12,450	12,628	Land and Freshwater Management Rate
8,253	8,976	9,121	9,267	9,116	Pest Management Rate
3,397	3,449	3,504	3,560	3,618	Flood Infrastructure Rate
4,355	4,349	4,411	4,473	4,537	Emergency and Hazard Management Rate
-	-	-	-	-	Targeted Regional Infrastructure Rate
1,385	1,385	1,385	1,385	1,385	Targeted Regional Sporting Facilities Rate
1,507	1,547	1,588	1,631	1,674	Targeted Regional Economic Development Rate
5,497	5,497	5,497	5,497	5,497	Other Targeted Rates
12,807	3,811	3,816	3,820	3,825	Grants and Subsidies
5,479	5,615	5,795	6,053	6,152	User Charges
3,703	3,922	3,983	4,114	3,784	Rental Income
679	859	1,053	1,252	1,460	Interest Income
3,708	3,708	3,708	3,708	3,708	Dividend Income
-	1,504	3,797	-	3,365	Forestry Income
1,417	200	300	1,222	600	Borrowings
698	( 4,774)	( 4,525)	( 3,675)	( 4,011)	Cash Reserves from/(to)
78,037	66,168	70,858	70,730	73,655	TOTAL FUNDING

# Types of rates

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

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

## Uniform annual general charge

The council does not set a uniform annual general charge.

## Targeted region-wide rates

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

## Council services rate

### What it funds

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

### How it is set

The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per SUIP of a rating unit is to be assessed across the Whangārei constituency to provide \$76,164 to fund the ongoing maintenance of the Hātea River channel.

### How much is the rate?

The estimated total council services rate amounts to **\$11,938,346** for the 2021/22 financial year.

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

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

### Council services rate

District	Rate	Rateable unit
Far North	\$110.72	per SUIP
Kaipara	\$137.07	per rating unit
Whangārei	\$132.12	per SUIP



## Land and freshwater management rate

### What it funds

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

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

### How it is set

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

### How much is the rate?

The estimated total land and freshwater management rate is \$10,759,955 for the 2021/22 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

#### Land and freshwater management rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	10,277,966	11,330,594	\$36.28
Kaipara	5,946,657	5,946,657	\$33.25
Whangārei	14,155,720	15,670,377	\$36.45

## Pest management rate

### What it funds

The council uses the pest management rate to fund activities that are carried out under the Biosecurity Act 1993. This rate will fund the costs remaining after appropriate user fees and charges, grants and subsidies, and a share of investment income (where available) have been taken into account. For new activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan, consideration is given to the requirements of section 100T of the Biosecurity Act 1993. An analysis required under section 100T of the Biosecurity Act 1993 is set out below. This is a draft analysis, with any final analysis to be considered by council when setting rates in June 2021.

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

### How it is set

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

### How much is the rate?

The estimated total pest management rate amounts to \$6,594,406 for the 2021/22 financial year.

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

### Pest management rate

District	Rate	Rateable unit
Far North	\$61.55	per SUIP
Kaipara	\$76.20	per rating unit
Whangārei	\$72.49	per SUIP

### Analysis under S100T of the Biosecurity Act

Council carries out its pest management activities in accordance with its proposed Northland Regional Pest and Marine Pathway Management Plan 2017-2027. Section 100T of the Biosecurity Act requires that a regional council must decide the extent to which it funds the implementation of its regional pest and/or pathway management plan from a general rate, targeted rate, or a combination of both. The factors that council must have regard to in making this decision, and council's analysis in relation to considering the pest management rate, are set out here.

**100T(2)(a)** The extent to which the plan relates to the interests of occupiers of the properties on which the rate would be levied:

The pest management rate provides a single, clear, region-wide targeted rate for land, freshwater biosecurity activities and marine pest control activities, and for raising funds for pest control throughout Northland, and it is council's conclusion that it is in the interests of everyone in Northland as all occupiers will receive some benefit from the plan either directly or indirectly.

It is proposed that a targeted pest management rate be collected from all properties within Northland to fund land, freshwater and marine pest control activities. In total, \$6.6 million for 2021/22 would be collected (GST inclusive).

The regional pest management region-wide targeted rate applies to all property owners. In regard to marine pest inspection and response activities, the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boatsheds, commercial ports and mooring owners, and 35% funded from a combination of pest management rate, council investments and other council revenue. New marine pest incursion response activities carried out from 2021/22 will be funded by way of the pest management rate.

This is expected to raise \$986K to fund all marine pest activities in the Proposed Northland Regional Pest and Marine Pathway Management Plan 2017-2027.

**100T (2)(b)** The extent to which the occupiers of the properties on which the rate would be levied will obtain direct or indirect benefits from the implementation of the plan:

Northland ratepayers receive both direct and indirect benefits from the implementation of the Northland Regional Pest and Marine Pathway Management Plan 2017–2027, including protection of native forests and wetland ecosystems found on private land, and supporting communities who are involved in the restoration of iconic fauna such as kiwi, coastal seabirds and kākūpā.

Regarding marine pest activities, the charges will provide protection of the Northland marine environment both now and into the future from the damaging impacts of marine pests on:

- recreational and commercial fishing
- marine tourism, and
- indigenous marine biodiversity.

Regarding the Marine Pathway Plan, vessel owners will directly benefit from having cleaner hulls and a reduced risk of marine pest colonisation. Owners of aquaculture farms will also benefit from the reduced spread of biofouling and marine pests.

The extent to which the benefits are direct rather than indirect depends on how ratepayers use and appreciate the marine environment. Direct benefits may accrue to vessel owners, owners of marine structures because of less biofouling, and those who harvest kai moana.

The extent to which the benefits can be judged as direct rather than indirect depends on how ratepayers use and appreciate the environmental values that pests can affect. Direct benefits may accrue to landowners because of fewer pest plants, protection from kauri dieback disease, prevention of pest arrivals that are new to the region, reductions in marine or animal pests such as possums, stoats and rats, and increases in native biodiversity including growing kiwi populations.

**100T (2)(c)** The collective benefits of implementing the plan to the occupiers of the properties on which the rate would be levied compared with the collective costs to them of the rate:

It is considered that the collective benefits of a pest management rate outweigh the costs, and the differentiated targeted rate ensures benefits accrue across all ratepayers.

For terrestrial, freshwater, disease and marine pests, only those that have met the requirements for a positive cost-benefit analysis have been included in the Northland Regional Pest and Marine Pathway Management Plan 2017–2027. New pests not yet found in the region were also considered as part of the cost-benefit analysis, as they often require an urgent response to prevent their spread. Consequently the rate will be applied to new incursions where it is relevant to do so.

In regard to the Marine Pathway Plan, the cost-benefit analysis shows that there is a high net positive benefit of implementing this plan. In regard to other pests in the Northland Regional Pest and Marine Pathway Management Plan 2017–2019 species have been selected on the basis that they have all passed a cost benefit evaluation.

**100T (2)(d)** for the Regional Pest Management Plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the presence or prevalence of the pest/pests covered by it:

Pests can travel across property boundaries and have an impact regardless of how properties are managed, and many pests have the capability to spread rapidly. The characteristics of properties that influence their establishment and spread are highly complex and variable, and depend on biotic and abiotic factors such as access to food, suitable climate and ability to overcome predation and competition. A region-wide targeted rate enables a consistent approach across the whole region, while recognising the presence of individual pests may vary depending on the property characteristics. Therefore, this approach is considered appropriate and fit for purpose.

The characteristics of properties is not a relevant consideration in respect of marine pest activities, as this activity focuses on reducing the spread of biofouling of vessel hulls.

**100T (2)(e)** for the Marine Pathway Management Plan, the extent to which the characteristics of the properties on which the rate would be levied and the uses to which they are put contribute to the actual or potential risks associated with the pathway:

The characteristics of properties is not a relevant consideration in respect of the Marine Pathway Management Plan, which focuses on reducing the spread of biofouling of vessel hulls – so the characteristics of the properties themselves provide no contribution to the actual or potential risks.

Biofouling on vessels pose the greatest risk of marine pest transfer, and council has determined that the costs will be split in the proportions of 65% to vessel

owners and structures by way of a charge on marina berths, boat sheds, commercial ports and mooring owners, with the remaining 35% to be funded from a combination of the pest management rate, council investments and other council revenue.

## Flood infrastructure rate

### What it funds

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

### How it is set

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

### How much is the rate?

The estimated total Northland flood infrastructure rate amounts to \$3,066,498 for the 2021/22 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$31.98.

## Emergency and hazard management rate

### What it funds

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

### How it is set

The emergency and hazard management rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the

certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and on each rating unit in the Kaipara district.

### How much is the rate?

The estimated total emergency and hazard management rate amounts to \$3,309,471 for the 2021/22 financial year.

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

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

#### Emergency and hazard management rate

District	Rate	Rateable unit
Far North	\$30.89	per SUIP
Kaipara	\$38.24	per rating unit
Whangārei	\$36.38	per SUIP

## Specific targeted rates

The following specific targeted rates are for 2021/22, with the exception of the Oruku Landing fit-out rate.

### Regional sporting facilities rate

#### What it funds

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

#### How it is set

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

#### How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to **\$1,592,700** for the 2021/22 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$16.61.

#### How is the rate applied?

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

### Emergency services rate

#### What it funds

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

#### How it is set

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

#### How much is the rate?

The estimated total emergency services rate is **\$1,113,260** for the 2021/22 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.61.

#### How is the rate applied?

The emergency services rate will be applied to approved recipients.

### Regional economic development rate

#### What it funds

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

#### How it is set

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

#### How much is the rate?

The estimated total regional infrastructure rate is **\$702,725** for the 2021/22 financial year.

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

#### Regional economic development rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	10,277,966	11,330,594	\$2.37
Kaipara	5,946,657	5,946,657	\$2.18
Whangārei	14,155,720	15,670,377	\$2.39

#### How is the rate applied?

This rate is applied to the investment and growth reserve.

### Whangārei transport rate

#### What it funds

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

#### How it is set

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

#### How much is the rate?

The estimated total Whangārei transport rate is \$1,015,077 for the 2021/22 financial year. The rate will be set at \$22.99 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

#### How is the rate applied?

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

### Far North transport rate

#### What it funds

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

#### How it is set

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

#### How much is the rate?

The estimated total Far North district transport rate is \$319,712 for the 2021/22 financial year. The rate will be set at \$8.54 for each rateable separately used or inhabited part (SUIP) in the Far North district.

#### How is the rate applied?

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

### Oruku Landing fit-out rate

#### What it funds

This rate funds Northland Regional Council's contribution towards the development of Oruku Landing conference and events centre in Whangārei.

#### How it is set

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

#### How much is the rate?

The estimated total Oruku Landing fit out rate is \$0 for the 2021/22 and 2022/23 financial years. The rate for this will be set in 2023/24 and is estimated at \$1,235,852.

#### How is the rate applied?

This rate is applied 100% to the development of the Oruku Landing conference and events centre.

## Awanui River management rate

### What it funds

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

### How it is set

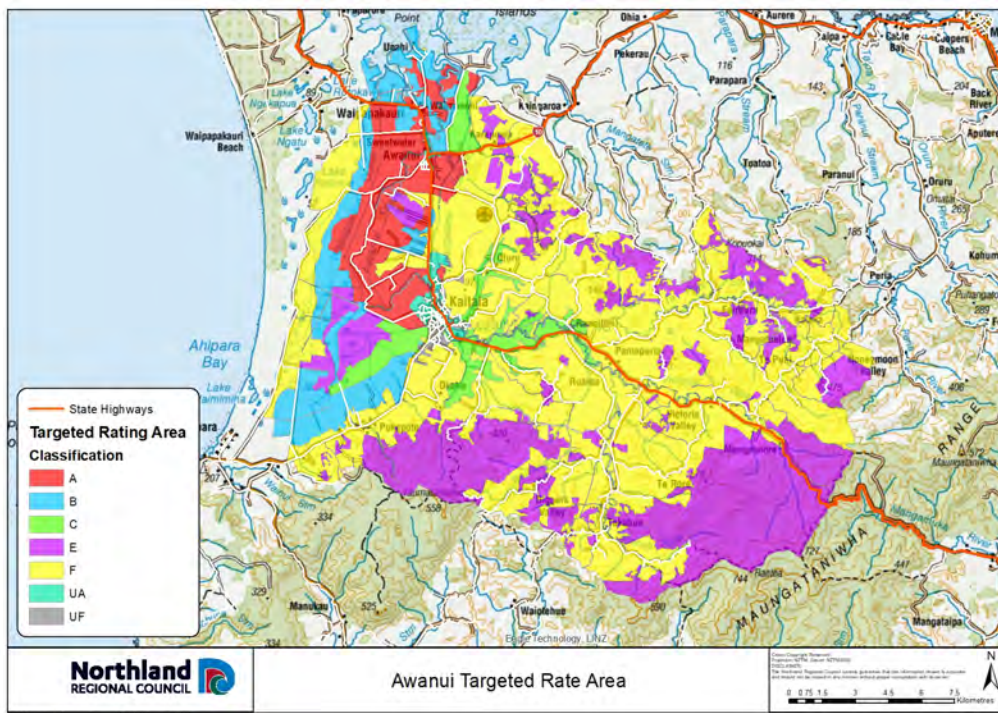
The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

<i>Awanui river management rate</i>			
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$282.55 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit.	\$310.74	Per SUIP
2	Urban rate classes UF (higher ground) \$28.19 direct benefit plus \$28.19 indirect benefit per separately used or inhabited part of a rating unit.	\$56.38	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$11.62 per separately used or inhabited part of a rating unit of indirect benefit, plus a rate per hectare for each of the following classes of land in the defined Kaitāia flood rating district as illustrated in the following maps and table.	\$11.62	Per SUIP

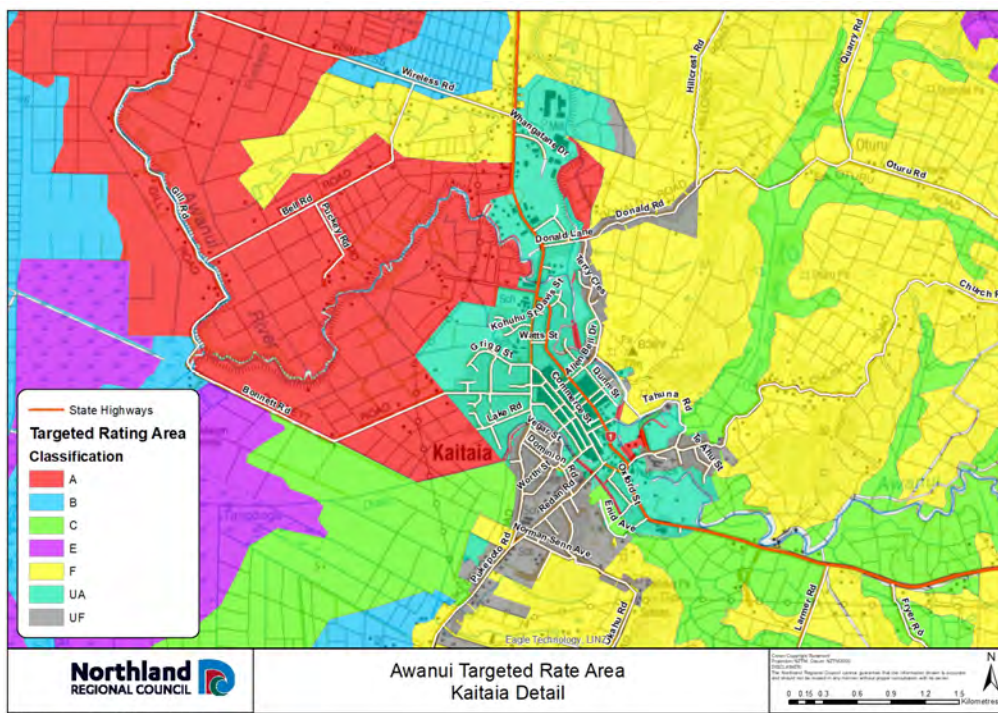
The rating classifications and the rate charged are illustrated in the following maps and table:



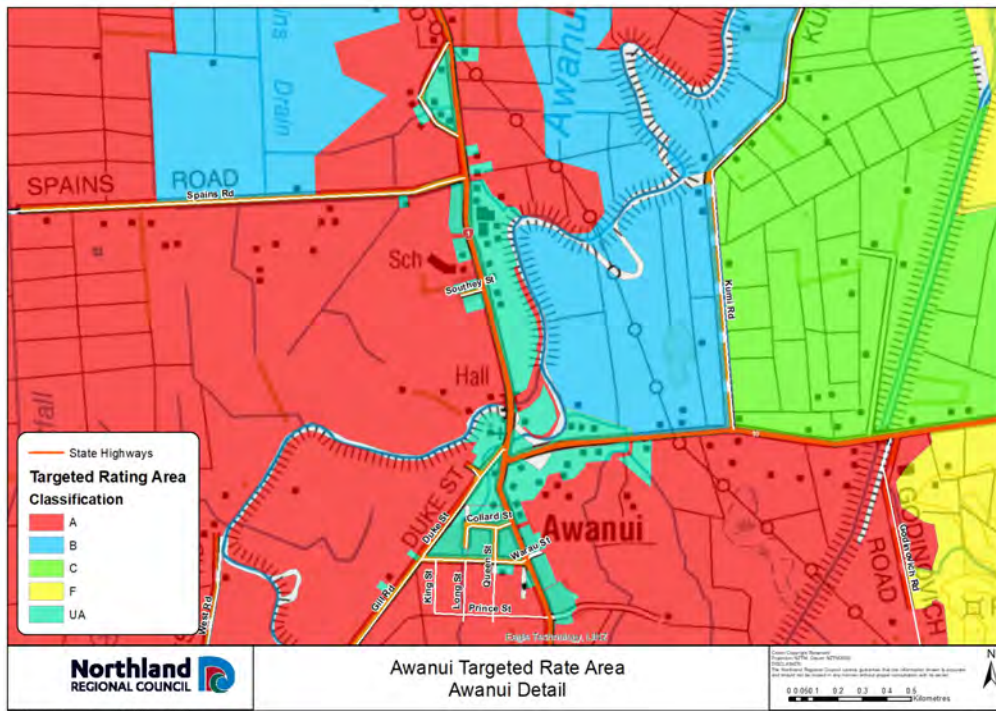
**Awanui River scheme targeted rate**



### Awanui scheme targeted rate - Kataia detail



### Awanui River scheme targeted rate – Awanui detail



### Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$23.00
C	Moderate benefit; land floods less frequently and water clears quickly.	\$10.56
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$0.76

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

## How much is the rate?

The estimated total Awanui River management rate is \$1,028,795 for the 2021/22 financial year. The revenue sought from each category of rateable land will be as follows:

<i>Awanui river management rate</i>		
Class	Rural or urban	Total revenue
A & B	Rural	\$131,380
C	Rural	\$16,906
F	Rural	\$14,539
Indirect benefit	Rural	\$20,265
Urban A	Urban	\$466,182
Urban F	Urban	\$37,492
Commercial differential	Majority urban	\$342,031
Total		\$1,028,795

## How is the rate applied?

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



## Kaihū River management rate

### What it funds

This rate funds channel maintenance works on the Kaihū River flood management scheme.

### How it is set

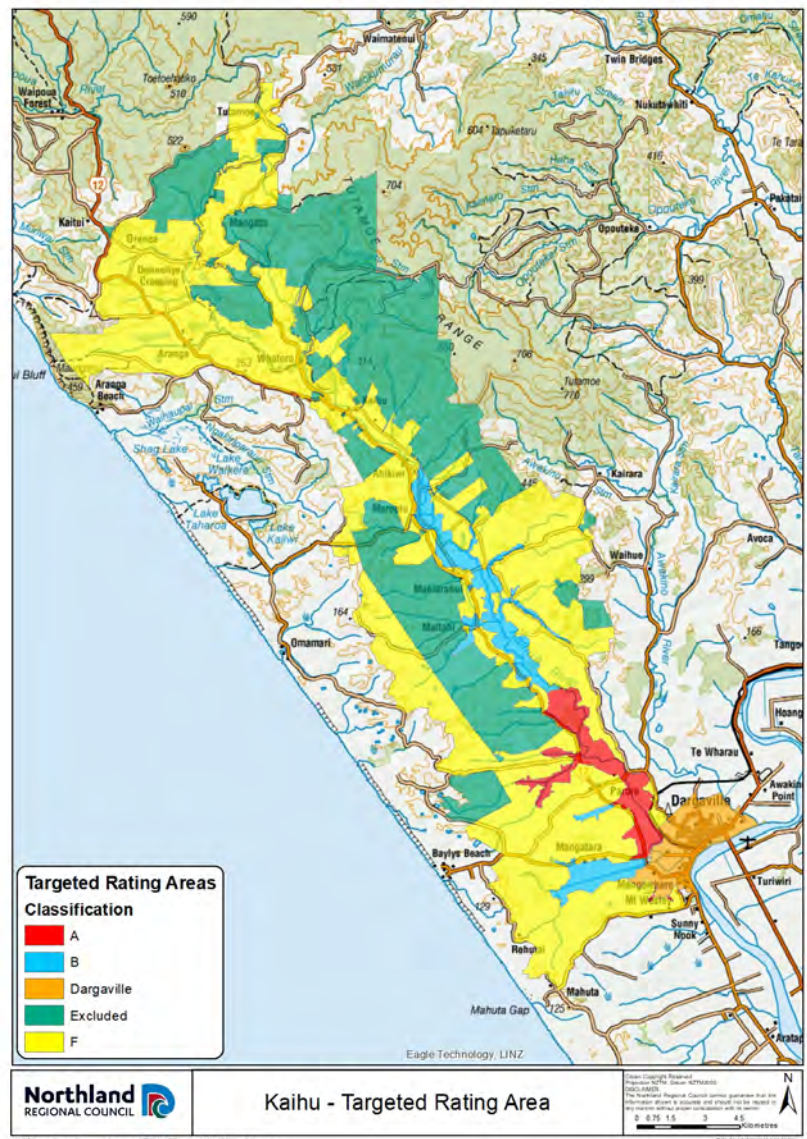
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

- Class A – land on the floodplain and side valleys downstream of the Rotu Bottleneck; rate is applied per hectare of land.
- Class B – land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12; rate is applied per hectare of land.
- Class F (Catchment rate) – balance of land within the Kaihū River rating area not falling within class A and class B; rate is applied per hectare of land.
- Urban contribution – a contribution from Kaipara District Council instead of a separate rate per property.

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

**Kaihū River targeted rate area**



**Kaihū river management rate**

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.13
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.33
F	Balance of rateable land within the Kaihū River rating area.	\$1.59
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5015

### How much is the rate?

The estimated total Kaihū River management rate is \$79,869 in the 2021/22 financial year. The revenue sought from each category of rateable land will be as follows:

*Kaihū river management rate*

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

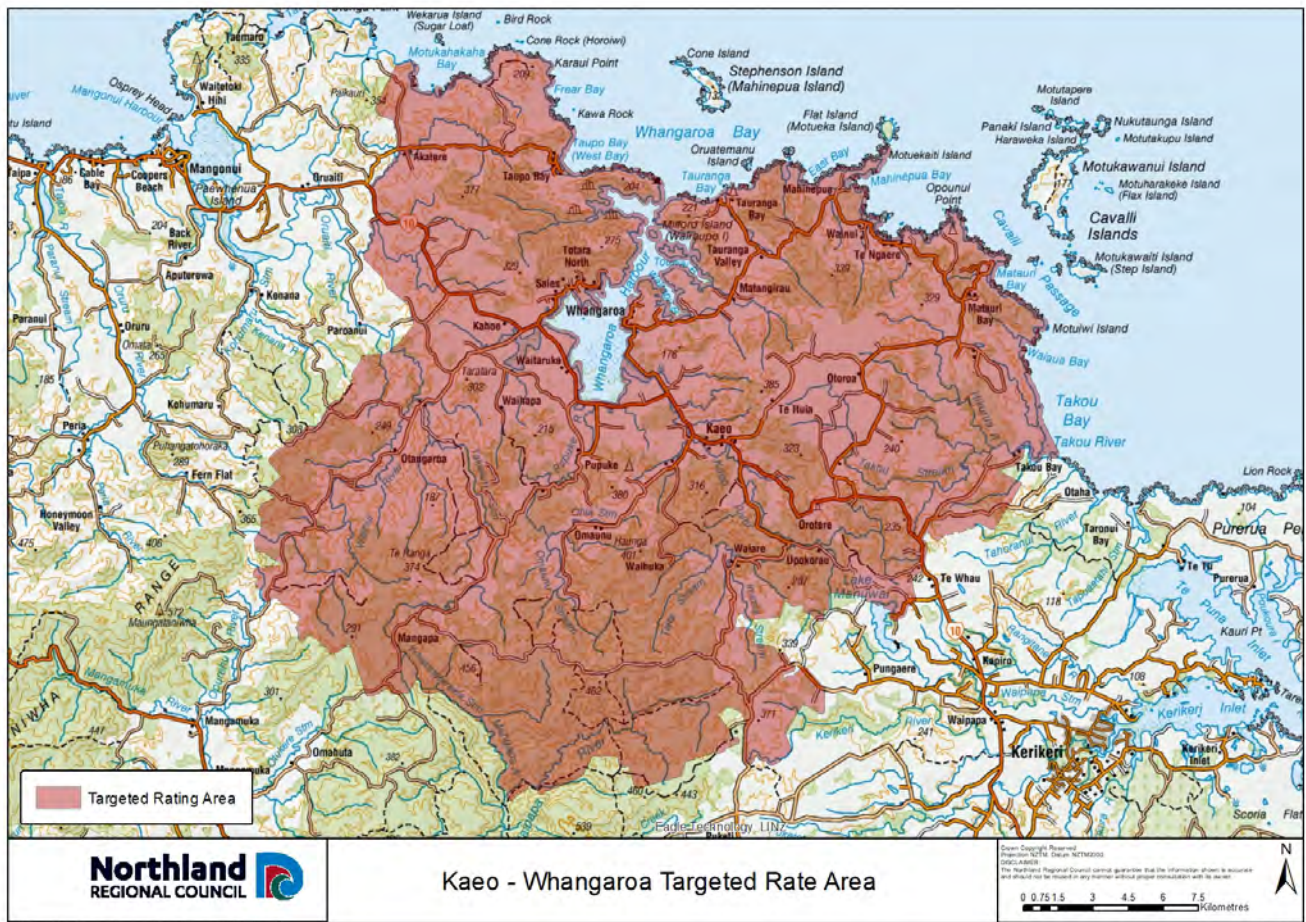
### How is the rate applied?

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



## Kāeo-Whangaroa rivers management rate

### Kāeo-Whangaroa River targeted rate area



### What it funds

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

### How it is set

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

### How much is the rate?

The estimated total Kāeo-Whangaroa rivers management rate is \$118,043 in the 2021/22 financial year. The rate is set at \$52.03 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

### How is the rate applied?

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

## Whangārei urban rivers management rate

### What it funds

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

### How it is set

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

Whangārei urban rivers management rate			
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$350.87	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$166.92	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$42.62	Per SUIP

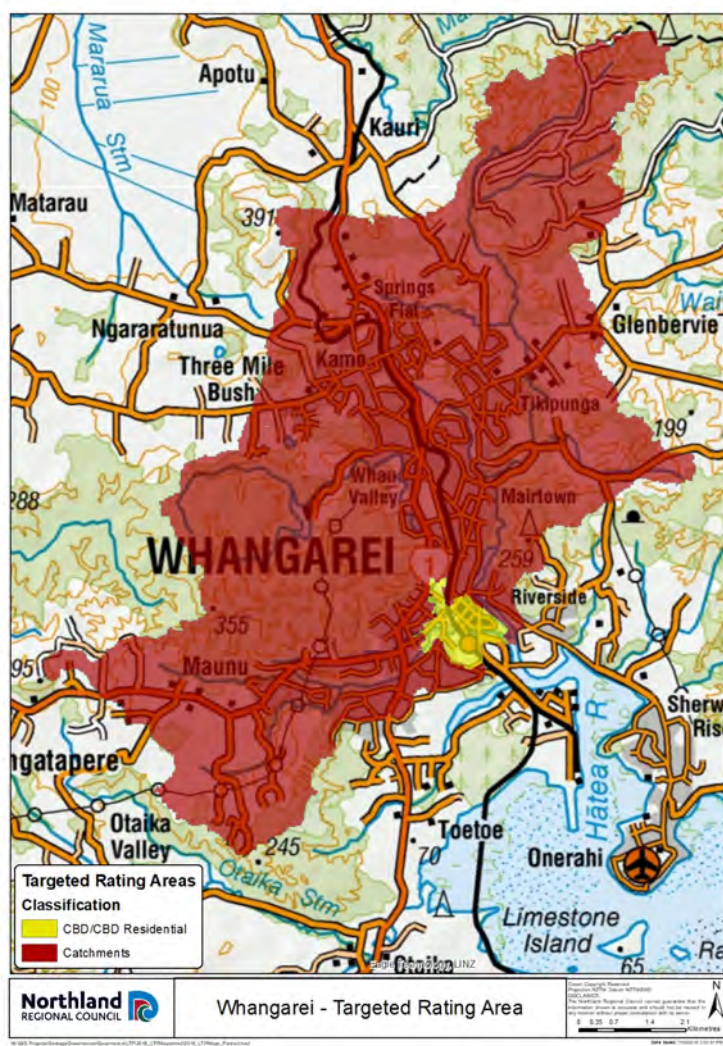
The differential recognises the different categories of beneficiaries to the scheme and the properties that contribute to flooding in the Whangārei CBD. Properties in the contributing water catchment area contribute run-off from rainfall to the CBD, which exacerbates and contributes to flooding, and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

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

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



### Whangārei urban rivers management rate area map



How much is the rate?

The estimated total Whangārei urban rivers management rate is \$1,142,581 in the 2021/22 financial year. The revenue sought from each category is as follows:

### Whangārei urban rivers management rate

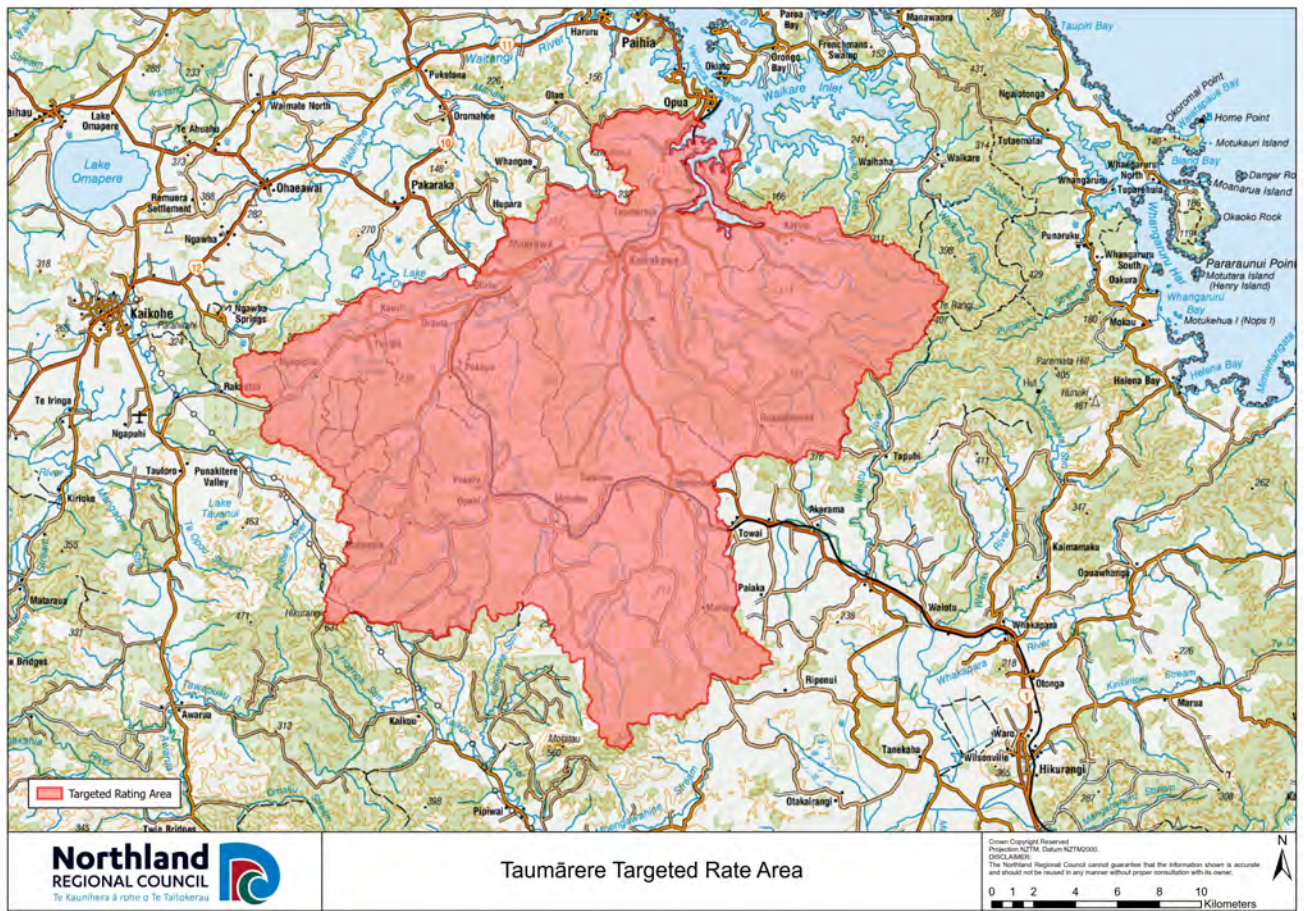
Category	Description	Total revenue
1	All commercial properties in the Whangārei CBD flood area.	\$354,030
2	All residential properties in the Whangārei CBD flood area.	\$27,876
3	All properties in the contributing water catchment area (including properties falling in the Waiahoia, Raumanga, Kirikiri and Hātea River catchments).	\$760,675
Total		\$1,142,581

How is the rate applied?

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

# Taumārere rivers management rate

## Taumārere rivers targeted rate area



## What it funds

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

## How it is set

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

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

## How much is the rate?

The estimated total Taumārere rivers management rate is \$113,278 in the 2021/22 financial year. The rate is set at \$57.47 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit as defined above.

## How is the rate applied?

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



# Further rating information

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

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

## Separately used or inhabited part of a rating unit definitions

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

### Far North district SUIP definition

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

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

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

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

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

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

### Whangārei district SUIP definition

A separately used or inhabited part is defined as:

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

Examples include:

- each separate shop or business activity on a rating unit
- each occupied or intended-to-be-occupied dwelling, flat, or additional rentable unit (attached or not attached) on a rating unit
- individually tenanted flats, including retirement units, apartments and townhouses (attached or not attached) or multiple dwellings on Māori freehold land on a rating unit
- each block of land for which a separate title has been issued, even if that land is vacant.

## Postponement charges for postponed rates in the Far North district

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

- application fee: \$50
- administration fee: \$50 per annum
- financing fee on all postponements: currently set at 4.75% per annum but may vary to match council's average cost of funds.

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

## Postponement charges for postponed rates in the Whangārei district

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

## Equalisation of rates

Until recently, each district in Northland was independently revalued by Quotable Value (over a three-yearly cycle, one district per year). Whangārei district now uses Opteon for its valuations. To ensure that property valuations in the remaining two districts are current, a registered valuer also provides the regional council with "an estimate of projected value" of property values in those districts (as provided for in Section 131 of the Local Government (Rating) Act 2002).

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

## Inspection and objection to council's rating information database

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

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

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

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

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

# Summary table of rates

The following table illustrates the distribution of the regional rates on the forecast basis for the 2021/22 financial year, with the 2020/21 annual plan regional rates for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the district valuation roll as at 30 June in each year:

## District valuation roll

Estimate for 30 June 2021

	Gross Number of RU (Kaipara) or SUIP (others) (gross)	Net Number of RU (Kaipara) or SUIP (others) (net)	Capital Value (CV) \$(000)	Land Value (LV) \$(000)	Equalised Capital Value \$(000)	Equalised Land Value \$(000)	Equalised Capital Value (%)	Equalised Land Value (%)
Far North District	38,753	37,437	19,693,960	10,277,966	22,195,535	11,330,594	34.94%	34.39%
Kaipara District	14,927	14,298	10,494,308	5,946,657	10,494,308	5,946,657	16.52%	18.05%
Whangārei District	45,580	44,153	27,662,388	14,155,720	30,828,217	15,670,376	48.54%	47.56%
<b>Total Valuation – Northland</b>	<b>99,260</b>	<b>95,888</b>	<b>57,850,656</b>	<b>30,380,343</b>	<b>63,518,060</b>	<b>32,947,627</b>	<b>100%</b>	<b>100%</b>

	Rates 2021/22 (including GST)			Rates 2020/21 (including GST)		
		Total (gross)	Total (net)		Total (gross)	Total (net)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Targeted Council Services Rate</b>						
Far North (per SUIP)	110.72	4,290,732	4,145,025	92.40	3,560,542	3,433,122
Kaipara (per RU)	137.07	2,046,044	1,959,827	125.27	1,848,860	1,770,065
Whangārei (per SUIP)	132.12	6,022,030	5,833,494	120.20	5,417,534	5,259,591
		<b>12,358,806</b>	<b>11,938,346</b>		<b>10,826,936</b>	<b>10,462,779</b>
<b>Targeted Land and Freshwater Management Rate***</b>						
Far North (per \$ of actual LV)	0.0003628	3,728,846	3,700,679	0.0002765	2,834,811	2,804,135
Kaipara (per \$ of actual LV)	0.0003325	1,977,264	1,942,038	0.0003132	1,588,985	1,559,135
Whangārei (per \$ of actual LV)	0.0003645	5,159,760	5,117,238	0.0002880	4,107,425	4,066,100
		<b>10,865,870</b>	<b>10,759,955</b>		<b>8,531,221</b>	<b>8,429,370</b>
<b>Targeted Pest Management Rate</b>						
Far North (per SUIP)	61.55	2,385,247	2,304,247	46.88	1,806,474	1,741,826
Kaipara (per RU)	76.20	1,137,437	1,089,508	63.56	938,082	898,103
Whangārei (per SUIP)	72.49	3,304,094	3,200,651	60.11	2,709,218	2,630,233
		<b>6,826,778</b>	<b>6,594,406</b>		<b>5,453,774</b>	<b>5,270,162</b>

Targeted Flood Infrastructure Rate						
Far North (per SUIP)	31.98	1,239,321	1,197,235	27.05	1,042,345	1,005,043
Kaipara (per RU)	31.98	477,365	457,250	27.05	399,231	382,216
Whangārei (per SUIP)	31.98	1,457,648	1,412,013	27.05	1,219,171	1,183,627
		3,174,335	3,066,498		2,660,747	2,570,886
Targeted Emergency and Hazard Management Rate						
Far North (per SUIP)	30.89	1,197,080	1,156,429	16.73	644,674	621,603
Kaipara (per RU)	38.24	570,808	546,756	22.67	334,587	320,327
Whangārei (per SUIP)	36.38	1,658,200	1,606,286	21.44	966,322	938,150
		3,426,088	3,309,471		1,945,583	1,880,080
Targeted Regional Sporting Facilities Rate						
Far North (per SUIP)	16.61	643,687	621,829	16.76	645,912	622,797
Kaipara (per RU)	16.61	247,937	237,490	16.76	247,392	236,849
Whangārei (per SUIP)	16.61	757,084	733,381	16.76	755,486	733,461
		1,648,708	1,592,700		1,648,790	1,593,107
Targeted Regional Infrastructure Rate						
Far North (per \$ of actual LV)	-	-	-	0.0000230	236,208	233,640
Kaipara (per \$ of actual LV)	-	-	-	0.0000261	132,422	129,926
Whangārei (per \$ of actual LV)	-	-	-	0.0000240	342,446	338,883
		-	-		711,076	702,449
Targeted Regional Economic Development Rate						
Far North (per \$ of actual LV)	0.0000237	243,588	241,245	-	-	-
Kaipara (per \$ of actual LV)	0.0000218	129,637	126,702	-	-	-
Whangārei (per \$ of actual LV)	0.0000239	338,322	334,778	-	-	-
		711,547	702,725		-	-
Targeted Emergency Services Rate						
Far North (per SUIP)	11.61	449,922	434,644	11.71	451,233	435,085
Kaipara (per RU)	11.61	173,302	166,000	11.71	172,828	165,462
Whangārei (per SUIP)	11.61	529,184	512,616	11.71	527,781	512,394
		1,152,408	1,113,260		1,151,842	1,112,941
Targeted Whangārei Transport Rate						
Rate per SUIP	22.99	1,047,884	1,015,077	23.20	1,045,647	1,015,162
Targeted Far North Transport Rate						
Far North District	8.54	330,951	319,712	8.60	331,392	319,533
Targeted Awanui River Management Rate						
Far North District - Rural		191,744	189,593		210,494	207,969



Far North District – Urban		850,389	839,202	893,471	882,383
		1,042,133	1,028,795	1,103,965	1,090,352
<b>Targeted Kaihū River Management Rate</b>					
Kaipara District (Kaihū river area only)		79,869	79,869	79,869	79,869
<b>Targeted Kāeo-Whangaroa Rivers Management Rate</b>					
Far North (Kāeo only)	52.03	125,441	118,043	123,983	116,643
<b>Targeted Taumārere Rivers Management Rate</b>					
Far North (Otiria-Moerewa/Kawakawa only)	57.47	115,457	113,278	-	-
<b>Targeted Whangārei Urban Rivers Management Rate</b>					
Whangārei district only		1,151,712	1,142,581	1,164,148	1,154,250
<b>TOTAL RATES</b>					
		Gross (\$) *	Net (\$) **	Gross (\$) *	Net (\$) **
Far North District		15,792,406	15,381,161	12,781,539	12,423,780
Kaipara District		6,839,665	6,605,439	5,742,256	5,541,953
Whangārei District		21,425,918	20,908,116	18,255,178	17,831,851
		44,057,989	42,894,716	36,778,973	35,797,584

\* Amount inclusive of GST

\*\* Amount net of remissions and inclusive of GST

\*\*\* Please note that these rates were separate in the 2020/21 Annual Plan. The comparison have been combined.

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

# How much will my rates be?

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

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates will be set using district valuation rolls as at 30 June 2021, so they may differ slightly.

## Ratepayers in the Far North district

Far North district ratepayers will be assessed:

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

Far North			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003628	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000237	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	225,000	81.63	62.22
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.33	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Total Regional Rates		358.86	287.53
Farm Property			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	2,750,000	997.70	760.38
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		65.18	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Total Regional Rates		1,334.78	1,043.76

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

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

Far North District - Awanui Catchment			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003628	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000237	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
<b>Residential &amp; Commercial Urban</b>			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	225,000	81.63	62.22
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.33	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
<i>Plus Awanui river management rates applicable to:</i>			
- Urban rate class UA (floodplain location)		310.74	326.12
- Urban rate classes UF (higher ground)		56.38	59.78
- Commercial Urban UA		932.22	978.36
<b>Lifestyle Property - 10 hectares</b>			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	450,000	163.26	124.43
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	10.35
Targeted Regional Economic Development Rate		10.67	
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		701.62	747.28
- Rural Class A & B		241.62	257.88
- Rural Class C		117.22	123.88
- Rural Class E		11.62	13.18
- Rural Class F		19.22	24.08

Farm Property - 100 hectares			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	2,750,000	997.70	760.38
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		65.18	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
<i>Plus Awanui River Management Rates applicable to:</i>			
- Rural Commercial A & B		6,911.62	7,354.18
- Rural Class A & B		2,311.62	2,460.18
- Rural Class C		1,067.62	1,120.18
- Rural Class E		11.62	13.18
- Rural Class F		87.62	122.18

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: on \$310.74 for urban commercial class UA equating to \$932.22; on \$56.38 for urban commercial class UF equating to \$169.14; on \$23.00 per hectare for rural commercial class A/B equating to \$69.00; on \$10.56 per hectare for rural commercial class C equating to \$31.68; and on \$0.76 per hectare for rural commercial class F equating to \$2.28.

The rural rate also includes a single rate of \$11.62 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3).



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

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

Far North - Kāeo-Whangaroa			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003628	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000237	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	225,000	81.63	62.22
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.33	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Targeted Kāeo-Whangaroa Rivers Management Rate		52.03	51.36
<b>Total Regional Rates</b>		<b>410.89</b>	<b>338.89</b>
Farm Property			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	2,750,000	997.70	760.38
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		65.18	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Targeted Kāeo-Whangaroa Rivers Management Rate		52.03	51.36
<b>Total Regional Rates</b>		<b>1,386.81</b>	<b>1,095.12</b>

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

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

Far North - Taumārere			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003628	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000237	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	225,000	81.63	62.22
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.33	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Targeted Taumārere Rivers Management Rate		57.47	-
Total Regional Rates		416.33	287.54
Farm Property			
Targeted Council Services Rate		110.72	92.40
Targeted Land and Freshwater Management Rate	2,750,000	997.70	760.38
Targeted Pest Management Rate		61.55	46.88
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		30.89	16.73
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		65.18	-
Targeted Emergency Services Rate		11.61	11.71
Targeted Far North Transport Rate		8.54	8.60
Targeted Taumārere Rivers Management Rate		57.47	-
Total Regional Rates		1,392.25	1,043.76

## Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

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

Kaipara Urban / Rural			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003325	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000218	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
<b>Residential Property</b>			
Targeted Council Services Rate		137.07	125.27
Targeted Land and Freshwater Management Rate	225,000	74.81	70.47
Targeted Pest Management Rate		76.20	63.56
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		38.24	22.67
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.87
Targeted Regional Economic Development Rate		4.91	-
Targeted Emergency Services Rate		11.61	11.71
<b>Total Regional Rates</b>		<b>391.43</b>	<b>343.36</b>
<b>Farm Property</b>			
Targeted Council Services Rate		137.07	125.27
Targeted Land and Freshwater Management Rate	2,750,000	914.38	861.31
Targeted Pest Management Rate		76.20	63.56
Targeted Flood Infrastructure Rate		31.98	27.05

Targeted Emergency and Hazard Management Rate	38.24	22.67
Targeted Regional Sporting Facilities Rate	16.61	16.76
Targeted Regional Infrastructure Rate	-	71.78
Targeted Regional Economic Development Rate	59.95	-
Targeted Emergency Services Rate	11.61	11.71
Total Regional Rates	1,286.04	1,200.11

Additional for Properties in the Kaihū River Catchment	Land Value	2021/22	2020/21
GST Inclusive	(\$)	Rates	Rates
10 hectares	Class A	231.30	231.30
	Class B	113.30	113.90
	Class F	15.90	16.00
100 hectares	Class A	2,313.00	2,313.00
	Class B	1,133.00	1,139.00
	Class F	159.00	160.00



## Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

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

Whangārei Urban / Rural / Other			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003645	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000239	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
<b>Residential Property (non CBD)</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	225,000	82.01	64.81
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.38	-
Targeted Whangārei Transport Rate		22.99	23.20
Targeted Emergency Services Rate		11.61	11.71
<b>Total Regional Rates</b>		<b>411.57</b>	<b>350.68</b>

<b>Residential Property (in CBD area)</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	225,000	82.01	64.81
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.38	-
Targeted Whangārei Transport Rate		22.99	23.20
Targeted Emergency Services Rate		11.61	11.71
Whangārei River Management Rate - CBD Residential		166.92	174.91
<b>Total Regional Rates</b>		<b>578.49</b>	<b>525.59</b>
<b>Residential Property (in stormwater catchment area)</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	225,000	82.01	64.81
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.38	-
Targeted Whangārei Transport Rate		22.99	23.20
Targeted Emergency Services Rate		11.61	11.71
Whangārei River Management Rate - General Catchment		42.62	43.52
<b>Total Regional Rates</b>		<b>454.19</b>	<b>394.20</b>
<b>Farm Property</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	2,750,000	1,002.38	792.00
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	66.00
Targeted Regional Economic Development Rate		65.73	-
Targeted Whangārei Transport Rate		22.99	23.20

Targeted Emergency Services Rate		11.61	11.71
<b>Total Regional Rates</b>		<b>1,392.29</b>	<b>1,138.47</b>
<b>Commercial Property (non CBD)</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	2,000,000	729.00	576.00
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	48.00
Targeted Regional Economic Development Rate		47.80	-
Targeted Whangārei Transport Rate		22.99	23.20
Targeted Emergency Services Rate		11.61	11.71
<b>Total Regional Rates</b>		<b>1,100.98</b>	<b>904.47</b>
<b>Commercial Property (in CBD area)</b>			
Targeted Council Services Rate		132.12	120.20
Targeted Land and Freshwater Management Rate	2,000,000	729.00	576.00
Targeted Pest Management Rate		72.49	60.11
Targeted Flood Infrastructure Rate		31.98	27.05
Targeted Emergency and Hazard Management Rate		36.38	21.44
Targeted Regional Sporting Facilities Rate		16.61	16.76
Targeted Regional Infrastructure Rate		-	48.00
Targeted Regional Economic Development Rate		47.80	-
Targeted Whangārei Transport Rate		22.99	23.20
Targeted Emergency Services Rate		11.61	11.71
Whangārei River Management Rate - CBD Commercial		350.87	353.75
<b>Total Regional Rates</b>		<b>1,451.85</b>	<b>1,258.22</b>

# Rating base information

The table below sets out the projected number of council rating units (Kaipara district) and separately used or inhabited parts of a rating unit (Whangārei and Far North districts) during the 10 years of this plan.

	2020-21 Annual Plan	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
Far North District Council	37,155	37,437	37,624	37,812	38,001	38,191	38,382	38,574	38,767	38,961	39,156
Kaipara District Council	14,130	14,298	14,369	14,441	14,514	14,586	14,659	14,732	14,806	14,880	14,954
Whangarei District Council	43,757	44,153	44,374	44,596	44,819	45,043	45,268	45,494	45,722	45,950	46,180
TOTAL Rating Units	95,042	95,888	96,367	96,849	97,334	97,820	98,309	98,801	99,295	99,791	100,290

# Mahere a Pūtea Finances

# Prospective financial statements

## Prospective statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
Periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$'000)	\$'000)	\$'000)	\$'000)	\$'000)	\$'000)
<b>REVENUE</b>						
Rates	31,128	37,302	42,728	46,996	48,196	48,892
Fees and Charges	3,989	4,446	4,632	4,947	5,012	5,198
Subsidies and Grants	8,149	22,245	21,184	15,253	14,559	12,826
Interest Revenue	552	182	270	338	336	506
Other Revenue	4,805	6,209	6,490	7,079	7,451	7,330
Other Gains	1,729	9,140	4,200	4,062	4,168	4,392
<b>TOTAL REVENUE</b>	<b>50,352</b>	<b>79,524</b>	<b>79,504</b>	<b>78,676</b>	<b>79,724</b>	<b>79,143</b>
<b>EXPENSES</b>						
Personnel Costs	19,086	21,855	23,592	24,123	25,006	25,488
Depreciation and Amortisation Expense	1,839	1,986	2,270	2,390	2,433	2,496
Finance Costs	1,060	729	1,040	1,444	1,481	1,545
Other Losses	-	-	-	-	-	-
Other Expenditure on Activities	30,842	47,318	47,697	60,988	47,225	45,371
<b>TOTAL OPERATING EXPENDITURE</b>	<b>52,827</b>	<b>71,889</b>	<b>74,599</b>	<b>88,945</b>	<b>76,145</b>	<b>74,900</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>(2,475)</b>	<b>7,635</b>	<b>4,905</b>	<b>(10,269)</b>	<b>3,579</b>	<b>4,243</b>
Income Tax Credit/(Expense)	-	-	-	-	-	-
<b>SURPLUS/(DEFICIT) AFTER TAX</b>	<b>(2,475)</b>	<b>7,635</b>	<b>4,905</b>	<b>(10,269)</b>	<b>3,579</b>	<b>4,243</b>
<b>SURPLUS/(DEFICIT) ATTRIBUTABLE TO:</b>						
Northland Regional Council	(2,475)	7,635	4,905	(10,269)	3,579	4,243
Non-Controlling Interest	-	-	-	-	-	-
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>						
<b>Items that will be reclassified to surplus/(deficit)</b>						
Financial Assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-
<b>Items that will not be reclassified to surplus/(deficit)</b>						
Gains/(loss) on Property Revaluations	-	-	-	-	-	-
Gains/(loss) on Infrastructure Asset revaluations	-	-	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR</b>	<b>(2,475)</b>	<b>7,635</b>	<b>4,905</b>	<b>(10,269)</b>	<b>3,579</b>	<b>4,243</b>
Transfers to Reserves	(4,384)	(15,836)	(12,884)	(9,908)	(9,968)	(10,838)
Transfers from Reserves	6,863	8,213	7,982	20,366	6,401	6,696
<b>Balanced budget/(deficit)</b>	<b>4</b>	<b>12</b>	<b>3</b>	<b>189</b>	<b>12</b>	<b>101</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
REVENUE					
49,786	51,323	52,931	54,237	54,771	Rates
5,478	5,614	5,794	6,052	6,153	Fees and Charges
12,807	3,811	3,816	3,820	3,825	Subsidies and Grants
679	859	1,053	1,252	1,460	Interest Revenue
7,412	9,134	11,489	7,822	10,857	Other Revenue
4,598	4,736	4,878	5,024	5,175	Other Gains
80,760	75,478	79,960	78,208	82,241	TOTAL REVENUE
EXPENSES					
26,252	26,926	27,734	28,565	29,421	Personnel Costs
2,497	2,460	2,530	2,586	2,643	Depreciation and Amortisation Expense
1,553	1,561	1,572	1,613	1,637	Finance Costs
-	-	-	-	-	Other Losses
45,186	36,624	39,250	37,468	40,147	Other Expenditure on Activities
75,488	67,571	71,086	70,232	73,847	TOTAL OPERATING EXPENDITURE
5,271	7,907	8,874	7,976	8,394	SURPLUS/(DEFICIT) BEFORE TAX
-	-	-	-	-	Income Tax Credit/(Expense)
5,271	7,907	8,874	7,976	8,394	SURPLUS/(DEFICIT) AFTER TAX
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:					
5,271	7,907	8,874	7,976	8,394	Northland Regional Council
-	-	-	-	-	Non-Controlling Interest
OTHER COMPREHENSIVE REVENUE AND EXPENSE					
Items that will be reclassified to surplus/(deficit)					
-	-	-	-	-	Financial Assets at fair value through other comprehensive revenue and expense
Items that will not be reclassified to surplus/(deficit)					
-	-	-	-	-	Gains/(loss) on Property Revaluations
-	-	-	-	-	Gains/(loss) on Infrastructure Asset revaluations
-	-	-	-	-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE
5,271	7,907	8,874	7,976	8,394	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR
(11,372)	(12,642)	(13,866)	(13,080)	(13,315)	Transfers to Reserves
6,223	4,798	5,114	5,206	5,003	Transfers from Reserves
122	63	122	102	82	Balanced budget/(deficit)



## Prospective statement of financial position

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents	366	859	800	802	836	853
Other Financial Assets	936	12,856	9,860	12,710	15,210	14,281
Receivables	4,395	8,062	7,789	8,131	7,286	7,759
Inventory	3,181	203	203	203	203	203
Assets Held for Sale	2,079	715	715	715	715	715
<b>Total Current Assets</b>	<b>10,957</b>	<b>22,695</b>	<b>19,367</b>	<b>22,561</b>	<b>24,250</b>	<b>23,811</b>
<b>Non Current Assets</b>						
Receivables	6,102	0	0	0	0	0
Other Financial Assets	34,402	68,344	70,104	68,516	70,146	77,118
Infrastructure, Property, Plant and Equipment	42,426	47,571	63,315	64,356	63,304	63,494
Investment Property	71,233	50,944	53,826	56,826	59,826	60,426
Intangible Assets	582	709	834	958	829	698
Forestry Assets	3,264	3,157	3,157	3,157	3,157	3,157
Investment in Subsidiaries(excl council controlled organisations) and Joint Venture company	7,828	7,828	7,828	7,828	7,828	7,828
Investment in Council Controlled Organisations	863	634	786	686	586	586
<b>Total Non Current Assets</b>	<b>166,700</b>	<b>179,187</b>	<b>199,850</b>	<b>202,327</b>	<b>205,676</b>	<b>213,307</b>
<b>TOTAL ASSETS</b>	<b>177,657</b>	<b>201,882</b>	<b>219,217</b>	<b>224,888</b>	<b>229,926</b>	<b>237,119</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	6,015	7,589	7,566	7,337	7,327	7,608
Employee Entitlements	1,910	2,358	2,429	2,431	2,433	2,435
<b>Total Current Liabilities</b>	<b>7,925</b>	<b>9,947</b>	<b>9,995</b>	<b>9,768</b>	<b>9,760</b>	<b>10,043</b>
<b>Non Current Liabilities</b>						
Payables and Deferred Revenue	668	610	610	610	610	610
Borrowings and Other Financial Liabilities	19,902	23,334	35,714	51,881	53,348	56,015
Employee Entitlements	20	20	21	21	21	21
<b>Total Non Current Liabilities</b>	<b>20,590</b>	<b>23,964</b>	<b>36,345</b>	<b>52,512</b>	<b>53,979</b>	<b>56,646</b>
<b>TOTAL LIABILITIES</b>	<b>28,515</b>	<b>33,911</b>	<b>46,340</b>	<b>62,280</b>	<b>63,739</b>	<b>66,689</b>

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
NET ASSETS	149,142	167,971	172,877	162,608	166,187	170,430
Equity						
Accumulated Funds	141,836	115,286	132,284	137,158	140,470	142,671
Revaluation Reserves	3,973	3,973	3,973	3,973	3,973	3,973
Other Reserves	3,333	48,712	36,620	21,477	21,744	23,786
Total Equity	149,142	167,971	172,877	162,608	166,187	170,430
Non-controlling interests in subsidiary companies	-	-	-	-	-	-
TOTAL EQUITY	149,142	167,971	172,877	162,608	166,187	170,430

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
ASSETS					
Current Assets					
814	885	865	824	861	Cash and Cash Equivalents
15,766	24,910	27,720	29,612	31,601	Other Financial Assets
7,426	7,168	7,244	7,465	7,948	Receivables
203	203	203	203	203	Inventory
715	715	715	715	715	Assets Held for Sale
24,924	33,882	36,747	38,819	41,329	Total Current Assets
Non Current Assets					
0	0	0	0	0	Receivables
80,064	80,554	87,059	93,780	100,727	Other Financial Assets
62,175	60,905	60,809	61,439	61,380	Infrastructure, Property, Plant and Equipment
64,426	64,426	64,426	64,426	64,426	Investment Property
567	434	302	169	37	Intangible Assets
3,157	3,157	3,157	3,157	3,157	Forestry Assets
7,828	7,828	7,828	7,828	7,828	Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company
586	586	586	586	586	Investment in Council Controlled Organisations
218,802	217,890	224,165	231,385	238,141	Total Non Current Assets
243,726	251,772	260,913	270,204	279,470	TOTAL ASSETS

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	

					LIABILITIES
					Current Liabilities
7,525	7,461	7,425	7,516	7,785	Payables
2,437	2,440	2,442	2,445	2,447	Employee Entitlements
9,962	9,901	9,867	9,961	10,233	Total Current Liabilities
					Non Current Liabilities
610	610	610	610	610	Payables and Deferred Revenue
57,432	57,632	57,932	59,154	59,754	Borrowings and Other Financial Liabilities
21	21	21	21	21	Employee Entitlements
58,063	58,263	58,563	59,785	60,385	Total Non Current Liabilities
68,025	68,164	68,430	69,746	70,617	TOTAL LIABILITIES
175,702	183,608	192,483	200,459	208,852	NET ASSETS
					Equity
147,043	147,306	147,728	149,052	149,733	Accumulated Funds
3,973	3,973	3,973	3,973	3,973	Revaluation Reserves
24,686	32,329	40,782	47,434	55,146	Other Reserves
175,702	183,608	192,483	200,459	208,852	Total Equity
-	-	-	-	-	Non-controlling interests in subsidiary companies
175,702	183,608	192,483	200,459	208,852	TOTAL EQUITY

## Prospective statement of changes in equity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
BALANCE at 1 July	151,617	160,337	167,972	172,877	162,608	166,187
Total Comprehensive Revenue and Expense	(2,475)	7,635	4,905	(10,269)	3,579	4,243
BALANCE at 30 June	149,142	167,972	172,877	162,608	166,187	170,430
Total Comprehensive Revenue and Expense Attributable to:						
Northland Regional Council	(2,475)	7,635	4,905	(10,269)	3,579	4,243
Non-controlling interests	-	-	-	-	-	-
TOTAL at 30 June	149,142	167,972	172,877	162,608	166,187	170,430

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
170,430	175,701	183,608	192,482	200,458	BALANCE at 1 July
5,271	7,907	8,874	7,976	8,394	Total Comprehensive Revenue and Expense
175,701	183,608	192,482	200,458	208,852	BALANCE at 30 June
					Total Comprehensive Revenue and Expense Attributable to:
5,271	7,907	8,874	7,976	8,394	Northland Regional Council
-	-	-	-	-	Non-controlling interests
175,701	183,608	192,482	200,458	208,852	TOTAL at 30 June

## Prospective statement of cashflows

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
for the year ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Cash Flows from Operating Activities</b>						
Receipts from rates revenue	27,353	36,591	41,946	46,189	47,353	48,019
Receipts from customers	8,894	9,474	9,035	10,265	11,068	10,142
Subsidies and grants received	8,371	24,997	24,352	17,541	16,743	14,750
GST received	3,076	3,189	5,478	5,408	5,918	5,886
Interest received	661	161	161	161	9	9
Other revenue received	1,495	3,100	3,100	3,100	3,708	3,708
Staff and suppliers	(53,792)	(75,638)	(79,274)	(92,870)	(79,966)	(78,527)
Other payments - operating	(273)	(2,829)	(361)	(761)	(571)	(286)
Interest paid	(1,060)	(729)	(1,040)	(1,444)	(1,481)	(1,545)
<b>Net Cash Provided(or Used)in Operating Activities</b>	<b>(5,275)</b>	<b>(1,684)</b>	<b>3,397</b>	<b>(12,411)</b>	<b>2,781</b>	<b>2,156</b>
<b>Cash Flows from Investing Activities</b>						
Sale of infrastructure, property, plant and equipment						
Sale of Investment Property	-	15,320	100	100	100	-
Other receipts - sale of investments	22,712	14,895	9,765	5,333	3,071	1,572
Purchase of Investment	-	(20,548)	(4,680)	(2,634)	(3,132)	(3,223)
Purchase of infrastructure, property, plant and equipment	(17,864)	(18,064)	(21,021)	(6,553)	(4,253)	(3,155)
<b>Net Cash Provided(or Used)in Investing Activities</b>	<b>4,848</b>	<b>(8,397)</b>	<b>(15,836)</b>	<b>(3,754)</b>	<b>(4,214)</b>	<b>(4,806)</b>
<b>Cash Flows from Financing Activities</b>						
Other receipts - financing	10,344	7,838	12,380	16,167	1,467	2,667
Other payments - financing	(10,000)	-	-	-	-	-
<b>Net Cash Provided(or Used)in Financing Activities</b>	<b>344</b>	<b>7,838</b>	<b>12,380</b>	<b>16,167</b>	<b>1,467</b>	<b>2,667</b>
<b>Net Increase/(Decrease)in Cash &amp; Cash Equivalents</b>	<b>(83)</b>	<b>(2,243)</b>	<b>(59)</b>	<b>2</b>	<b>34</b>	<b>17</b>
<b>Cash and Cash Equivalents at beginning of period</b>	<b>449</b>	<b>3,102</b>	<b>859</b>	<b>800</b>	<b>802</b>	<b>836</b>
<b>Cash and Cash Equivalents at end of period</b>	<b>366</b>	<b>859</b>	<b>800</b>	<b>802</b>	<b>836</b>	<b>853</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	for the year ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Cash Flows from Operating Activities</b>					
48,879	50,360	51,942	53,222	53,729	Receipts from rates revenue
11,559	13,696	16,610	12,690	16,297	Receipts from customers
14,729	4,383	4,388	4,395	4,399	Subsidies and grants received
5,977	6,404	6,437	6,716	6,675	GST received
9	9	9	9	9	Interest received
3,708	3,708	3,708	3,708	3,708	Other revenue received
(79,184)	(70,561)	(74,385)	(73,184)	(77,089)	Staff and suppliers
(701)	(610)	(721)	(532)	(442)	Other payments - operating
(1,553)	(1,561)	(1,572)	(1,613)	(1,637)	Interest paid
<b>3,423</b>	<b>5,828</b>	<b>6,417</b>	<b>5,413</b>	<b>5,649</b>	<b>Net Cash Provided (or Used) in Operating Activities</b>
<b>Cash Flows from Investing Activities</b>					
					Sale of infrastructure, property, plant and equipment
-	-	-	-	-	Sale of Investment Property
4,191	(1,148)	(189)	807	791	Other receipts - sale of investments
(4,024)	(3,752)	(4,247)	(4,396)	(4,552)	Purchase of Investment
(5,046)	(1,057)	(2,301)	(3,085)	(2,451)	Purchase of infrastructure, property, plant and equipment
<b>(4,879)</b>	<b>(5,957)</b>	<b>(6,737)</b>	<b>(6,674)</b>	<b>(6,212)</b>	<b>Net Cash Provided (or Used) in Investing Activities</b>
<b>Cash Flows from Financing Activities</b>					
1,417	200	300	1,222	600	Other receipts - financing
-	-	-	-	-	Other payments - financing
<b>1,417</b>	<b>200</b>	<b>300</b>	<b>1,222</b>	<b>600</b>	<b>Net Cash Provided (or Used) in Financing Activities</b>
<b>(39)</b>	<b>71</b>	<b>(20)</b>	<b>(39)</b>	<b>37</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>
853	814	885	865	824	Cash and Cash Equivalents at beginning of period
<b>814</b>	<b>885</b>	<b>865</b>	<b>825</b>	<b>861</b>	<b>Cash and Cash Equivalents at end of period</b>

# Significant forecasting assumptions

The financial forecasts within this Long Term Plan are based on a range of assumptions about our future situation, in particular assumptions that affect our revenue and expenditure levels. Schedule 10 of the Local Government Act 2002 requires that the council identify the significant forecasting assumptions and risks underlying the financial information set out in the Long Term Plan. Where there is a high level of uncertainty, council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects that uncertainty has on the financial estimates provided. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year council reviews its position and has the opportunity to revise the intentions signaled in the 2021-2031 Long Term Plan. An annual plan may be prepared for the 2022/23 financial year if required and for the 2023/24 year, with a Long Term Plan being prepared every third financial year. Where revised prospective financial statements are issued, council must provide an explanation of the changes made to the prospective financial statements in the Long Term Plan and include a reconciliation of all material differences between the previously reported prospective financial statements and the revised financial statements. The projections for individual years will be reviewed annually if required through a special consultative procedure, in accordance with the Local Government Act 2002.

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

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

The council has assumed that the actual results for the 2020/21 financial year are largely in accordance with the 2020/21 Annual Plan. Certain events have occurred that are not directly aligned with forecasts made in the 2020/21 Annual Plan, and the financial results have been adjusted accordingly.

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

The prospective financial statements will be authorised for issue in June 2021 by council resolution. The council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The significant forecasting assumptions used in developing the financial forecasts in the Long Term Plan are detailed in the table overleaf.



## General assumptions

Economy and population			
<p><b>Covid-19 impact and recovery assumptions</b></p> <p>Over the five-year period 2015–2019, economic activity in Northland, as measured by real GDP, increased by 3.4% per annum on average, just below the national average growth rate of 3.5%.</p> <p>Due to the initial restrictions imposed in response to Covid-19, economic activity in Northland is estimated to have contracted by –1.9% in the year ended June 2020 compared to –2.1% nationally.</p> <p>As a result of the government’s economic stimulus and the low prevalence of Covid-19 in the community, the Northland economy is projected to have grown by 1.5% in the year ended June 2021, similar to the New Zealand total. Since the end of the Level 4 lockdown in May 2020, Northland has recorded the highest average annual spending increase across all 16 regions. Employment has also been less affected than originally assumed, with the number of people employed in Northland in the year ended December 2020 being 5% (4675) higher than in 2019.</p> <p>Over the first three years of the Long Term Plan (2022–2024), the Northland economy is forecast to grow by 3% per annum, lower than the New Zealand Treasury forecast for the New Zealand economy (3.4%). A regional GDP growth rate of 2.5% per annum is assumed for the remaining seven years of the Long Term Plan, being the average annual rate of growth in Northland for the 2010 decade.</p> <p>Sources: Infometrics regional database, NZ Treasury Half Year Economic and Fiscal Update 2020.</p>	<p>The economic recovery is slower than expected.</p>	<p>Likelihood: Medium</p> <p>Impact: Moderate</p> <p>A slower-than-expected economic growth rate will not have a direct impact on council’s operating budget but would affect it indirectly through a variety of channels. For example, it may reduce the returns on council investments (externally managed funds, dividends and investment property) and exacerbate affordability issues, resulting in a decrease in rates collection. A 1% reduction in rating revenue (\$373,017) in 2021/22 is equivalent to 0.5% of the total operating budget.</p>	3
<p><b>Population</b></p> <p>Over the five-year period 2015–2020, the estimated resident population of Northland grew by an average of 2.5% per annum. This is slightly higher than the 2% average annual increase in the national population, and well</p>	<p>Population growth will be significantly different from projected.</p>	<p>Likelihood: Medium low</p> <p>Impact: Minor</p> <p>A lower (higher) rate of population growth will result in a higher (lower) average rate per SUIP/rating unit for a constant level of rating revenue</p>	1

<p>above the Stats NZ medium growth scenario based on the 2013 Census which projected an increase of 1.3% per annum.</p> <p>It is forecast that the Northland population will increase by 1% per annum over the 10-year period 2022-2031, using the Stats NZ high-growth scenario based on the 2013 Census. This is slightly below the projected 1.2% per annum national increase.</p> <p>It is assumed that this will lead to a similar increase in separately used or inhabited parts of a property (SUIPs) and rating units. This equates to an increase of 963 SUIPs/rating units per year.</p> <p>Population growth is generally in the older age groups, e.g. 65 years and older. These people are more likely to want to age in place (at home), and retire on low, fixed incomes (predominantly reliant on superannuation in their later years).</p> <p>Source: Stats NZ, Subnational population estimates and Subnational population projections by sex and age, 2013 (base)-2043 update (released February 2017).</p>		<p>required. The average rate per SUIP/rating unit for 2021/22 is \$387 (excl GST).</p> <p>Short-term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments. The challenges of an ageing population are largely borne by the district councils of Northland (pressures on infrastructure, matching services to demand, etc). However, a higher number of older people ageing in place (at home) will create demand for public transport/mobility to be available to access services and amenities.</p>	
<b>Council business</b>			
<p><b>Resource consents</b></p> <p>The conditions for existing resource consents held by council will not be significantly altered. Any resource consent due for renewal during the year will be renewed accordingly.</p>	<p>Conditions of resource consents are altered significantly or council is unable to renew existing resource consents upon expiry.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>The effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the council needing to spend additional funds to enable compliance. Generally, the council considers that it is fully compliant with existing resource consents and does not contemplate any material departure from these requirements.</p>	1
<p><b>Legislation and policy change</b></p> <p>No significant change to council business dictated by as-yet unknown/unconfirmed legislation or central government policy change.</p>	<p>Changes to legislation and policy significantly alter operations and activities carried out by council. The Labour government</p>	<p>Likelihood: Medium</p> <p>Impact: Major</p> <p>The final effect of any change to council's business would depend upon the extent of the change. A significant</p>	3

	has signaled a major reform of the Resource Management Act.	change could result in the council altering its activities or spending additional funds to enable compliance.	
<b>Ability to deliver on planned capital projects</b>  Council can procure contractors to carry out its planned capital works in accordance with the scheduled programme.	Ability to procure contractors is constrained by strong market demand from other councils undertaking similar capital works.	Likelihood: Low  Impact: Severe  While the impact would be significant, the likelihood is low as the capital works programme is well managed within council, the programme of works is well known to external contractors, and most are underway.	2
<b>Climate change</b>			
<b>Emissions Trading Scheme (ETS)</b>  Any indirect impacts of the ETS through price increases being passed on to council are assumed to be covered by council's inflation assumptions.  The direct impact of the ETS is that council will be required to replant its forestry holdings after any harvest. The council's forestry management plan prescribes this approach. The council has received ETS credits to financially compensate for this requirement.	Changes in government legislation result in charges greater than the budgeted expenditure.	Likelihood: Low  Impact: Minor  Any annual changes to the ETS will not have a material effect on the overall financial forecasts in this plan.	1
<b>Climate change impacts</b>  The impacts of climate change (e.g. temperature and rainfall) will occur in line with the Ministry for the Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC).	Climate change impacts coming earlier than expected – creating issues regarding civil defence, coastal structures, etc.	Likelihood: Low  Impact: Severe  Variations to long-term budget forecasts and levels of service will be required, and will be addressed by future Long Term Plans.	2
<b>Natural disasters</b>  Budget provision will be adequate to address costs arising from natural disasters. The council holds insurance for its assets, including the Awanui River flood management scheme.	Natural or other hazard emergencies require work that cannot be funded out of normal budgetary provisions.	Likelihood: Medium low  Impact: Major  The council's financial position is strong enough to cover short-term funding requirements that may be required in the event of damage caused from natural disasters. The council may need to consult with the community retrospectively to repay any expense incurred.	3

## Financial assumptions

Inflation																															
<p><b>Opex and capex</b></p> <p>The BERL mid-scenario forecast opex price adjustor has been applied to all operational expenditure items subject to inflation except for salaries (see following assumption).</p> <p>The BERL mid-scenario forecast capex price adjustor has been applied to capital expenditure items subject to inflation.</p> <p>The mid-scenario forecast price adjusters for both the opex and capex forecast an annual average inflation rate of 2.5% over the 10-year period of the LTP.</p> <p>The mid-scenario forecasts are consistent with Treasury and the Reserve Bank of New Zealand (RBNZ) forecasts, and include BERL's adjustment for the historic record of time taken to recover from previous economic crises.</p> <p>Source: BERL "Local Government Cost Adjustor Forecasts: Three scenarios", 2020</p> <p>The BERL opex price adjustor forecasts have been applied to all the operational expenditure items subject to inflation, with the exception of salaries, as follows:</p> <table border="1"> <tr> <td>Year 1<sup>(1)</sup></td><td>1.5%</td><td>Year 6</td><td>2.5%</td></tr> <tr> <td>Year 2</td><td>2.9%</td><td>Year 7</td><td>2.6%</td></tr> <tr> <td>Year 3</td><td>2.5%</td><td>Year 8</td><td>2.7%</td></tr> <tr> <td>Year 4</td><td>2.5%</td><td>Year 9</td><td>2.7%</td></tr> <tr> <td>Year 5</td><td>2.5%</td><td>Year 10</td><td>2.6%</td></tr> </table> <p>1. The BERL opex price adjustor is -0.6% for 2020/21 and 3.6% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1</p> <p>The BERL capex price adjustor forecasts have been applied to capital expenditure items as follows:</p> <table border="1"> <tr> <td>Year 1<sup>(1)</sup></td><td>1.5%</td><td>Year 6</td><td>2.5%</td></tr> <tr> <td>Year 2</td><td>2.9%</td><td>Year 7</td><td>2.6%</td></tr> </table>	Year 1 <sup>(1)</sup>	1.5%	Year 6	2.5%	Year 2	2.9%	Year 7	2.6%	Year 3	2.5%	Year 8	2.7%	Year 4	2.5%	Year 9	2.7%	Year 5	2.5%	Year 10	2.6%	Year 1 <sup>(1)</sup>	1.5%	Year 6	2.5%	Year 2	2.9%	Year 7	2.6%	<p>The actual rate of inflation varies from the assumed rate of inflation. In line with the RBNZ scenario, the risks to the assumption are mostly on the downside, i.e. that inflation will be lower than forecast.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Inflation is affected by external factors, all of which are outside of council's control and influence. Actual individual indices will at times vary from what has been assumed in this plan. The council has relied on the Reserve Bank's use of monetary controls to keep inflation within the 1-3% range.</p> <p>A 1% increase in the inflation rate over and above the BERL rates will increase council's total operating expenditure by \$466,192 in 2021/22.</p> <p>Should operating expenditure increase, and council is not able to achieve savings to offset the increase, it is likely there will be a proportional impact on council's funding and expenditure in the following year.</p>	1
Year 1 <sup>(1)</sup>	1.5%	Year 6	2.5%																												
Year 2	2.9%	Year 7	2.6%																												
Year 3	2.5%	Year 8	2.7%																												
Year 4	2.5%	Year 9	2.7%																												
Year 5	2.5%	Year 10	2.6%																												
Year 1 <sup>(1)</sup>	1.5%	Year 6	2.5%																												
Year 2	2.9%	Year 7	2.6%																												

Year 3	2.5%	Year 8	2.7%			
Year 4	2.5%	Year 9	2.7%			
Year 5	2.6%	Year 10	2.6%			
<p>1. The BERL capex price adjustor is -0.7% for 2020/21 and 3.7% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1</p>						
<p><b>Salaries</b></p> <p>Salaries are based on a council-led staffing initiative. Salary increases have been estimated at 3%.</p>				<p>The actual rate of salary increases is higher than the assumed rate.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>A 1% increase in salaries over and above the rate applied will increase operating expenditure by \$218,548 in 2021/22.</p> <p>Although the actual annual salaries expenditure incurred by council may vary against its corresponding forecast, it is expected to be manageable and it is not considered that any annual salaries variance will have a material effect on the overall financial forecasts in the Long Term Plan.</p>	1
<p><b>Activity income</b></p> <p>Activity income sources subject to inflation are assumed to increase annually in line with the BERL mid-scenario forecast opex price adjustor, with the exception of Waka Kotahi NZ Transport Agency subsidies and rating income.</p> <p>Budget forecasts were developed on the basis of a council resolution to increase user fees and charges by 2.2% per annum.</p>				<p>The actual activity revenue is influenced by rates of inflation different than the assumed rate.</p>	<p>Likelihood: Low</p> <p>Impact: Minor</p> <p>Although activity income streams may vary annually due to factors outside of councils control, it is considered manageable and it is not considered to have a material effect on the overall financial forecasts in the Annual Plan.</p>	1
Year 1 <sup>(1)</sup>	1.5%	Year 6	2.5%			
Year 2	2.9%	Year 7	2.6%			
Year 3	2.5%	Year 8	2.7%			
Year 4	2.5%	Year 9	2.7%			
Year 5	2.5%	Year 10	2.6%			
<p>1. The BERL opex price adjustor is -0.6% for 2020/21 and 3.6% for 2021/22, so the council has followed advice and taken an average of the rates for these two years</p>						

to smooth the effect of Covid-19 and give a more realistic % for Year 1											
Subsidies											
<p><b>Waka Kotahi NZ Transport Agency subsidy income</b></p> <p>Subsidy income is a function of transport activity cost and work categories. The subsidy available for the work categories varies from no subsidy to 100%, with the majority of the subsidy being 54%. The council has assumed there will be no change to the current government funding formula and as such, has applied the subsidy at the level advised by Waka Kotahi NZ Transport Agency at the time of preparing the plan.</p>	Actual subsidy rates and criteria for approved works change from the time the Long Term Plan is compiled.	<p>Likelihood: Low</p> <p>Impact: Major</p> <p>The maximum financial impact would be the total elimination of the total subsidy income, estimated at \$2,007,866 in 2021/22.</p> <p>Changes to the funding priorities of Waka Kotahi NZ Transport Agency are outside council's control.</p> <p>If the level of Waka Kotahi NZ Transport Agency's subsidy income is lower than forecast, it may require a reprioritisation of the transport work programme or an increase in funding from alternative sources (e.g. region-wide rates).</p>	1								
<p><b>Kaipara Moana</b></p> <p>At the time of preparing the consultation document and supporting information Council recognised \$9M of central government subsidy revenue and corresponding operational expenditure in relation to Kaipara Moana Remediation Programme. This amount is subject to change as details of this programme are finalised (eg. the funding agreement, programme governance structure, deliverables, work programmes) and the final Long Term Plan will be updated to reflect the latest information obtained</p>	Actual subsidy changes significantly from what is assumed.	<p>Likelihood: Low</p> <p>Impact: Minor</p> <p>If the subsidy is lower than assumed, the work programme can be reduced accordingly.</p>	1								
Rates											
<p><b>Rates increases applied – rating income</b></p> <p>In order to fund the expenditure outlined throughout the Long Term Plan, the council intends to increase its rates 19.83% on average in 2021/22.</p> <table border="1"> <tr> <td>Year 1</td><td>19.83%</td><td>Year 6</td><td>1.83%</td></tr> <tr> <td>Year 2</td><td>14.55%</td><td>Year 7</td><td>3.09%</td></tr> </table>	Year 1	19.83%	Year 6	1.83%	Year 2	14.55%	Year 7	3.09%	That the projected rate increases are insufficient to cover expenditure increases resulting from inflation.	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Rate funding provides approximately 50% of council revenue, with the remaining revenue coming from investment income, user charges, grants and subsidies.</p>	1
Year 1	19.83%	Year 6	1.83%								
Year 2	14.55%	Year 7	3.09%								

Year 3	9.99%	Year 8	3.13%		<p>A 1% increase in rating income would provide \$373,017 additional income, while a 1% increase in operating costs would equate to an additional \$718,890 of expenditure.</p> <p>The difference between the two is considered manageable. However, it may result in a reprioritisation of council's work programme and/or an increase in funding from alternative sources.</p>	
Year 4	2.55%	Year 9	2.47%			
Year 5	1.44%	Year 10	0.98%			
<b>Rates collection and affordability</b>  Rates collection for the 10-year period of the Long Term Plan is assumed to be 92% of overall rated income, or 92 cents in the dollar.				Rates arrears are higher than anticipated, with possible link to new legislation managing Māori freehold land.	Likelihood: Medium low  Impact: Medium  A higher amount of unpaid rates would negatively affect council's budgeted cashflow. A 1 percentage-point decrease in rates collection would result in \$373,017 less income. If the economic recovery from the Covid-19 crisis takes longer to occur than assumed, then the level of rates collection is likely to be lower than expected.  Council has established an opex reserve to provide for such an eventuality.	3
<b>Investments</b>						
<b>Externally managed funds</b>  Revenue derived from investments in externally managed funds is calculated upon an assumption of returns of 4.7% in the short-term fund and 6.3% for the long-term fund, for years 1-6 of this plan. Due to the uncertainty in returns in the other years, returns have been calculated on an assumption of 3% from year 7 to 10 on both funds.				Returns from externally managed funds are lower than forecast.	Likelihood: Medium low  Impact: Major  A 1% decrease in forecast revenue received on council's externally managed funds will result in a decrease in interest and capital gains of approximately \$43,731.	3
<b>Cash investments</b>  No interest income is assumed to be derived from cash investments. The council hold working capital in managed funds and releases funds as required.				There are no risks associated with this assumption.		NA



<b>Forestry investment revenue</b>  Forestry investment revenue will be in line with the forestry management plan.	Projected forestry returns are lower than those estimated in the plan.	Likelihood: Medium low  Impact: Minor  Forestry investment returns are 1% of council revenue. If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.	1
There will be no fair-value movements to the managed fund investment portfolio. Managed funds values will only change by investment gains earned and retained	Managed fund fair value will vary from the assumption.	Low  Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.	1
The forestry is revalued annually. The valuation adjustments are provided by an independent forestry consultant. These are non-cash and as the forest is a long-term asset, the adjustments do not affect funding or expenditure requirements.	There are no risks associated with this assumption.		NA
<b>Dividends</b>			
<b>Marsden Maritime Holdings Limited</b>  It is assumed that council will maintain its shareholding in Marsden Maritime Holdings Limited and that the dividend, expressed as a cents per share amount (cps), received from this shareholding will be 14.00 in years 1-3 and 16.75 in years 4-10.  The council is not forecasting any dividends from Regional Software Holdings Limited, nor any special dividends from Marsden Maritime Holdings Limited.	The actual dividend per share in Marsden Maritime Holdings Limited is lower than the assumed amount	Likelihood: Medium  Impact: Major  A 1-cent-per-share movement in the declared Marsden Maritime Holdings Limited dividend will have an impact on council's dividend income by \$221,429.  If the actual dividend income is lower than the forecast, other funding sources or savings will be considered to offset the difference. Council has established an opex reserve to provide for such an eventuality.	3
<b>Investment property</b>			
<b>Rental income</b>  It is assumed that council's investment property portfolio will be tenanted throughout the year at the current occupancy rates, and that rents will be maintained.	Occupancy rates decline, resulting in lower-than-forecast rental income.	Likelihood: Medium low  Impact: Moderate  A 1% reduction in council's investment property rental income equates to \$28,058 in 2021/22.	2

		All investment property rentals are subject to contractual obligations, which have varying renewal and review periods. Most rental properties have 5-, 7- and 21-year lease reviews, and the reviews falling due in any one year will not have a material impact on the annual rental income.	
<b>Commercial property sales</b>  The proceeds from any investment property sale will be reinvested in an investment that provides a return of 6.3% per annum.	That the return on reinvestment is lower than forecast.	Likelihood: Medium low  Impact: Minor	1
<b>Revaluation of investment properties</b>  The values of council's investment properties is assumed not to change.  This assumption is consistent with the expectation that Northland's population and economy will grow more slowly than the national average.	That the actual revaluation movements will vary from those assumed.	Likelihood: Medium low  Impact: Inconsequential  A 1% increase in council's investment property portfolio equates to an estimated increase of \$509,439 in the value of the portfolio.  Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.  There is no impact on depreciation as investment properties are not depreciated.	1
<b>Borrowing costs</b>			
<b>External borrowing costs</b>  The cost of existing external borrowing (\$19,558,000 at 1 July 2020) is assumed to continue at the current borrowing rates, and that the cost of new debt (from 1 July 2021) is 3.25%.	The prevailing interest rate is higher than that assumed.	Likelihood: Medium low  Impact: Moderate  Borrowing costs increase or decrease. Small changes are unlikely to affect rates. Large changes, however, may result in an increase or decrease to associated rates.	2
<b>Internal borrowing costs</b>  Internal borrowing rates are outlined in the Financial Strategy. The actual internal borrowing rate may be subject to change and will be based upon the cost of borrowing and available investment returns at the time of borrowing.	The internal borrowing rate is higher than that assumed.	Likelihood: Low  Impact: Inconsequential  Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.	1

Building and assets			
<p><b>Revaluation of land and buildings</b></p> <p>The values of council's land and buildings will not change.</p>	<p>The actual revaluation movements will vary from those assumed.</p>	<p>Likelihood: Medium low</p> <p>Impact: Inconsequential</p> <p>Any land and building revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p> <p>For land assets, there is no impact on depreciation as these assets are not depreciated.</p> <p>If the building revaluations are different from those assumed, it will affect the fixed asset values and flow through to changed levels of depreciation expense. A 1% increase in building asset values will equate to a minimal increase in depreciation.</p>	1
<p><b>Revaluation of infrastructure assets</b></p> <p>The values of the council's infrastructure assets will not change.</p>	<p>The actual revaluation movements will be significantly different from those forecasted.</p>	<p>Likelihood: Medium low</p> <p>Impact: Inconsequential</p> <p>Any infrastructure asset revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p> <p>For land assets, there is no impact on depreciation as these assets are not depreciated.</p>	1
<p><b>Asset replacement</b></p> <p>It is assumed that sufficient sources of funds for the future replacement of significant assets will be available at the end of their useful life.</p>	<p>Insufficient funds will be available to replace significant assets at the end of their useful lives.</p>	<p>Likelihood: Medium low</p> <p>Impact: Major</p> <p>Targeted regional-wide rates, user charges and other targeted rates will increase to achieve the funding requirements. The council may use borrowings in accordance with the revenue and financing policy, liability management policy and treasury management policy.</p>	3
<p><b>Useful lives of significant assets</b></p> <p>The useful lives of significant assets are shown in council's statement of accounting policies.</p>	<p>That council assets wear out earlier or later than estimated.</p>	<p>Likelihood: Low</p> <p>Impact: Severe</p>	2

<p>It is assumed that no significant assets will fail before the end of their useful lives as set out in the council's accounting policy. The council is aware of all planned asset acquisitions and all asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.</p>		<p>The council has several major infrastructural assets. As part of its asset management planning process, council identifies the capacity and condition of such assets and plans its replacement programme accordingly.</p> <p>Depreciation and interest costs (if borrowing was required) would increase if capital expenditure was required earlier than anticipated, and any earlier replacement may result in the deferral of other discretionary capital projects.</p>	
	<p>That the council changes activities, resulting in decisions not to replace certain existing assets.</p>	<p>Where a decision is made not to replace an asset, this will be factored into the capital expenditure projections.</p>	
<p><b>Vested assets</b></p> <p>It is assumed that no vesting or divesting of assets occurs.</p>	<p>Assets will be vested with the council.</p>	<p>Likelihood: Low</p> <p>Impact: Major</p> <p>Vested assets have an associated depreciation expense and this will increase the level of rating required if the council decide that the asset would be replaced at the end of its useful life.</p>	<p>1</p>

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# Depreciation by activity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Community Resilience	167	178	206	218	222	228
Natural Environment	442	473	545	577	588	605
River Management	208	224	253	277	278	282
Regional Leadership	1,022	1,111	1,266	1,318	1,345	1,381
Total Depreciation by Activity	1,839	1,986	2,270	2,390	2,433	2,496

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
228	224	231	236	242	Community Resilience
603	594	612	626	640	Natural Environment
288	282	291	297	304	River Management
1,378	1,360	1,396	1,427	1,457	Regional Leadership
2,497	2,460	2,530	2,586	2,643	Total Depreciation by Activity

# Capital expenditure

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Community Resilience						
Improvement	-	-	4,500	1,684	-	-
Replacement	36	1,100	2,618	38	39	40
Natural Environmental						
Improvement	610	1,241	1,230	856	202	264
Replacement	425	111	176	449	126	257
River Management						
Improvement	3,351	6,703	8,784	4	300	1,500
Replacement	104	-	-	-	-	-
Regional Leadership						
Improvement	7,790	8,851	3,606	3,388	3,398	995
Replacement	5,548	56	107	134	188	99
TOTAL CAPITAL EXPENDITURE	17,864	18,064	21,021	6,553	4,253	3,155

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Community Resilience
-	-	1,000	1,000	1,000	Improvement
41	42	43	44	46	Replacement
					Natural Environmental
83	183	246	101	109	Improvement
160	148	202	129	176	Replacement
					River Management
252	200	300	1,222	600	Improvement
-	-	-	-	-	Replacement
					Regional Leadership
4,405	421	428	442	456	Improvement
105	63	82	147	64	Replacement
5,046	1,057	2,301	3,085	2,451	TOTAL CAPITAL EXPENDITURE



# Schedule of reserves

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Awanui River Reserve</b>					
Opening Balance as at 1 July	(637)	(507)	(380)	(325)	(275)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	130	127	55	50	44
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(507)	(380)	(325)	(275)	(231)
<b>Kaihu River Reserve</b>					
Opening Balance as at 1 July	29	29	28	24	19
Increase /(Decrease) in Reserve throughout the year (operational transfer)	0	(2)	(3)	(5)	(7)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	29	28	24	19	12
<b>Kaeo Whangaroa Rivers Reserve</b>					
Opening Balance as at 1 July	125	122	115	104	89
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4)	(7)	(11)	(15)	(19)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	122	115	104	89	70
<b>Whangarei Urban River Reserve</b>					
Opening Balance as at 1 July	(8,152)	(7,654)	(7,144)	(6,641)	(6,135)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	498	510	503	507	528
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(7,654)	(7,144)	(6,641)	(6,135)	(5,607)
<b>Kerikeri Waipapa Rivers Reserve</b>					
Opening Balance as at 1 July	239	195	151	105	58
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(43)	(45)	(46)	(47)	(48)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	195	151	105	58	10

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Awanui River Reserve</b>					
(231)	(197)	(170)	(150)	(139)	Opening Balance as at 1 July
34	27	20	11	3	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(197)	(170)	(150)	(139)	(136)	Closing Balance as at 30 June
<b>Kaihu River Reserve</b>					
12	3	(8)	(21)	(36)	Opening Balance as at 1 July
(9)	(11)	(13)	(15)	(18)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
3	(8)	(21)	(36)	(54)	Closing Balance as at 30 June
<b>Kaeo Whangaroa Rivers Reserve</b>					
70	46	16	(19)	(58)	Opening Balance as at 1 July
(24)	(30)	(35)	(40)	(45)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
46	16	(19)	(58)	(103)	Closing Balance as at 30 June
<b>Whangarei Urban River Reserve</b>					
(5,607)	(5,073)	(4,522)	(3,963)	(3,394)	Opening Balance as at 1 July
534	550	559	570	578	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(5,073)	(4,522)	(3,963)	(3,394)	(2,816)	Closing Balance as at 30 June
<b>Kerikeri Waipapa Rivers Reserve</b>					
10	(40)	(90)	(143)	(196)	Opening Balance as at 1 July
(49)	(51)	(52)	(54)	(55)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(40)	(90)	(143)	(196)	(251)	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	(3,576)	(4,877)	(6,982)	(6,563)	(6,241)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	3,185	3,991	419	532	543
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(4,486)	(6,095)	-	(210)	(1,050)
Closing Balance as at 30 June	(4,877)	(6,982)	(6,563)	(6,241)	(6,748)
<b>Whangarei Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	20	(19)	3	43	85
Increase /(Decrease) in Reserve throughout the year (operational transfer)	36	37	40	42	45
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(75)	(15)	-	-	-
Closing Balance as at 30 June	(19)	3	43	85	130
<b>Awanui Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	(412)	(779)	(1,293)	(1,270)	(1,243)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	922	1,033	23	27	30
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,289)	(1,547)	-	-	-
Closing Balance as at 30 June	(779)	(1,293)	(1,270)	(1,243)	(1,213)
<b>Taumārere Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	-	(29)	(528)	(503)	(502)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	421	551	25	76	72
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(450)	(1,050)	-	(75)	(375)
Closing Balance as at 30 June	(29)	(528)	(503)	(502)	(806)
<b>Kaeo Whangaroa Flood Infrastructure Reserve</b>					
Opening Balance as at 1 July	(69)	(163)	(149)	(134)	(134)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	13	14	15	15	10
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(108)	-	-	(15)	(75)
Closing Balance as at 30 June	(163)	(149)	(134)	(134)	(199)

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Flood Infrastructure Reserve</b>					
(6,748)	(6,345)	(5,870)	(5,428)	(5,612)	Opening Balance as at 1 July
578	615	653	671	703	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(175)	(140)	(210)	(855)	(420)	Increase /(Decrease) in Reserve throughout the year (capital transfer)
<b>(6,345)</b>	<b>(5,870)</b>	<b>(5,428)</b>	<b>(5,612)</b>	<b>(5,329)</b>	Closing Balance as at 30 June
<b>Whangarei Flood Infrastructure Reserve</b>					
130	177	228	217	43	Opening Balance as at 1 July
47	50	49	37	26	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	(60)	(210)	(180)	Increase /(Decrease) in Reserve throughout the year (capital transfer)
<b>177</b>	<b>228</b>	<b>217</b>	<b>43</b>	<b>(111)</b>	Closing Balance as at 30 June
<b>Awanui Flood Infrastructure Reserve</b>					
(1,213)	(1,179)	(1,139)	(1,127)	(1,245)	Opening Balance as at 1 July
35	39	42	38	43	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	(30)	(157)	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
<b>(1,179)</b>	<b>(1,139)</b>	<b>(1,127)</b>	<b>(1,245)</b>	<b>(1,202)</b>	Closing Balance as at 30 June
<b>Taumārere Flood Infrastructure Reserve</b>					
(806)	(729)	(648)	(562)	(471)	Opening Balance as at 1 July
76	81	86	91	97	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
<b>(729)</b>	<b>(648)</b>	<b>(562)</b>	<b>(471)</b>	<b>(373)</b>	Closing Balance as at 30 June
<b>Kao Whangaroa Flood Infrastructure Reserve</b>					
(199)	(269)	(327)	(326)	(325)	Opening Balance as at 1 July
5	1	1	1	1	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(75)	(60)	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
<b>(269)</b>	<b>(327)</b>	<b>(326)</b>	<b>(325)</b>	<b>(323)</b>	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Infrastructure Facilities Reserve</b>					
Opening Balance as at 1 July	0	0	0	0	0
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	-	-	-
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	0	0	0	0	0
<b>Regional Sporting Facilities Reserve</b>					
Opening Balance as at 1 July	-	0	1	1	2
Increase /(Decrease) in Reserve throughout the year (operational transfer)	0	0	0	0	0
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	0	1	1	2	2
<b>Property Reinvestment Fund Reserve</b>					
Opening Balance as at 1 July	24,539	31,987	29,528	27,204	24,823
Increase /(Decrease) in Reserve throughout the year (operational transfer)	538	423	676	619	594
Increase /(Decrease) in Reserve throughout the year (capital transfer)	6,910	(2,882)	(3,000)	(3,000)	(600)
Closing Balance as at 30 June	31,987	29,528	27,204	24,823	24,817
<b>Regional Projects Reserve</b>					
Opening Balance as at 1 July	16,274	16,511	16,747	17,164	17,591
Increase /(Decrease) in Reserve throughout the year (operational transfer)	237	236	417	427	438
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	16,511	16,747	17,164	17,591	18,029
<b>Equalisation fund Reserve</b>					
Opening Balance as at 1 July	2,124	1,121	794	686	597
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1,002)	(328)	(108)	(90)	(330)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	1,121	794	686	597	267

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Infrastructure Facilities Reserve</b>					
0	0	0	0	0	Opening Balance as at 1 July
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
0	0	0	0	0	Closing Balance as at 30 June
<b>Regional Sporting Facilities Reserve</b>					
2	2	3	3	4	Opening Balance as at 1 July
0	0	0	0	0	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
2	3	3	4	4	Closing Balance as at 30 June
<b>Property Reinvestment Fund Reserve</b>					
24,817	21,367	21,933	22,517	23,118	Opening Balance as at 1 July
550	567	584	601	619	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(4,000)	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
21,367	21,933	22,517	23,118	23,737	Closing Balance as at 30 June
<b>Regional Projects Reserve</b>					
18,029	18,478	18,941	19,417	19,908	Opening Balance as at 1 July
449	462	476	491	505	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
18,478	18,941	19,417	19,908	20,413	Closing Balance as at 30 June
<b>Equalisation fund Reserve</b>					
267	88	509	1,437	1,166	Opening Balance as at 1 July
(179)	422	927	(271)	1,081	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
88	509	1,437	1,166	2,246	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Hatea River Reserve</b>					
Opening Balance as at 1 July	109	53	(3)	(59)	(115)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(56)	(56)	(56)	(56)	(56)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	53	(3)	(59)	(115)	(171)
<b>Investment and Growth Reserve</b>					
Opening Balance as at 1 July	233	474	54	320	97
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(232)	- 420	266	- 223	2
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	0	0	0	0	0
<b>Whangarei Transport reserve</b>					
Opening Balance as at 1 July	(40)	(40)	(40)	(40)	(40)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	-	-	-
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(40)	(40)	(40)	(40)	(40)
<b>Far North Bus reserve</b>					
Opening Balance as at 1 July	217	213	209	206	202
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4)	(4)	(4)	(4)	(4)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	213	209	206	202	198
<b>Economic Development Reserve</b>					
Opening Balance as at 1 July	15,343	15,553	15,762	16,130	16,507
Increase /(Decrease) in Reserve throughout the year (operational transfer)	210	209	368	377	386
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	15,553	15,762	16,130	16,507	16,893



Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Hatea River Reserve</b>					
(171)	(227)	(283)	(339)	(395)	Opening Balance as at 1 July
(56)	(56)	(56)	(56)	(56)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(227)	(283)	(339)	(395)	(451)	Closing Balance as at 30 June
<b>Investment and Growth Reserve</b>					
99	100	101	101	102	Opening Balance as at 1 July
1	1	-	1	1	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
0	0	0	0	0	Closing Balance as at 30 June
<b>Whangarei Transport reserve</b>					
(40)	(40)	(40)	(40)	(40)	Opening Balance as at 1 July
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(40)	(40)	(40)	(40)	(40)	Closing Balance as at 30 June
<b>Far North Bus reserve</b>					
198	194	190	186	182	Opening Balance as at 1 July
(4)	(4)	(4)	(4)	(4)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
194	190	186	182	179	Closing Balance as at 30 June
<b>Economic Development Reserve</b>					
16,893	17,289	17,852	18,442	19,059	Opening Balance as at 1 July
395	563	590	617	646	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
17,289	17,852	18,442	19,059	19,705	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Capital Subsidy Reserve</b>					
Opening Balance as at 1 July	20	20	20	20	20
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	-	-	-
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	20	20	20	20	20
<b>Operational Reserve</b>					
Opening Balance as at 1 July	1,620	1,620	1,620	1,620	1,720
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	-	100	831
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	1,620	1,620	1,620	1,720	2,551
<b>Kaipara Moana Remediation Reserve</b>					
Opening Balance as at 1 July	-	(611)	(1,220)	(1,826)	(2,428)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(611)	(609)	(606)	(602)	(599)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(611)	(1,220)	(1,826)	(2,428)	(3,027)
<b>Enterprise System Reserve</b>					
Opening Balance as at 1 July	-	(4,203)	(6,627)	(6,700)	(6,374)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4,203)	(2,424)	(74)	326	326
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(4,203)	(6,627)	(6,700)	(6,374)	(6,048)
<b>CDEM Joint Emergency Centre</b>					
Opening Balance as at 1 July	-	-	(4,203)	(4,910)	(4,603)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	297	978	307	322
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	(4,500)	(1,685)	-	-
Closing Balance as at 30 June	-	(4,203)	(4,910)	(4,603)	(4,282)

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
<b>Capital Subsidy Reserve</b>					
20	20	20	20	20	Opening Balance as at 1 July
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
20	20	20	20	20	Closing Balance as at 30 June
<b>Operational Reserve</b>					
2,551	3,708	5,446	7,387	9,473	Opening Balance as at 1 July
1,157	1,738	1,941	2,086	966	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
3,708	5,446	7,387	9,473	10,439	Closing Balance as at 30 June
<b>Kaipara Moana Remediation Reserve</b>					
(3,027)	(3,623)	(3,018)	(2,379)	(1,702)	Opening Balance as at 1 July
(596)	604	640	677	716	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,623)	(3,018)	(2,379)	(1,702)	(986)	Closing Balance as at 30 June
<b>Enterprise System Reserve</b>					
(6,048)	(5,272)	(4,508)	(3,756)	(3,015)	Opening Balance as at 1 July
775	764	753	741	729	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(5,272)	(4,508)	(3,756)	(3,015)	(2,286)	Closing Balance as at 30 June
<b>CDEM Joint Emergency Centre</b>					
(4,282)	(3,944)	(3,590)	(3,218)	(2,828)	Opening Balance as at 1 July
337	354	372	390	410	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,944)	(3,590)	(3,218)	(2,828)	(2,418)	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
<b>Oruku Landing Conference &amp; Event Centre</b>					
Opening Balance as at 1 July	-	-	-	(13,114)	(12,177)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	(13,114)	937	992
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	-	-	(13,114)	(12,177)	(11,185)
<b>Emergency Services reserve</b>					
Opening Balance as at 1 July	125	169	212	256	299
Increase /(Decrease) in Reserve throughout the year (operational transfer)	43	43	43	43	43
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	169	212	256	299	343
<b>TOTAL SPECIAL RESERVES CLOSING BALANCE</b>	<b>48,712</b>	<b>36,620</b>	<b>21,477</b>	<b>21,744</b>	<b>23,786</b>

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Oruku Landing Conference & Event Centre
(11,185)	(10,135)	(9,024)	(7,846)	(6,600)	Opening Balance as at 1 July
1,050	1,112	1,177	1,247	1,321	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(10,135)	(9,024)	(7,846)	(6,600)	(5,278)	Closing Balance as at 30 June
					Emergency Services reserve
343	386	430	473	517	Opening Balance as at 1 July
43	43	43	43	43	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
386	430	473	517	560	Closing Balance as at 30 June
24,686	32,329	40,782	47,434	55,146	TOTAL SPECIAL RESERVES CLOSING BALANCE

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

The components of equity are:

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

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

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

## About council's reserves

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

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

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

All reserves displaying a deficit balance at 1 July 2021 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.



## Investment and growth reserve

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast Opening Balance	233	0	0	0	0
Northland Regional Council investment revenue transferred to reserve	503	460	501	352	166
Economic Development Fund investment revenue transferred to reserve	737	747	600	614	629
Economic Development Rate revenue transferred to reserve	611	686	835	1,017	1,238
Payment to Northland Inc. Limited as operational funding	(1,386)	(1,407)	(1,442)	(1,478)	(1,515)
Payment to fund capital expenditure	-	-	-	-	-
Payments to fund projects	(300)	(300)	(300)	(300)	(300)
Payments for enabling	(168)	(189)	(198)	(207)	(219)
Other withdrawals	(233)	-	-	-	-
Gains/Interest reinvested	3	2	3	1	0
Forecast Closing Balance	0	0	0	0	0

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
0	0	0	0	0	Forecast Opening Balance
-	-	-	-	-	Northland Regional Council investment revenue transferred to reserve
643	506	512	518	523	Economic Development Fund investment revenue transferred to reserve
1,507	1,547	1,588	1,631	1,674	Economic Development Rate revenue transferred to reserve
(1,553)	(1,593)	(1,636)	(1,680)	(1,724)	Payment to Northland Inc. Limited as operational funding
-	-	-	-	-	Payment to fund capital expenditure
(300)	(300)	(300)	(300)	(300)	Payments to fund projects
(298)	(160)	(164)	(169)	(173)	Payments for enabling
-	-	-	-	-	Other withdrawals
0	-	-	-	-	Gains/Interest reinvested
0	0	0	0	0	Forecast Closing Balance

# Financial prudence

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

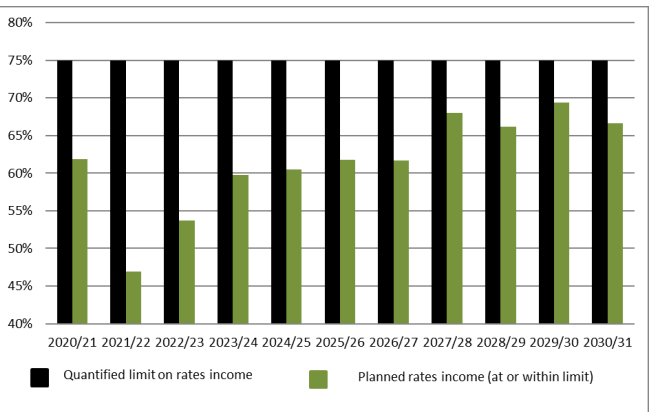
## Rates affordability benchmarks

The council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates, and
- its planned rates increases equal or are less than each quantified limit on rates increases.

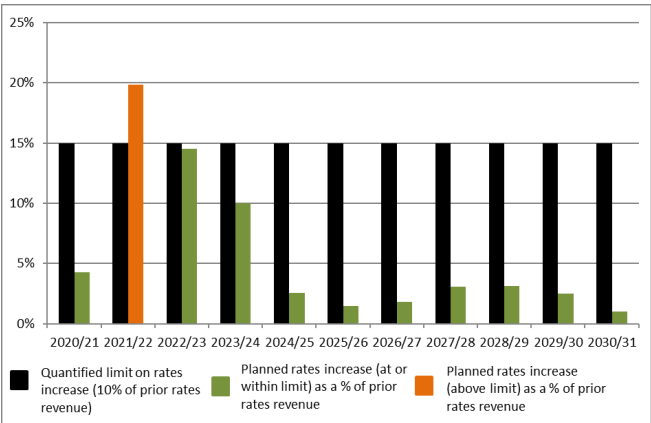
### Rates income affordability

The following graph compares the council's planned rates income with a quantified limit on rates contained in the financial strategy within the council's Long Term Plan. The quantified limit is no more than 75% of total revenue.



### Rates increases affordability

The following graph compares the council's planned rates increases with a quantified limit on rates increases included in the financial strategy within the council's Long Term Plan. The quantified limit is no more than 15% of prior years' rates revenue.



The rates increase in 2021/22 exceeds the proposed limit. This is due to the council recommending a number of programmes that allow them to meet community and central government expectations. This is considered an exceptional year and an opportunity to position council for the medium to long term. Ratepayers are asked to submit on the level and affordability of all the new proposals.

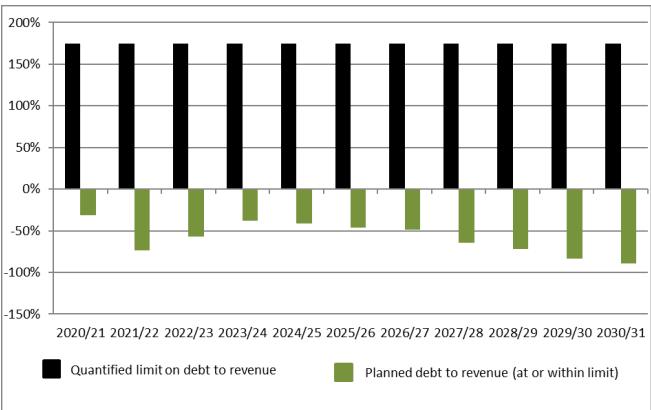
## Debt affordability benchmarks

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graphs compare council's planned borrowing with quantified limits on borrowing stated in the financial strategy within the council's Long Term Plan.

### Net debt to total revenue

The quantified limit for net debt as a proportion of total revenue is 175%.

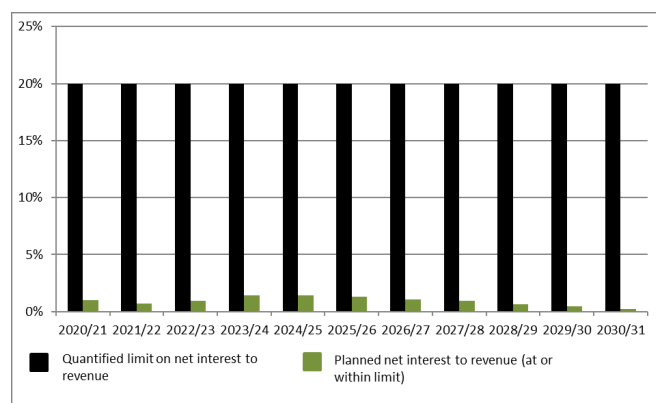


Northland Regional Council carries a significant value of investments categorised as non-current that could be liquidated if required.

The increase in the planned debt-to-revenue percentage is due to increased revenue and mostly static net debt during the Long Term Plan reporting periods.

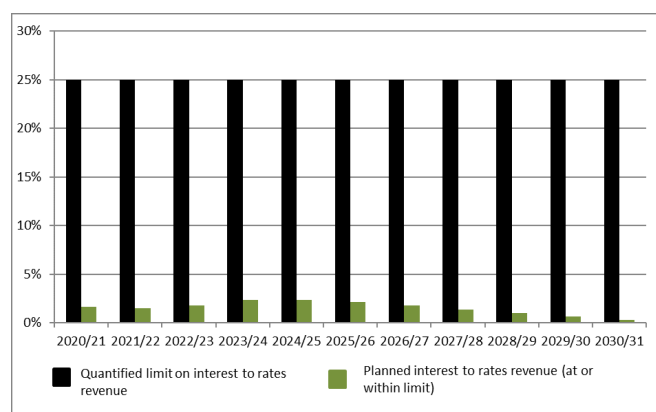
### Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 20%.



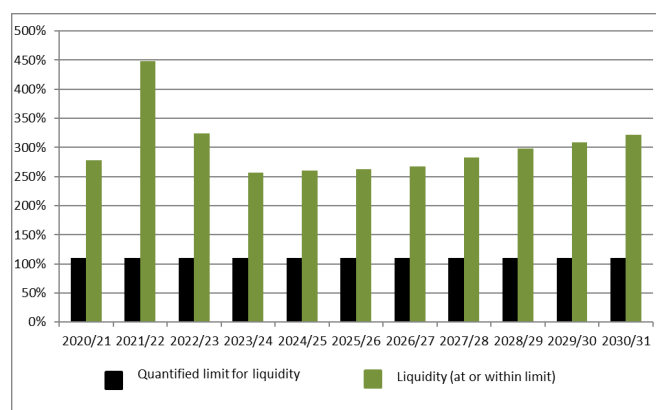
### Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



### Liquidity

The quantified limit for liquidity is set as a minimum of 110%.

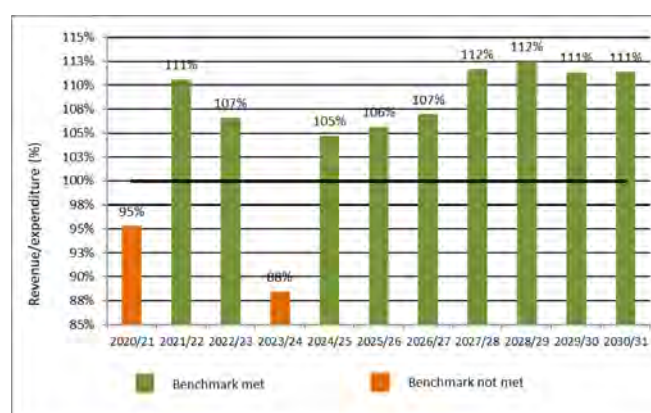


## Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.

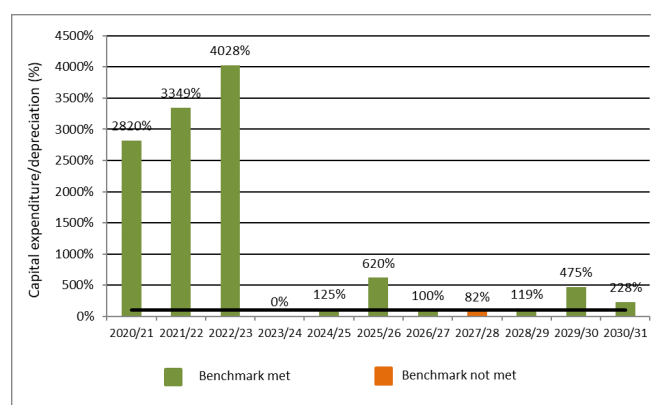
Note: 2023/24 includes the potential Oruku Landing conference and events centre contribution of \$14M, which is covered by borrowings.



## Essential services benchmark

The following graph displays the council's planned capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. The benchmark is represented by the black line.

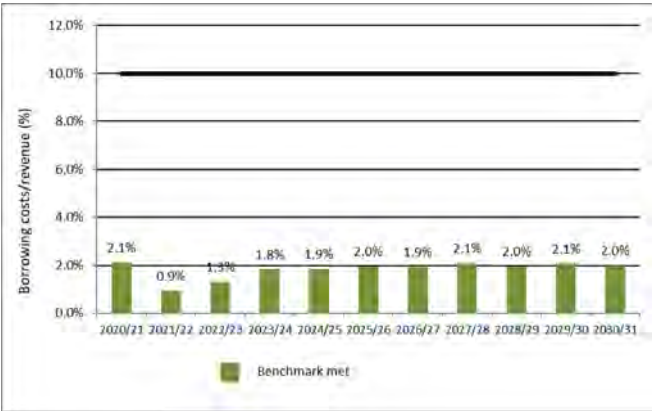


The 2023/24 and 2027/28 years don't include high capital expenditure on flood protection, and so fall below the benchmark.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Stats NZ projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.





Ngā kaupapa here  
Policies



This section sets out the draft policies that we are consulting on as part of our long term plan consultation process. These are our:

- Revenue and financing policy
- Financial contributions policy
- Kaupapa here whakaurunga mo te iwi Māori – Policy on fostering Māori participation in council processes
- Significance and engagement policy

### **User Fees and charges**

Our user fees and charges, including our principles and policies on charging, are also open for consultation concurrently with the long term plan process. The draft policy, charges, and statement of proposal are in a separate document that can be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **Remission and postponement of rates and penalties**

We adopt policies on the remission and postponement of rates and penalties, and early payment of rates, that are the same as the For North, Kaipara and Whangārei district councils. We do this because the district councils collect rates on our behalf. We don't adopt any policies or parts of policies that don't relate to the rates collected on our behalf (for example a policy related solely to water rates).

The Far North and Kaipara district councils are not proposing any changes to their rating policies (or are making only minor changes).

While the Whangārei district council are not proposing new policies, they are proposing some changes to existing policy wording. This includes no longer allowing a discount for any rate, increasing the penalty for late payment of rates from 5% to 10%, and reconsidering the requirements for some residential remissions. The statement of proposal for the changes to the policy, which outlines the specific proposal, is available on the Whangārei district council website LINK.

The full list of proposed policies on the remission and postponement of rates and penalties can also be found on our website: [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan)

### **Other supporting policies**

We maintain other policies that we're not consulting on as part of this long term plan process, but which may be of interest or provide further support to the information in this document:

- Significant accounting policies
- Treasury management policy
- Liability management policy
- Investment policy
- Policy on the appointment of directors to council organisations

These can be found on our website, [www.nrc.govt.nz/futureplan](http://www.nrc.govt.nz/futureplan).

# Revenue and financing policy

## Overview

The Local Government Act 2002 (LGA) requires the council to adopt a Revenue and Financing Policy, outlining the council's approach to funding its operating and capital expenses – in other words, how the council pays for what it does.

The council must manage its finances prudently and in a manner that promotes the current and future interests of the community. Generally, the council must make sure it has a "balanced budget", ensuring that operating revenue covers operating expenses.

The council can fund its activities from a range of sources outlined in section 103 of the Local Government Act. The council usually pays for activities from the following:

1. Targeted region-wide rates.
2. Specific targeted rates.
3. Income from investments.
4. Fees and charges.
5. Grants and subsidies.

The council also uses borrowing to fund some of its activities.

## Sources of funding for operating expenses

### Targeted region-wide rates

The council typically uses targeted region-wide rates to fund activities that provide a community benefit or public good, not benefits for specific users. In these cases it is usually impossible or impractical to identify customers or users, or to fully recover costs from those who benefit, or those who make the situation worse.

The council has elected to use six targeted region-wide rates, as it considers these to be a fairer approach than setting a general rate and uniform annual general charge. The level of targeted region-wide rates is based on the funding required to provide agreed council activities after identifying other income sources.

### Specific targeted rates

The council uses specific targeted rates where it provides services to a certain area or group within the regional community, but there is no mechanism to directly charge them. The activities funded may have a wider community benefit or public good, but

a group derives a direct or greater benefit from the provision of the activity. Where it is appropriate, only this group will be targeted to pay for some or all of the service.

The council may also set a specific targeted rate for transparency and accountability.

### Income from investments

The council uses its investment returns (dividends, interest and rent) to reduce targeted region-wide rates. For the purposes of this policy, we group investment returns with targeted region-wide rates, and refer to this group as 'rates/general funds'.

Some investment revenue will be diverted to the Investment and Growth Reserve to fund economic development activity.

### Fees and charges

User charges are direct charges to identified individuals and/or groups:

- who use certain council services, or
- whose actions or inactions cause the council to provide the service.

In these instances, a benefit exists to clearly identifiable people and/or groups, so they are required to pay for all or part of the cost of using that service.

Fees and charges are set based on recovering either the full cost of the service, the marginal cost added by users, or a rate that the market will reasonably pay. Fees and charges are set in accordance with the council's charging policy.

Licence fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

### Borrowing

The council may use internal or external borrowing as per its Liability Management Policy to bring forward or accelerate operating expenditure. The cost and repayment of borrowing is to be funded from the same funding sources available to fund the specified activity.

## **Reserves and special funds**

Reserve funds may be used to fund expenditure for specific purposes. In some circumstances, the reserves are a legal requirement. The council may establish additional reserves as and when required. Any funding surplus or deficit resulting from activities funded through targeted rates is set aside in a specified reserve to be used or repaid in subsequent financial years. Subject to meeting any specified conditions associated with these reserves, the council may spend money of an operating or capital nature from these reserves.

## **Proceeds from asset sales**

Proceeds from asset sales will usually be used to provide funding to acquire assets of a similar nature. The council may also choose to use the proceeds of asset sales to fund operating expenditure. Keeping strategic and investment assets, and using investment returns (operating) to promote economic wellbeing, provides intergenerational equity. Unless the council resolves otherwise, proceeds from the sale of investment assets will be set aside for future reinvestment.

## **Financial contributions**

The council does not require financial contributions.

## **Grants and subsidies**

Central government and other third-party agencies provide various grants and subsidies for specified activities and projects.

## **Other funding sources: use of surpluses from previous financial periods**

Where the council has recorded an actual surplus in one financial period, it may pass this benefit on to ratepayers in a subsequent financial period. The council will not normally carry forward surpluses in relation to the sale of assets or revenue received for capital purposes.

## **Sources of funding for capital expenditure**

Capital expenditure is generally funded from the same sources available to fund operational expenditure. While debt or internal borrowing may sometimes be used to provide the immediate funding needed to acquire an asset, repayment of the debt will be made from the same sources as operating expenditure.

Capital expenditure is funded from depreciation, general funds, targeted rates and borrowing as outlined below:

- Replacement of an asset: funded out of rates charged to recover depreciation. If funds are insufficient, then reserves or borrowing may be used to provide funding.
- New asset or the upgrade or increase in service potential of an existing asset: internal or external borrowings.

The funding of capital expenditure from the sale of surplus assets, restricted or special funds is decided on a case-by-case basis.

If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period. The council may impose a targeted rate to fund capital expenditure or repay the borrowings on an asset at a faster rate than over the full life of the asset.

## Revenue and financing sources and mechanisms for the council's activities

The following table shows a summary of the funding sources for each activity, and the council's consideration of the factors under Section 101(3) of the Local Government Act 2002 when determining the appropriate funding sources for each activity. The factors considered for each activity were:

- The community outcomes to which it primarily contributes.
- The distribution of benefits between:
  - the community as a whole
  - any identifiable parts of the community, and
  - individuals.
- The period the benefits are expected to occur.
- How much the actions or inaction of individuals or a group contribute to the need for the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

We have also considered the overall impact on the community of any allocation of liability for revenue needs. Over the course of this Long Term Plan, the council will borrow funds to pay for the capital infrastructure of our river management schemes. The maximum period of these loans is 30 years, and actual loan periods are determined after considering the extent of the capital works and the period of benefit, affordability and commitment of future generations.

Specific targeted rates will be collected from 2018/19 to ensure the council has sufficient funds to repay these loans as they fall due. The council will invest rates collected in managed funds until the loans are due to be repaid. By collecting rates immediately, the council receives investment returns that will offset the borrowing costs. This approach ensures the financial cost of borrowing, and hence the impact on the community (via the targeted rates they are required to pay each year), is reasonable.

### Explanation of notations made in the table

**Rates/general funds:** includes targeted region-wide rates and general funding (including income from investments).

**Full:** All, or almost all, the cost of the activity is funded from that source.

If the comment is made regarding rates/general funds, it does not preclude making minor charges for the service, but indicates that the charges are a negligible part of the total funding.

**Majority:** Most of the service is funded from this source.

When used in reference to fees and charges, it reflects the view that the services should be recovered from users, but that legislation imposes some constraints that may mean that full recovery is not possible.

**Residual:** A portion of funds comes from this source.

When used in reference to fees and charges, it reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue that is imposed to achieve compliance and may not always cover the costs of enforcement.

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<b>Natural environment</b>		
The entire community desires a well-structured and effective region, and benefits from integrated regional policies and plans that provide for the sustainable management of Northland's resources. This activity is a public good, which supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue both in the immediate and long term.	Planning and Policy	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
<p>For certain activities, applicants must seek consent under the Resource Management Act 1991(RMA)and the Building Act 2004. This process contributes towards safe and resilient communities, and continuous improvement in water quality and security of supply. The regional community gains assurance that activities requiring consent are in accordance with regional policies and the RMA. RMA and building (dams)consent holders directly benefit from gaining compliance and holding consent. The benefits of these services accrue both in the immediate and long term. Processing resource consent applications is considered to be largely private good, with an element of public benefit. The allocation of costs to those who benefit from the services or cause such costs is beneficial, as the community does not have to bear such costs.</p> <p>Capital costs are minor and as they do not directly relate to individual consent applications, they are funded from rates/general funds for efficiency reasons.</p>	Consents activity: Consent applications	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Fee/subsidy - Majority</li> <li>• Rates/general funds - Residual</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Individuals may require information and advice on the lawfulness of intended, proposed or existing activities. The regional community benefits from informed participation and decision making. Resource users benefit from guidance on regulation, appropriate use and development of resources. These services support safe and resilient communities, and efficient and effective service delivery, and the benefits accrue both in the immediate and long term. We consider the provision of consents advice and information to be a public and private good. The public good is served by the informed ease of transacting and engaging with the council. Private good exists where advice relates to applications where individuals derive a direct benefit. Fees can be charged for some advice, as per the council's charging policy.	Consents activity: Consents advice and information	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> <li>• Fee/subsidy - Residual</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
The regional community benefits from improved knowledge and management of the regional environment. This activity is a public good that supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue in the immediate and long term.	Monitoring: State of the Environment monitoring	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul> <i>Minor capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Need is created by individuals who have consents and those whose actions or inactions risk or harm the environment. The local and regional communities benefit from environmental protection via the	Monitoring: Compliance monitoring	<i>Operating expenditure:</i>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>monitoring, enforcement and clean-up actions carried out by the council. This activity supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits of these services accrue both in the immediate and long term. This activity is mostly a private good, however compliance provides public benefit. The allocation of costs to those who benefit from the services, or those who cause such costs, is beneficial to the community, as the community does not have to bear such costs.</p>		<ul style="list-style-type: none"> <li>• Fee/subsidy - Majority (Licence and Enforcement fees)</li> <li>• Rates/general funds - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
	Monitoring: Environmental incidents response	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
	Monitoring: Waste management and contaminated sites	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <p>Rates/general funds - Full</p>
<p>Individuals and communities live or plan development in areas that are subject to natural hazards. Natural hazard management supports safe and resilient communities, and the benefits accrue immediately and in the long term. Individuals and the community benefit from reduced risk to property, projection losses and loss of life. Community-wide benefits include hazard identification and risk reduction analysis throughout the region. Hazard management is primarily a public good, with an element of private benefit to individuals and groups of individuals.</p>	Natural Hazard Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
<p>The community wants advanced warning of water risks, and to have our water resource sustainably managed. Hydrology monitors and reports on water quantity (rainfall, groundwater, surface water, rivers and lakes), which contributes to continuous improvement in water quality and security of supply, and safe and resilient communities. Individuals and the community benefit from early notification of rainfall in significant rivers, and management of Northland's water resources. There is community-wide benefit from monitoring and understanding our various water resources and information. The benefits of these services accrue both in the immediate and long term. Hydrology activity is primarily a public good with an element of private benefit to individuals and groups of individuals. Fees and charges are levied for compliance-related activities.</p>	Hydrology	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
The community wants animal and plant pests to be controlled, and our region's unique ecosystems to be protected. The regional community benefits both in the immediate and long term from the enhancement of indigenous biodiversity and biosecurity in Northland, and from the contribution towards a thriving regional economy through increased land productivity. We consider the provision of biosecurity activities to be largely a public good, with an element of private benefit, where pest control is provided to individuals and/or groups of individuals.	Biosecurity	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources. The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of biodiversity activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.	Biodiversity	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources (improved water quality, reduced run-off and sedimentation, and reduced frequency of flooding). The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of land and water activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.	Land and Water	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
<b>Community resilience</b>		
Individuals and the public require flood risk reduction when living or undertaking developments in flood risk areas. The community benefits from reduced incidence of damaging floods in Northland. Individual landowners benefit from the reduction in property damage and primary projection losses. The benefits of these services support safe and resilient communities, and accrue both in the immediate and long term. We consider river management works to be both a private and public good. Where specific works are carried out, the council considers the public good element to be paramount, and also considers each community's ability to pay additional targeted rates. As such, rates/general funds fund the majority of these works.	River Management: Flood protection works river management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Targeted rates - Residual</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure on river asset infrastructure is undertaken as part of this activity:</i></p>



Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>The use of targeted rates to partially fund each river scheme promotes accountability and affordability, as residents and business weigh up the costs of flood protection works against the level of risk. The council recognises it may not be realistic or cost effective to precisely identify either direct beneficiaries on the floodplain or indirect beneficiaries in the economic catchment, and proxies will need to be used. It will not always be feasible for the council to recoup costs from some types of beneficiaries. Exception: should the cost of collecting a separate targeted rate on small schemes exceed the benefits, then those works will be funded from rates/general funds.</p> <p>Capital expenditure includes any interest and capital repayments where debt is raised. This includes river management infrastructure.</p>		<ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Targeted rates - Residual</li> </ul>
<p>The community desires the response capability and advanced warning provided in emergency events, and benefits from these services. Maintaining a response capability and planning for major emergency events benefit the regional and national community. The benefits of these services accrue both in the immediate and long term. Civil defence and emergency response is a public good, which supports safe and resilient communities. It benefits all individuals and landowners during emergency events, so the majority is funded from rates/general funds.</p>	Civil Defence and Emergency Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
<p>The community wants to have access to emergency and rescue services, and the ongoing provision of other community projects. We consider these activities to be public goods that contribute to safe and resilient communities. The wider community benefits include reduced risk to loss of life and having a safer region, and occur both immediately and in the long term.</p> <p>Given the reasonably small amount of funding, the council has deemed it appropriate to use rates/general funds to fund community organisations via the non-contestable funding process.</p> <p>To provide transparency to the ratepayers, council has deemed it appropriate to set a targeted rate for the funding of organisations involved in volunteer emergency services activities in the region.</p>	Civil Defence and Emergency Management: Funding for community projects and volunteer emergency services	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Targeted rates - Majority</li> <li>• Rates/general funds - Residual</li> </ul>
<p>Fuel tankers visit Marsden Point Oil Refinery, which constitutes a major oil spill risk. The local commercial tourism service, fishing fleets and the substantial recreational vessel fleet use the region's coastal waters and associated refuelling facilities. The council's Oil Pollution Response supports safe and resilient communities, and a thriving regional economy. The regional and wider communities benefit from clean seas and coastal environments, and commercial shipping benefits from a spill response system and the availability of resources for cleaning up spills. The benefits of these services accrue both in the immediate and long term. Where evidence permits, the council will seek to charge the exacerbator, however it is not always feasible or cost effective to do so.</p>	Oil Pollution Response	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>• Fee/subsidy - Majority</li> <li>• Rates/general funds - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <p>Rates/general funds - Full</p>



Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>Recreational and commercial coastal water users create a need for harbour safety and navigation, which supports safe and resilient communities. Offering harbour safety and navigation services provides both public and private benefits, which accrue both in the immediate and long term. The regional community benefits from safer coastal areas for recreation. The public, including commercial and recreational users, benefits from safe water transport and the provision of services. Charges are levied on larger vessel and coastal structure owners, as direct beneficiaries, in accordance with the Navigation, Water Transport and Maritime Safety bylaw and the council's charging policy. The application of user charges promotes transparency and accountability, and reduces the rating requirement on the community.</p> <p>Capital expenditure is required for property plant and equipment (including cyclical renewal of vessels, vehicles and navigational aids) to carry out this activity.</p>	Harbour Safety and Navigation	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>● Fee/subsidy - Majority</li> <li>● Rates/general funds - Residual</li> </ul> <p><i>Capital expenditure is required:</i></p> <ul style="list-style-type: none"> <li>● Rates/general funds - Full</li> </ul>
<p>Legislation requires, and the community desires, an integrated transport network. Regional transport management is a public good that supports efficient and effective land transport policies and public transport, and safe and resilient communities. The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. The benefits are ongoing, however there is immediate benefit to the transport users.</p>	Transport: Regional Transport Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>● Rates/general funds - Majority</li> <li>● Fee/subsidy - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>● Rates/general funds - Full</li> </ul>
<p>The community desires access to public transport services and total mobility schemes. Passenger transport administration supports efficient and effective land transport policies and public transport, and safe and resilient communities. The entire Whangārei district benefits from the provision of community passenger transport services, including the flow-on effects of reduced congestion and improved road safety in Whangārei urban areas where passenger services operate.</p> <p>Where public transport is provided in other areas across the region, there is both community and individual benefit. The community benefits from having individuals being able to engage in day-to-day activities. The individual benefits from being able to travel and access the community when they otherwise might not be able to do so. The benefits of these services are immediate at the time of using the service/transport. The region benefits from the provision of a passenger transport system.</p> <p>Each bus service is funded from a combination of central government funding (where available), user fees and charges, and a targeted rate. This combination of funding promotes affordability and transparency, and allows the council to take advantage of available subsidies. Setting user fees at an affordable level is intended to encourage and promote use of the bus service.</p>	Transport: Passenger Transport Administration	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> <li>● Fee/subsidy - Majority</li> <li>● Rates/general funds - Residual</li> <li>● Targeted rates - Residual</li> </ul> <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> <li>● Rates/general funds - Full</li> </ul>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<b>Regional leadership</b>		
The Local Government Act 2002 requires councils to work with the community to make and implement key decisions. Both the community and council benefit immediately and in the long term from the community's contribution towards the council's decision-making. Community representation is a public good that contributes to safe and resilient communities.	Governance: Community Representation	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> <li><i>Minor capital expenditure may be required:</i></li> <li>• Rates/general funds – Full</li> </ul>
The Local Government Act 2002 requires councils to work with Māori to make and implement key decisions. Māori Engagement is a public good, which contributes to prosperous relationships with tangata whenua, and ensures safe and resilient communities. Both the community and council benefit immediately and in the long term from improved decision making and representation.	Māori Engagement	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> </ul>
The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Communication is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.	Communication and Engagement: Communication	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> </ul>
The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Online communication and engagement is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.	Communication and Engagement: Online	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds – Full</li> </ul>
The community wants the environment to be maintained or improved. Environmental education supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The community benefits from the opportunity to learn about and participate in the sustainable use, development and protection of the region's resources. The benefits are ongoing, but there is immediate benefit to the recipients. While some individuals (children and schools) may derive private benefit, the cost of providing this activity by imposing user charges on the recipients would potentially make the programme unaffordable for the direct recipients.	Communication and Engagement: Environmental Education	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds – Majority</li> <li>• Fee/subsidy – Residual</li> <li><i>Minor capital expenditure may be required:</i></li> <li>• Rates/general funds – Full</li> </ul>
The community wants to improve regional wealth. Economic development activities support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth, which includes improved economic activity, employment and income opportunities. Individuals and businesses benefit directly from increased economic opportunities, and the tourism sector	Economic Development: Economic Development Activities	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds (Investment and Growth Reserve) – Majority</li> <li>• Income from Economic Development Reserve – Residual</li> </ul>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
benefits from sector support and promotion. Targeted rates may be set to provide transparency and accountability regarding the provision of specific activities.		<i>Capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
The community wants to improve regional wealth. Economic development projects support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth. Individuals and individual businesses benefit directly from increased economic opportunities flowing out of specific initiatives. Funding these projects from targeted rates ensures transparency and accountability.	Economic Development: Projects	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Targeted rate - Majority</li> <li>• Rates/general funds (Investment and Growth Reserve) - Residual</li> </ul> <i>Capital expenditure may be required:</i> <ul style="list-style-type: none"> <li>• Targeted rates - Full</li> </ul>
The community desires regional infrastructure, including sporting facilities. The regional community benefits from improved infrastructure and economic activity, contributing to a thriving regional economy. Individuals and businesses will benefit from direct use of the infrastructure. The benefits accrue both in the immediate and long term. Funding from targeted rates ensures transparency and accountability.	Economic Development: Infrastructure	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Targeted rates - Full</li> </ul> <i>Capital expenditure:</i> <ul style="list-style-type: none"> <li>• Targeted rates - Full</li> </ul>
The community wants to access council information and services, and to transact with the council. The provision of customer services supports efficient and effective service delivery, and is also used to support prosperous relationships with tangata whenua. The community benefits from having easy access to council information and services, and the council benefits from closer relationships with the community and improvement in its reputation. These benefits accrue immediately and in the long term. We consider customer services to be largely a public good, with an element of private benefit, where information and support is provided to individuals.	Customer Services	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Corporate excellence provides corporate services to the rest of the council, including finance, human resources, health and safety, continuous improvement, information management, information technology, the Chief Executive Officer (CEO) Office and property. This activity is a public good that supports efficient and effective service delivery. Corporate services are allocated to activities based on relevant cost drivers.	Corporate Services: All except Commercial Investments and Regional Sporting Facilities	<i>Operating expenditure:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> <i>Capital expenditure is required:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
Commercial investment activity supports improved returns on council investments, and a thriving regional economy. The community desires that the council's commercial investments are managed prudently for the benefit of current and future ratepayers. The regional community benefits immediately and in the long term from the direct investment income generated from commercial investments, as this revenue is applied to fund council operations, including economic development, and helps to keep rates affordable. The community also benefits from any wider economic development gains that may accrue from investment and commercial decisions.	Corporate Services: Commercial Investments	<i>Operating:</i> <ul style="list-style-type: none"> <li>• Rates/general funds - Majority</li> <li>• Fee/subsidy - Residual</li> </ul> Commercial investment provides net investment revenue funding to contribute towards rates/general funds

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p><b>Operating:</b> We consider the entire revenue stream and capital growth associated with investment activities are a public good.</p> <p><b>Capital:</b> Investments can be tailored to achieve a mix of financial and strategic objectives. The growth of council investments, through further investment and capital appreciation, promotes intergenerational equity, which ensures assets are available for the future benefit of the community.</p>		<p><i>Capital expenditure may relate to specific commercial development projects:</i></p> <ul style="list-style-type: none"> <li>• Rates/general funds - Full</li> </ul>
<p>The community desires sporting facilities across the region. This is demonstrated by the development of the Regional Sports Facilities Plan. Supporting the development of regional sporting facilities has public and private benefit both in the immediate and long term. The regional community benefits from an increased number of sporting facilities that are suitable for regional use. Individuals benefit from improved access to sporting facilities, which can benefit their health and social outcomes. Funding from targeted rates ensures transparency and accountability.</p>	Corporate Services: Regional Sporting Facilities	<p><i>Operating:</i></p> <p>Targeted rates - Full</p>

# Financial contributions policy

This policy describes Northland regional Councils approach to development and financial contributions.

## *Development contributions*

Northland Regional Council will not be seeking any development contributions as provided for under the Local Government Act 2002. The power to levy such contributions is restricted to territorial authorities.

## *Financial contributions*

Northland Regional Council does not have any provisions in its regional plans prepared under the Resource Management Act 1991 to levy financial contributions. The inclusion of such contributions may be reconsidered as part of any review of the regional plans. No financial contributions can be levied by Northland Regional Council unless they are included within a regional plan.

# Policy on fostering Māori participation in council processes

## Kaupapa here whakaurunga mo te iwi Māori

### Te Horopaki Ture

Ko te Ture a te Komihana 2002 (LGA) e mōhio ana i te whanaungatanga i waenganui i te Māori me te Karauna i raro i te Tiriti o Waitangi. Ko te wāhanga 4 o te LGA e kii ana:

Kia mōhio ai, kia whakaute hoki te kawenga ā te Karauna ki te tango i ngā kōrero tika mō ngā kaupapa o te Tiriti o Waitangi me te whakapai me te whakapai ake i ngā whai wāhitanga mō ngā Māori ki te uru atu ki ngā tukanga whakatau kaupapa ā te kāwanatanga, kei roto i ngā Wāhanga 2 me te Wāhanga 6 ngā tikanga me ngā whakaritenga mō ngā kaunihera ā rohe ko ngā mea e hiahia ana hei whakauru i te whai wāhi ā ngā Māori i roto i ngā tukanga whakataunga ā te rohe. Me whakarato e te Kaunihera ngā tikanga me ngā whakaritenga ā te LGA hei whakauru i te whai wāhi a ngā Māori i roto i ngā whakahaere whakatau ā rohe.

Ko te Wāhanga 81 o te LGA e whakarato ana i te whai wāhi a ngā Māori ki te whakatau kaupapa mā te tono i ngā mana o te rohe ki te:

- Whakarite me te pupuri i ngā tukanga ki te whakarato i ngā whai wāhitanga mō ngā Māori ki te whai wāhi ki ngā tukanga whakataunga o te mana o te rohe; ā
- Whakaarohia ngā huarahi hei whakatairanga i te whakawhanaketanga o te raukaha o te Māori ki te whai wāhi ki ngā tukanga whakataunga o te mana o te rohe; ā
- Te whakarato i ngā kōrero tika ki te Māori mō ngā kaupapa o ngā kōwae (a) me (b).

Me whakarite e te kaunihera ki te whakaatu i roto i Te Mahere Roa, ngā huarahi katoa e hiahia ana rātou ki te kawhe ki te whakatairanga i te whakawhanaketanga o te kaha o te Māori kia whai wāhi ai ki ngā whakatau ā te kaunihera.

Ko te Ture Whakahaere Rauemi 1991 (RMA) e whakatairanga ana i te whakahaere taumau o nga rauemi taiao me te orange tinana. E mōhio ana hoki te RMA i te whanaungatanga i waenga i te Māori me te Karauna, me ngā kaunihera ki te whakaaro ki ngā kaupapa o te Tiriti o Waitangi (wāhanga 8) i te wā e mahi ana i ngā mahi.

### Legislative context

*The Local Government Act 2002 (LGA) recognises the relationship between Māori and the Crown under the Treaty of Waitangi. Section 4 of the LGA states:*

*'In order to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes.'*

*Councils must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes.*

*Section 81 of the LGA provides for Māori participation in decision-making by requiring local authorities to:*

1. *establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and*
2. *consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and*
3. *provide relevant information to Māori for the purposes of paragraphs 1 and 2.*

*Councils are required to outline in their Long Term Plan, any steps that they intend to take to foster the development of Māori capacity in order to contribute to council decision-making.*

*The Resource Management Act 1991 (RMA) promotes the sustainable management of natural and physical resources. The RMA also recognises the relationship between Māori and the Crown and requires councils to take into account the principles of the Treaty of Waitangi (section 8) when undertaking its functions.*

## Ngā uara a te Kaunihera

E ai ki te whaingā matua ā te Kaunihera 'Te mahi tahi ki te hanga i te taiao hauora, te kaha o te ahumahi, me ngā hapori whaitake'.

Ko te tirohanga ā te Kaunihera e whakaatu ana i tētahi rohe e mahi ngātahi ana hei oranga mō te heke mai. I runga i ngā kawenga ture ki ngā Māori, ki te whakauru i a rātou ki te whakauru atu ki ngā tukanga ā te kawanatanga, ko te kaupapa arotahi mo te kaunihera ko te whakatairanga i te 'Te mauritau hononga me te tangata whenua'.

Me whai whakaaro tēnei tika ki ngā mea katoa o te pakihi a te kaunihera. Hei awhina i te kaunihera me ngā kaimahi, me te whai hua, ka mahi te kaunihera ki te whakarite i ngā Māori (o mua, a mua me o rānei) ka whakanuihia a rātou ahurea me o rātou tikanga ki a mātou mahi.

## Te Tiriti o Waitangi

Ko Te Taitokerau te iwi tuarua o ngā kaunihera rohe puta noa i Aotearoa, hautoru o nga roopū o te rohe e tohu ana he Māori.

Ka tautoko te Kaunihera i te hiahia a te Karauna ki te tautoko i ngā kaupapa o te Tiriti o Waitangi, kia rite ki ngā tikanga o te kawanatanga me te ture whakataunga Tiriti.

Ko ēnei whanaungatanga me tō rātou mōhiotanga e hiahia ana te Kaunihera ki te mahi me te Māori ki te whakatenatena, ki te whakauru i te whakauru ā te Māori i roto i ngā whakahaere ā te kaunihera ki ngā huarahi hei whakatutuki i ō rātou hiahia me ō wawata, me ngā putanga ā-rohe.

## Whanaungatanga

Ka mōhio te Kaunihera ki te hiahia kia whakapumautia te whanaungatanga kia taea ai te whakauru i ngā Māori ki roto i tana whakataunga. Ki tēnei ko te whakaaro, kua whakaturia e te Kaunihera he maha o ngā hononga matua puta noa i te ao, a, ka kaha ki te pupuri me te whakapakari i ēnei.

Ko te whanaungatanga matua ko te Roopū Mahi Tai Tokerau me te Kaunihera (Te Taitokerau Māori and Council - TTMAC). Ko te roopu mahi kaha 30 ko ngā mema o te iwi me te hapū me ngā kaitohutohu, me te kaupapa matua kia 'whakatairanga i te tauira o te mahi Māori e tautoko ana i ngā kaupapa o te taiao me te hauora puta noa i te rohe'.

Ko te Kaunihera anō hoki i te timatanga o te hanganga o te hononga ā rohe me ngā Heamana ā Iwi, ka kaha ake te whakapakari i te hononga ki ngā rohe o ngā Iwi Chief Executives.

## Council's values

*Council's mission says 'Working together to create a healthy environment, strong economy and resilient communities'.*

*Council's vision articulates a region working together for a sustainable and thriving future. With statutory obligations to Māori, to empower them to participate in local government processes, a key focus area for council is through fostering 'Meaningful partnerships with tangata whenua'*

*This commitment needs to be reflected across all aspects of council business. To help guide council and staff, and be effective, council will work towards ensuring Māori (past, present and future), and their culture and traditions, are valued and reflected in our work.*

## Treaty of Waitangi

*Te Taitokerau has the second-largest Māori population of regional councils across New Zealand, with approximately a third of the region's population identifying as Māori.*

*Council supports the intention of the Crown to uphold the principles of the Treaty of Waitangi as prescribed in local government and Treaty settlement legislation.*

*These relationships and their recognition require council to work with Māori to encourage and enable the participation of Māori in council processes in ways that meet their needs and aspirations as well as regional outcomes.*

## Relationships

*Council will continue to develop genuine relationships with Māori that will underpin and facilitate the inclusion of Māori in its decision-making processes. Council will remain committed to maintaining and strengthening these relationships.*

*The Tai Tokerau Māori and Council (TTMAC) Working Party is a key relationship mechanism that is facilitating the inclusion of Māori in Council's decision-making processes. The 30 strong working party consists of iwi and hapū members (appointed members) and councillors (elected members). The working parties key purpose is 'to advance a model of Māori engagement that supports environmental, economic, social, cultural and spiritual priorities across the region'.*

*Council is also in the early stages of establishing a regional level relationship with Iwi Chairs which will further strengthen existing relationship with the regions Iwi Chief Executives.*



## Te honohono me ngā kōrero

E mōhio ana te Kaunihera kia pai ai te uru o te Māori ki roto i ngā whakataunga ā te kaunihera kia whakaratohia ngā kōrero whaitake me ngāwari kia mōhiohia i te wā e tika ana me te āhua e tika ana.

Ka whakaae hoki te Kaunihera kia hiahiatia ngā kaimahi me ngā tikanga tika kia taea ai te rere o ngā kōrero me te taunekeneke ki te iwi Māori.

## Liaison and information

*For Māori to have effective input into council's decision-making processes, relevant information must be communicated accurately, in a timely manner, and in a form that is appropriate to the decision making process and audience.*

*Council staff will continue to develop its processes and mechanisms to enable effective communication and positive interactions with Māori.*

## Te whakatairanga i te whai wāhi a te Māori

Ko ngā mahinga o te kaunihera ki te whakanui i te kaha me te whakarato i ngā whai wāhitanga mo ngā Māori ki te whai ki ngā whakataunga ā te kaunihera:

- Te tautoko me te mahi ā te Roopū Mahi TTMAC hei huarahi mo te whakauru ki te whakatau whakatau ā te kaunihera; me te huarahi hei hanga i te kaha o te hapori whānui Māori ki te whai ki ngā whakatau ā te kaunihera.
- Whakaaauau tonu ki te tautoko i te whakahaere tonu a te Rangahau Whakangungu Hangarau Māori (he roopū o te TTMAC Working Group), ki te whakarato i ngā whakauru hangarau wawe ki ngā mahere ā te kaunihera.
- Whakamahia i mua i te whiriwhiringa me ngā Māori ki ngā tukanga whakamahere RMA katoa.
- Te whakatenatena me te tautoko i te whanaungatanga whanaketanga whakawhanake me ngā rohe o ngā Iwi.
- Kia mau tonu, kia tupu te whanaungatanga i waenga i ngā Kaiwhakahaere Matua o ngā rohe Mana Whenua me te Kaunihera, me te akiaki i ngā kaunihera rohe katoa kia uru mai.
- Whakamahia he hōtaka hei whakarei i te mana ahurea o te kaunihera.
- Te haere tonu ki te whakarato i te tautoko moni mō te tuhi me te arotake i ngā mahere whakahaere a te iwi me te hapori (e mōhiotia ana e te mana o te iwi).
- Whakaritea tonu te whakahaere i tētahi papaaratu whakapiri whakawhitinga reo Māori hei whakahaere, hei whakahoahoatanga hoki i waenga i te Kaunihera me te Māori.
- Tuhia ngā kape o ngā whakaaetanga rauemi ki ngā marae (hapū me ngā iwi) e uru ana ki te kaunihera.
- Me whakarite i te taumata tika o te hangarau ahumahi me te tautoko ahurea e whakaratohia ana mō ngā kaimahi me ngā kaunihera.

## Fostering Māori participation

*Specific steps council will take to foster capacity and provide opportunities for Māori to contribute to council's decisions are:*

- Continue to support continuation and operation of the TTMAC Working Party as an avenue for input into council's decision-making processes; and as an avenue to build the capacity of the wider Māori community to contribute to the decisions of council.
- Continue to support the ongoing operation of the Māori Technical Advisory Group (a sub-group of the TTMAC Working Party), to provide early technical input into council's plans and processes.
- Undertake early pre-consultation with Māori on all RMA planning processes.
- Encourage and support the developing governance relationship with the region's Iwi Chairs.
- Maintain and grow the relationship between the chief executives of the region's iwi authorities and councils, encouraging all of the region's councils to participate.
- Implement a programme to enhance the cultural competency of council.
- Continue to provide funding support for writing or reviewing iwi and hapū environmental management plans (recognised by an iwi authority).
- Continue to manage a centralised Māori contact database to facilitate and enable contact between council and Māori.
- Distribute copies of resource consents to relevant marae (hapū and iwi) lodged with council.
- Ensure an appropriate level of specialist technical and cultural support is provided for staff and councillors.

# Significance and engagement policy

Council makes decisions every day, ranging from day-to-day matters to those with a very high level of importance, impact, or public interest. This policy sets out when and how our communities can expect to be engaged in our decision-making processes.<sup>(1)</sup> The policy:

- tells our community **when and how we will engage** with them on an issue or proposal; and
- provides us with a tool for defining **what is significant**<sup>(2)</sup> helping to determine where a greater level of community engagement will result in better decision making.

## Our approach to community engagement

Community engagement means connecting with other people in a decision-making process, to share ideas and build understanding. It involves a range of different approaches

We are elected to make decisions on your behalf, however, when we're engaging communities, or deciding the extent of engagement, we will be guided by the following principles:

We will:

- seek community views on significant issues, to ensure we have enough information to make our decisions;
- give you the information you need to be involved;
- listen to your views and consider them with an open mind;
- continue to improve how we engage with Māori and enable input into our decisions;
- target our engagement to those directly affected or interested in the decision;
- do our best to provide opportunities for you to present your views in a way that suits you;
- let you know what decisions we make and why;
- continue to improve how we engage with you.
- 

## When and how we will engage

Different levels of community engagement will be used in different situations. Sometimes we already have a good understanding of community views and preferences, but at other times we may need more information. Wherever possible we will endeavour to engage with communities on their turf, and at a time that best meets their needs, to make it as simple as we can for you to have your say.

## Consulting

We will **consult** when we are required to by law, when a proposal is considered significant (as defined later in this policy) and when we need more information on options for responding to an issue.

When we **consult** we will make information about the issue or proposal available to the relevant communities, present options where relevant, tell them how our process works, and how they can provide feedback. We will offer an opportunity to talk to councillors, or independent commissioners, face-to-face. We will collect information and feedback on the proposal or issue from our communities and use this to guide decision-making. This will often follow a formal process set out in legislation.

## Involving and collaborating

We will **involve or collaborate** with our communities in decision-making when we need more information on community views to fully understand an issue and develop a proposal for dealing with that issue; or where we can be more effective and efficient in achieving our priorities through working with others.

When we **involve or collaborate** we will approach those that are likely to be affected by the proposal and invite them to share their thoughts and ideas. This will guide our decision-making, and in some cases help us to decide if we need to consult. We'll also work with already established groups to achieve shared goals.

## Informing

We will **inform** our communities about decisions made when we believe there is some interest in the decision and/or people may be affected by the decision, but further engagement is not warranted.

1 This policy is intended to meet the requirements of the Local Government Act 2002 (Section 76AA) for a Significance and Engagement Policy.

2 Significance (as defined by the Local Government Act 2002) means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.

When we inform, we will let you know what we have decided to do, where you can find out more and who to talk to if you have questions and advise you of any timeframes that might be relevant.

### No engagement

When there is a need for confidentiality or the matters concern internal operational issues, we won't engage. In this case we will follow all procedures required by law to ensure that decisions are made in a lawful way.

### We will always consider:

- The likely impact on, and consequences for, the environmental, social, cultural and economic well-being of the region.
- Who is affected by or likely to have an interest in or want to be involved in decision making on the issue and what we know about their preferences for engagement.
- The importance of the matter to both us as the council, and those affected.
- The impact on Māori and their relationship with ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.
- How to engage Māori in a way that is meaningful to them.
- What we already know about community views.
- The circumstances in which the issue has arisen.
- Options, benefits and costs (current and future).
- The extent to which options will achieve or promote council objectives.
- The extent to which any costs outweigh the benefits of engagement methods.
- The impact on council's capability to fulfil its statutory responsibilities.
- The likely impact on service delivery, levels of service or any of council's strategic assets.
- The degree of information / research required to inform decision-making.
- How we'll inform you of the final outcome of the decision or issue.

### Defining which issues and decisions are significant

Distinguishing which decisions are significant and which are not, is not always black and white. The significance of an issue, proposal, asset, decision or activity (referred to in this document as a "matter") lies somewhere on a continuum from low to high, and its significance will influence the level of engagement that council undertakes.

We will consider the significance of each matter on a case-by-case basis. When considering whether any matter is significant, we will consider a combination of factors as detailed in the following table:

Does the matter being considered involve:		Degree of significance	What this means
<b>Rates</b>  Setting a new rate; or  Increasing an existing specific targeted rate; or  Increasing an existing region-wide targeted rate by more than 2% (annually) above that previously approved in the most recent Long Term Plan?		SIGNIFICANT	We will consult with our communities
<b>Assets</b>  The transfer, replacement or abandonment of a strategic asset?		SIGNIFICANT	We will consult with our communities
<b>Level of Service</b>  A proposal to begin a new activity or cease an existing activity? <sup>(1)</sup>		SIGNIFICANT	We will consult with our communities
<b>Legislation</b>  A legislative requirement to consult?		SIGNIFICANT	We will consult with our communities
<b>Thresholds</b>  The matter triggers two or more of the following thresholds:	Is substantially inconsistent with existing policies, strategies or decisions.	LIKELY TO BE SIGNIFICANT	We will determine the best approach, which may be to: <ul style="list-style-type: none"> <li>• consult</li> <li>• involve/collaborate</li> <li>• inform</li> </ul>
	Incurs high capital or operational expenditure, or a financial transaction, with a value greater than \$750,000. <sup>(2)</sup>		
	Large divisions in community interest or high levels of prior public interest.		
	The decision is irreversible, has a high degree of risk, or significance of the decision is largely unknown.		
	The decision has a large impact on a moderate number of people or a moderate impact on a large number of people. <sup>(3)</sup>		
<b>Everyday operations</b>  The matter is part of normal day-to-day operations of council or is provided for in the Long Term Plan or Annual Plan.		NOT SIGNIFICANT	We will follow usual decision-making procedures

1. Activities as set out in the 'Groups of activities' section of the Long Term Plan 2018-2028

2. This limit covers a single issue, asset or matter as well as a package of the same aligned to deliver a single outcome or objective. This limit does not apply to expenditure funded from the Investment and Growth Reserve, regional projects reserve, or changes to the council's investment portfolio. Note that these investments will need to meet the criteria of council's Investment Policy, pursuant to section 102 of the Local Government Act.

3. As a guide: a moderate number of people is considered to be 4000-8000, and a large number of people is considered to be greater than 8000.

Every report to the council or decision-making body will include an assessment of the significance of the matter, the degree of engagement proposed, the engagement plan proposed and a clear recommendation.

## Strategic assets

A strategic asset (as defined by the Local Government Act 2002) means an asset or group of assets that the local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

The Northland Regional Council's strategic assets as defined in this policy are:

- its interests in Marsden Maritime Holdings Ltd;
- the Awanui river scheme;
- Hopua te Nihotetea (the Kotuku Street Dam in the Whangārei urban rivers scheme) and the land which the dam structure occupies;
- the Kāeo stopbank scheme;
- other river scheme assets as they are constructed.

A decision to transfer the ownership or control of a strategic asset to or from the regional council can only be taken if it has been provided for in its Long Term Plan and, therefore, will be the subject of the Local Government special consultative procedure.

## Reviewing this policy

Council intends to review this policy every three years after the local body elections. Any consultation required would likely occur concurrently with a future Annual or Long Term Plan.

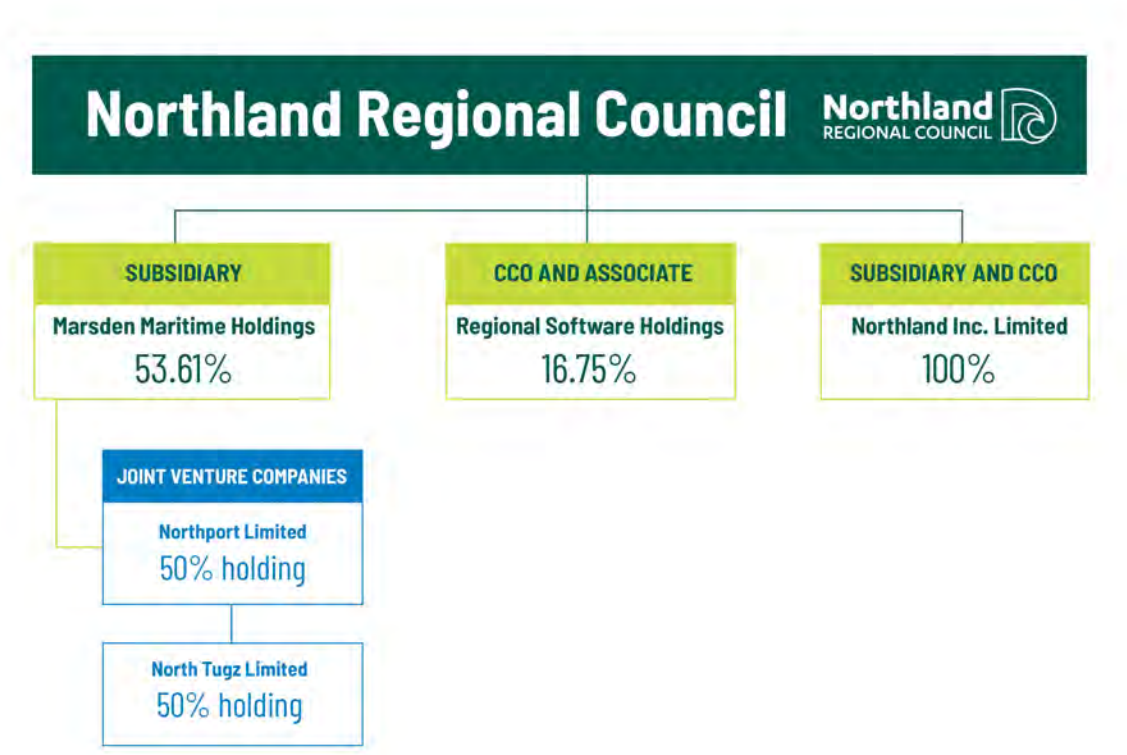


# Ngā roopu whakahaere Related organisations



# Group structure

Ehara taku toa, i te toa takitahi, engari he toa takitini  
*Success is not the work of one, but the work of many*



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a statement of intent, and report against their policies, objectives and performance in their annual reports, unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a statement of intent.

# Council-controlled organisations

**Council has two council-controlled organisations: Northland Inc. Limited and Regional Software Holdings Limited.**

## Northland Inc. Limited

Northland Inc. Ltd, established in July 2012, is the region's economic development agency and regional tourism organisation.

### Policies and objectives

Northland Inc. Ltd is funded by an operational contribution from council through the Investment and Growth Reserve, and is project-funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed on a fixed-term basis by council. Operational activity is led by a chief executive officer.

### Proposed changes to shareholding

Currently, Northland Regional Council is the only organisation that puts money into the Investment and Growth Reserve, and is the 100% shareholder in Northland Inc.

It is proposed that a new structure be established to run the reserve with Kaipara District Council (KDC) and the Far North District Council (FNDC). Northland Inc would become jointly owned by Northland Regional Council, KDC and FNDC. Whangārei District Council will be able to join the initiative later if they choose.

What are the advantages of doing this?

- Improve Northland Inc's work across all districts in the region.
- Increase the amount of money we can use to support projects and businesses.
- Reinforce Northland Inc's regional mandate when discussing matters that affect us all, especially with central government.
- Efficiently deliver services across Northland Inc and councils, and improve engagement with Māori/iwi organisations, for economic development.

Our contribution to Northland Inc - by way of the Investment and Growth Reserve - will remain the same whether the district council's opt to join or not, so there's no impact on Northland Regional Council budgets as a result of this proposal. If the district

councils choose to become joint owners, then their contributions will add more to the economic development pot.

KDC and FNDC will consult their ratepayers about this proposal during their Long Term Plan consultation period. If the ratepayers agree, we will become joint owners of Northland Inc, establish the committee and begin working together.

### The draft objectives of Northland Inc. Ltd are:

*Pou ahi: māori economic development "Āe Mārika"*

To respect and implement the principals of Te Tiriti O Waitangi, which support meaningful partnership with Māori. Working with strategic partners in the Māori Economic Development space to drive delivery on high impact Māori economic development projects across all levels, with a specific focus on improving capacity and capability of those who we partner with for delivery. Implementation of our pathway - He Korowai Manawanui - a two-year programme working on our organisational culture towards elevating the importance of Māori Economic Development and becoming a better partner for Māori with a genuine understanding of Tikanga and Te Ao Māori.

*Pou rua: environmental sustainability*

Help prepare for Tai Tokerau Northland's transition to a zero carbon and low emission economy by partnering to provide support and embedding environmental sustainability criteria within all active projects. Northland Inc will work to embed Te Ao Māori/Mātauranga Māori in environment/sustainability Kaupapa.

*Pou toru: regional investment*

Grow investment and support services such that regional economic activity improves consistently year on year. Following assessment and review we will prioritise activities and ideas, with a view to applying our resources to engage in focused impactful projects reflecting the organisational capacity at this time.

*Pou whā: destination management and marketing*

To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, we will deliver destination management and marketing

activity to position Northland within target markets as a desirable place to visit and support a visitor economy that values shared benefit across the region, environmental sustainability, heritage and culture.

Pou rima: advocacy and profile for Tai Tokerau economic development

To develop and improve the profile of economic development and Northland Inc to ensure that the Tai Tokerau Northland understands and values the efforts of Northland Inc and advocate for Te Tai Tokerau Northland to improve the economic well-being of the region to help support strong communities and environmental sustainability.

#### *Pou ono: organisational culture*

At its core, regional economic development is about improving the livelihoods of the Tai Tokerau Northland's people. As an economic development agency, our culture should therefore be focused on supporting our people and their livelihoods. Therefore, Northland inc actively upholds a culture where team are respectful and supportive of one another; our histories, our whānau, and our aspirations.

### **Draft Nature and scope of activities <sup>(1)</sup>**

#### *1. Regional Investment*

- Actively supporting and facilitating investment in strategic sectors (as defined in business plan) in the Tai Tokerau Northland economy
- Leveraging the Investment and Growth Reserve to increase investment into the Tai Tokerau Northland economy
- Supporting and facilitating the development of new and enabling infrastructure such as UFB, roads, rail and water
- Deliver the Extension 350 Programme, Northland Kai and Ngawha Innovation and Enterprise Centre
- Delivering business advice effectively across the region to support innovation, capacity and capability development through incubation services and the Regional Business Partnership; New Zealand Trade & Enterprise, Callaghan Innovation and Business Mentors New Zealand
- Developing clusters, business networks or associations to take advantage of market development opportunities that leverage Tai Tokerau Northland's key sectors and comparative advantages

- Building and sharing specialist knowledge through a business events programme and provide opportunities to access a range of capital support mechanisms for Tai Tokerau Northland businesses
- Engage and partner with iwi, hapū, marae and the Māori community, central government agencies and other entities supporting Māori Economic Development to advance their aspirations in economic development and enable investment, business growth and completion of economic development projects

#### *2. Advocacy and Profile for Tai Tokerau Economic Development*

- Provide economic development intelligence and insights
- Support development of a long term economic development strategy for Tai Tokerau Northland (subject to securing appropriate funding)
- Assist with project management and delivery of economic response activities (including PGF funded projects)
- Maintain a delivery structure for the region (Action Plan)
- Work with, advocate for and support Māori businesses, trusts and entities with their aspirations for growth
- Delivering a promotional programme to encourage investment and market development of Tai Tokerau Northland's strategic growth sectors

#### *3. Destination Management and Marketing*

- Deliver the destination management plan
- Facilitate the regions access to the Regional Event Fund
- Identifying, and where appropriate, assisting with the development of infrastructure, products, services and sub-regional destinations aiding the sector to respond to the industry changes imposed by COVID-19 and to coordinate the recovery effort
- Improving regional dispersal, length of stay, expenditure and the appeal of off peak travel particularly through leverage of the Twin Coast Discovery programme as a region wide development framework for tourism
- Co-ordinate, and where appropriate, lead the implementation of an Annual Tactical Marketing Plan for destination marketing, in alignment with the direction of national tourism organisations (including potential travel bubbles) and in partnership with the Tai Tokerau Northland tourism sector

<sup>1</sup> The māori economic development, environmental sustainability and organisational culture pou are embedded across the three activity areas

## Draft key performance measures

### 1. Regional investment

How we will measure	2021/22	2022/23	2023/24
Value of grant funding and investment facilitated for māori businesses	\$110K	\$120K	\$130K
Number of unique māori businesses assisted (by TA and industry)	55	60	65
Number of inward delegations hosted	3	3	3
Number of unique businesses assisted (reporting by TA and industry), and client satisfaction score	230	230	230
Number and value of high impact projects that are implemented	4	4	4

### 2. Advocacy and profile for Tai Tokerau economic development

How we will measure	2021/22	2022/23	2023/24
Number of regional economic development updates or reports released	New measure	New measure	New measure
Media features that profile the region (percentage increase from previous year)	New measure	New measure	New measure
Media activity that references Northland Inc	New measure	New measure	New measure

### 3. Destination management and marketing

How we will measure	2021/22	2022/23	2023/24
Destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign)	New measure	New measure	New measure
Dispersal of tourism investment into the region measured through the accommodation data programme	New measure	New measure	New measure
Tourism investment into the region measured through TECT (electronic transactions indicating tourism spend)	\$580M	\$585M	\$590M

### 4. Cross work programme KPIs

How we will measure	2021/22	2022/23	2023/24
Māori business satisfaction with Northland Inc support (measured out own feedback/review process with out māori clients including face-to-face interviews of focus groups to capture feedback)	NPS>50	NPS>50	NPS>50
Number of meaningful engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc. that have led to a positive outcome.	New measure	New measure	New measure
The number of businesses / projects Northland Inc are supporting that have environmental aspirations.	New measure	New measure	New measure

How we will measure	2021/22	2022/23	2023/24
Number of workshops, events to promote product development and position Te Tai Tokerau Northland as a green tourism destination	New measure	New measure	New measure

## Regional Software Holdings Limited

Regional Software Holdings Limited is a shared-services undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. It is responsible for the long-term maintenance and development of the IRIS (Integrated Regional Information System) product, which was developed for and by the shareholding councils. The six regional councils developed IRIS, a leading-edge software solution, over the past few years to carry out functions specific to the regional councils.

Regional Software Holdings Limited (the company) faces a number of opportunities going forward and will continue to work with other regional councils to explore further opportunities to grow the IRIS customer base.

The company is also starting to work with the regional council sector to establish how it can be operationally and financially used for the betterment of the regional council community. The company is working with the regional council sector to roll out the regional council collaboration initiative (ReCoCo, or the initiative).

There is a focus in the sector on collaboration, development of shared services and more use of council-controlled organisations. The company and its shareholding councils are aligned with this direction.

The initiative enables unitary and regional councils to enter into collaborative initiatives where there are overlapping or shared objectives, covering areas of common interest or joint responsibility. The company is the delivery vehicle used to facilitate and administer the initiative.

The company receives funding from across the regional council sector to deliver collaborative projects that are put forward by the regional council special interest groups.

The company also has an agreement with the regional council chief executives group to assist with managing sector work programmes, including:

- funding management
- procurement and payment
- outcome tracking.

The sector recognises the benefits of collaboration between councils, and as a result the number and size of collaborative projects are growing each year. As the volume of shared initiatives increases, councils face administrative challenges with paying invoices and recouping costs from other councils. It is also increasingly important that the sector can demonstrate the outcomes achieved from collaboration.

Extending the initiative model to support sector-wide work programmes helps to address these issues and opportunities.

The outlook for Regional Software Holdings Limited, the IRIS product and collaboration within the sector is bright and there are significant opportunities to support the activities and achievements of New Zealand regional councils.

Financially, the company is in a sound position as planned. Its revenue comes from licence charges and fees. This funding is used for the maintenance and development of the IRIS product. The company does not trade to make a profit; it charges to cover its planned level of expenditure.

# Subsidiary organisations

## Marsden Maritime Holdings Limited

Northland Regional Council owns 53.61% (22.1 million shares) of the issued capital of Marsden Maritime Holdings Limited, which is presently 41,300,651 ordinary shares of 35 cents each. The balance of shares is held by the public and Ports of Auckland, and all shares are listed on the New Zealand Stock Exchange.

The council reviews its shareholding in the company during the triennial review of its strategic plan.

As a listed company, Marsden Maritime Holdings Limited is not required to publish a statement of corporate intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations provisions of the Local Government Act 2002.







