

Annual Plan 2019/20

Mahere-a-Tau 2019/20



Contents

Ihirangi

Moving forward	
Katete	4
Welcome	
Nau mai, haere mai	4
Meet your locals	
Tūtakitakitia i te iwi kāinga	7
About this Annual Plan 2019/20	
E pā ana ki tēnei Mahere ā tau	9
Finances	
Mahere a Pūtea	12
Funding impact statement	
Te tauākī pānga pūtea	12
Rates	
Ngā Reiti	16
Other rating information	
	30
Rating examples	
	32
Summary of rates	
	43
Financials	
Mahere a Pūtea	46

Moving forward Katete



Welcome Nau mai, haere mai

Toitū te whenua

If the land is well

Toitū te moana

If the sea is well

Toitū te tangata

The people will thrive



He Mihi mo te Mahere-a-Tau

Ko te Amorangi ki mua, ko te hapai ō ki muri.

Otira, ko Te Atua kei mua, kei muri iho i ngā mea katoa,

e tūmanakohia nei tātou i runga i te mata o te whenua.

Whaimuri atu i tēnā, me mihi ki o tātou maha mate, e

hinga mai nei, e hinga atu rā mai Tamaki ki Te Rerenga Wairua,

haere koutou e ngā mate, haere, haere, haere.

Ka whakahokia mai ngā kōrero ki waenganui i a tātou te kanohi ora, e noho mai ana ki ēra ō tātou marae kainga huri noa i ngā to pito katoa o te Taitokerau, tēnā koutou, tēnā koutou, tēnā koutou katoa.

E whai ake i raro nei ngā kupu whāriki mō te Mahere-a-Tau 2019/20

This mihi is an acknowledgement and greeting to the people of Northland and proudly introduces the Annual Plan 2019/2020

Message from Chair and Chief Executive

From the mighty Northland forests to our valued coastal waters, your regional council is on the ground working to ensure that native life flourishes, that our lakes and rivers are healthy and that our communities are protected, so our region can thrive. Last year we adopted our 10-year activity and budget plan (our Long Term Plan 2018-2028) which, with your support, set the scene for us to invest more than ever in this hugely important work. We're now a year into this ambitious plan, and it's time to make adjustments to our budget to ensure that we are poised to keep up the great work amidst a changing landscape of legislation and community aspirations.

This is our first annual plan following adoption of the Long Term Plan 2018-2028. Annual plans offer an opportunity to account for real-time challenges that arise as we progress our work, and year-to-year fluctuations that are a natural part of financial planning. We didn't plan to change too much in this Annual Plan, and did our best to fund as much as we could from council reserves and increased rates income from regional growth, so that we could minimise any increases to your individual rates.

Our consultation on this Annual Plan proposed new funding to support the increased workload resulting from our ambitious Long Term Plan, including upgrades to our computer systems and the purchase of vital water monitoring gear. It also proposed funding to keep the Northern Transportation Alliance ticking along, and to replace the engines of the Waikare, our main maritime vessel, a year earlier than we'd planned.

Our consultation process focused on proposed changes to the path set in our Long Term Plan, as outlined above. Feedback received told us that our community generally agreed with the changes we proposed, and council carefully considered all comments. In addition to feedback on the initiatives that we proposed as part of this process, we received submissions on other issues that were of concern to the community. As a result of this, council decided during their deliberations process to allocate an additional \$20,000 to a preliminary assessment of the water quality in the Hokianga Harbour, to establish what might be involved in a bigger study.

The really good news for our ratepayers is that, even with this additional funding, the average individual rates increase will be lower than expected. This is because we have had higher than anticipated regional growth - which is basically more people contributing to the pot - and we've been able to work this growth in to our budget and lower the overall rate increase. With our new regional growth calculations the average rates increase will now be 7% - significantly lower than proposed. This means an average of \$23.70 extra per ratepayer on average, which is a decrease of \$5.40 from what we consulted on.

We are really pleased to be able to pass savings on to our community, and still do what we need to do to keep up the great work.

Councillors and staff wish to thank you for your ongoing interest in planning for the future of our region.



Bill Shepherd
Chairman



Malcolm Nicolson
Chief Executive Officer

Plans, plans, plans

Yep, councils do lots of plans! Partly because we are required to by legislation, but also because we want to be open and honest about what we're doing with your rates.

Every three years we do a Long Term Plan. That's the big one which sets our ten-year direction, what we do and how we pay for it.

In between we do Annual Plans, which just focus on a year (from July, to June the following year) so we can adapt as new challenges and opportunities pop up.

In addition to these, we also have our Regional Plan for Northland - this plan is quite separate, as it sets policies and rules for the management of our natural resources, rather than budgeting and activity planning. This plan is reviewed every five years.

Meet your locals

Tūtakitakitia i te iwi kāinga

Your local regional councillor is your community voice! Your councillors are elected to represent you, the people of Northland.



About this Annual Plan 2019/20

E pā ana ki tēnei Mahere ā tau

This Annual Plan is the result of 12 months of work where, following the successful adoption of our Long Term Plan 2018-2028, we have continued to review our activities and funding sources to make sure that we can deliver the aspirational programmes of work that we've committed to. Change is constant, particularly when dealing with the political environment, natural environment and global financial markets. We need to adapt so that we can continue to keep up the momentum and deliver the best value for money.

Talking to our communities is a key part of developing any plan, and this Annual Plan was no different. Our consultation document set out the five relatively small changes we felt were needed to continue the journey set in our Long Term Plan.

We received 18 submissions during our Annual Plan consultation, and four parties spoke to councillors at a councillor/community meeting held on 10 April. All feedback was provided to council for careful consideration. As a result of some of the submissions received, council decided to proceed with the proposed changes plus support an additional initiative of funding \$20,000 to carry out a scoping study of the health of the Hokianga Harbour.

Our Long Term Plan budgeted a 7.9% rate increase for the coming financial year, and we proposed to increase that to 8.6% in order to achieve all of the work outlined below. Thanks to higher-than-forecast regional growth (which means more ratepayers), we've been able to incorporate this new work at no additional cost to individual ratepayers. In fact, the total 2019/20 rates increase that we'd budgeted under the Long Term Plan has dropped from 7.9% to 7% - a lower-than-budgeted increase for ratepayers. This means an average of \$23.70 extra per ratepayer, which is a decrease of \$5.40 from what we consulted on.

The 7% increase in rates (gathering \$212,500 more in rates income than budgeted for the year), coupled with increased rates income from regional growth and funding from council's reserves, is funding an additional \$402,500 to our operational budget for the year, and \$207,800 to our capital budget.

What we approved:

At deliberations, council approved three new areas of operational spend and three new areas of capital spend.

Information technology upgrade | \$290,000 of operational expenditure

Council's activities and decisions are supported by comprehensive and up-to-date data. This data is one of council's valued assets which is carefully managed to ensure timely provision to communities and support robust decision making. The capture and maintenance of this data is dependent on robust information technology systems. While we carefully budget to ensure that we can make required upgrades to our systems year-on-year, our current system is in need of extra work. We are looking to identify and address any areas of risk and scope the best suite of tools that provide the most value for money in the years to come.

\$100,000 of the improvements will predominantly be funded from the Council Services Rate.

\$190,000 of the required spend is ongoing operational expenditure which is able to be covered by regional growth in rating units.

Funding for the Northland Transportation Alliance | \$65,000 of operational expenditure

The council is responsible for managing public passenger transport across the region, promoting safety on Northland's roads, and planning for future transport needs at a regional level. This activity is carried out via the Northland Transportation Alliance, a joint-agency alliance with the Far North, Whangarei and Kaipara District Councils and the New Zealand Transport Agency, with the aim of achieving a more integrated approach to transport in Northland. Activity in this area continues to ramp up, and an extra \$65,000 is required as our contribution to keep the alliance operating efficiently.

The \$65,000 of ongoing operational expenditure required will predominantly be funded from the Council Services Rate.

Scoping study for the health of the Hokianga Harbour | \$20,000 of operational expenditure

During the consultation process of this Annual Plan, several submissions were received that raised concern about the health of the Hokianga Harbour and requested funding for a study. The cost and requirements of a large study were not clear, and it was noted that a scoping study would be necessary as a first step. Subsequently, during deliberations council approved funding of \$20,000 for a scoping study which identifies the parameters that would be covered by a more comprehensive harbour health study, involving tangata whenua and other key stakeholders, for the Hokianga Harbour.

The \$20,000 of one-off operational expenditure required will predominantly be funded from the Freshwater Management Rate.

Audio visual system | \$70,000 of capital expenditure and \$17,500 of operational expenditure

Technology is increasingly being used as a way to effectively communicate and reduce the need to travel to meetings. It is critical that the audio-visual equipment in our council chambers is robust and fit-for-purpose, particularly as this is frequently used to enable submitters on our various plans to provide feedback to council remotely. It has been identified that the current system is not keeping pace, and a solution to improve the audio visual capabilities has been identified, at a cost of \$70,000.

The \$70,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$17,500 funded from the Council Services Rate.

New engines for the Waikare | \$100,000 of capital expenditure and \$10,000 of operational expenditure

The Waikare is council's primary maritime vessel and a key regional council asset, providing a wide range of services including responses to oil spills and coastal incidents, and pilot transport for visiting cruise ships. Maintenance of the vessel is critical and is carefully planned and budgeted for, with replacement of the vessels engines originally scheduled and budgeted for in 2020. However, a recent service highlighted serious maintenance that needs to be brought forward, with replacement engines required a year earlier than planned. The team have kept costs as low as possible by sourcing second-hand engines, with the total replacement cost coming in at \$100,000.

The \$100,000 of capital expenditure required will be funded from council's retained earnings, with future depreciation of \$10,000 funded from the Council Services Rate.

Hydrology equipment | \$37,800 of capital expenditure

This spend comprises two capital purchases associated with the hydrology activity.

Council maintains an extensive hydrometric network, and has steadily been upgrading aged equipment over the past few years, to ensure accurate flood level monitoring is available to support flood warnings. There are four compressors remaining for replacement at hydrometric stations, at a cost of \$22,800.

Much of the monitoring that council carries out requires staff on the ground. Keeping our people safe is crucial, and health and safety requirements are closely observed. Purchase of new flow-gauging equipment will mean that new health and safety requirements for working around rivers can be observed while requiring fewer staff, which means savings all round. The cost of this new equipment is \$15,000.

The total \$37,800 of capital expenditure required for these two projects will be funded from council's retained earnings. Depreciation is covered by savings generated, and will therefore have no impact on rates.

Finances Mahere a Pūtea



Funding impact statement

Te tauākī pānga pūtea

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.

LTP Year 1		Annual Plan	LTP Year 2	Variance
2018/19		2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
42,647	Operational Expenditure	47,644	44,900	(2,744)
5,190	Capital Expenditure	16,744	3,604	(13,140)
47,837	Total Gross Expenditure	64,388	48,504	(15,883)
Funded By:				
6,860	Council Services Rate	8,017	7,632	385
2,059	Land Management Rate	2,408	2,408	-
4,336	Freshwater Management Rate	4,903	4,883	20
4,185	Pest Management Rate	4,527	4,527	-
2,028	Flood Infrastructure Rate	2,154	2,154	-
1,445	Civil Defence and Hazard Rate	1,604	1,604	-
611	Targeted Regional Infrastructure Rate	611	611	-
1,391	Targeted Regional Sporting Facilities Rate	1,385	1,385	-
4,255	Other Targeted Rates	4,251	4,251	-
3,046	Grants and Subsidies	4,793	2,869	1,924
4,310	User Charges	4,388	4,398	(10)
2,575	Rental Income	2,996	2,575	421
4,423	Interest Income	3,340	4,740	(1,401)
3,598	Dividend Income	3,708	3,708	-
-	Forestry Income	-	1,410	(1,410)
-	Sundry Income	-	-	-
2,716	Cash Reserves from/(to)	15,303	(651)	15,954
47,837	Total Funding	64,388	48,504	15,883

Prospective funding impact statement

The prospective funding impact statement is GST exclusive and is required under the Local Government Act 2002 (Schedule 10, Clause 20) and conforms to Form 1 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to the preparation of the Funding Impact Statements as stated in section 111(2) of the Local Government Act 2002. The key divergences from GAAP are the non-inclusion of depreciation, the inclusion of internal charges, and combination of capital and operational items within the one financial statement.

Explanatory note to Applications of Capital Funding: The variance in expenditure shown as the line item 'To improve levels of service' is primarily due to the significant redevelopment of the former Countdown building site in Kensington, Whangārei, and a commercial development in Dargaville.

LTP Year 1		Annual Plan	LTP Year 2	Variance
2018/19		2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
Sources of Operating Funding				
-	General Rates, uniform annual general charges, rates penalties	-	-	-
27,169	Targeted rates	29,860	29,455	(405)
3,046	Grants and subsidies for operating purposes	4,793	2,869	(1,924)
4,310	Fees charges	4,388	4,398	10
8,021	Interest and dividends from investments	7,048	8,449	1,401
2,575	Local authorities fuel tax, fines, infringement fees and other receipts	2,996	3,985	989
45,121	Total Sources of Operating Funding	49,085	49,155	71
Applications of Operating Funding				
41,711	Payments to staff and suppliers	46,304	43,699	(2,604)
936	Finance costs	1,340	1,201	(139)
-	Other operating funding applications	-	-	-
42,647	Total Applications of Operating Funding	47,644	44,900	(2,744)
2,474	Surplus/(Deficit) of Operating Funding	1,441	4,255	2,814
Sources of Capital Funding				
-	Subsidies and grants for capital expenditure	-	-	-
-	Development and financial contributions	-	-	-
2,667	Increase/(Decrease) in debt	6,545	1,445	(5,100)
-	Gross proceed from sale of assets	-	14,194	14,194
-	Lump sum contributions	-	-	-
-	Other dedicated capital funding	-	-	-
2,667	Total Sources of Capital Funding	6,545	15,639	9,094
Applications of Capital Funding				
Capital expenditure				
-	- To meet additional demands	-	-	-

3,666	- To improve levels of service	15,470	2,407	(13,063)
1,525	- To replace existing assets	1,274	15,391	14,117
(83)	Increase/(Decrease) in reserves	(616)	1,516	2,132
33	Increase/(Decrease) in investments	(8,142)	580	8,722
5,141	Total Applications of Capital Funding	7,986	19,894	11,908
(2,474)	Surplus/(Deficit) from Capital Funding	(1,441)	(4,255)	(2,814)
-	Funding Balance	-	-	-

LTP Year 1		Annual Plan	LTP Year 2	Variance
2018/19		2019/20	2019/20	
\$(000)		\$(000)	\$(000)	\$(000)
5,190	Capital expenditure included above not in Comprehensive Revenue and Expense	16,744	17,798	1,054
33	Investment movements included above not in Comprehensive Revenue and Expense	(8,142)	580	8,722
-	Other Gains included in Comprehensive Income not above	-	-	-
-	Gross Proceeds included above not in Comprehensive Income	-	(14,194)	(14,194)
-	Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-
-	Property revaluation adjustments included in comprehensive income but not above	-	-	-
(2,667)	Proceeds from Borrowings included above not in comprehensive revenue	(6,545)	(1,445)	5,100
(83)	Transfers to/(from) special reserves included above not in comprehensive Income	(616)	1,516	2,132
-	Infrastructure asset revaluation adjustments included in comprehensive income but not above	-	-	-
(1,626)	Depreciation Expense included in Comprehensive Income not above	(1,810)	(1,738)	72
848	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense	(369)	2,517	2,886

Rates

Ngā Reiti

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

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 six rates, which are applied as targeted region-wide rates – the council services rate, land management rate, fresh water management rate, pest management rate, flood infrastructure rate and the civil defence 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 separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whangārei constituency to provide \$76,696 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

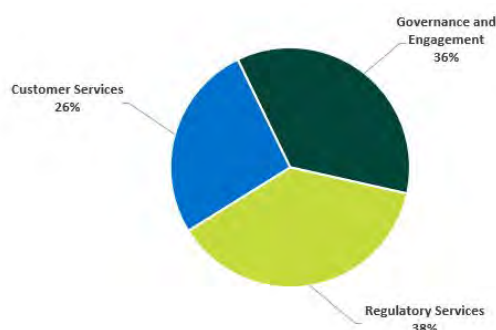
The estimated total council services rate amounts to **\$9,219,489** for the 2019/20 financial year.

The council services 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.

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	\$82.16	per SUIP
Kaipara	\$112.05	per rating unit
Whangārei	\$104.25	per SUIP



Land 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 and the Resource Management Act 1991. The land management rate will specifically fund land management activities that have a direct relationship to land. 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 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 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 varies 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 management rate is **\$2,769,407** for the 2019/20 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 management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	7,756,500	9,360,194	\$11.68
Kaipara	4,995,834	5,462,467	\$10.63
Whangārei	14,123,014	14,123,014	\$9.91

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 and the Resource Management Act 1991, and the National Policy Statement for Freshwater Management, including its amendments.

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 freshwater management rate will specifically fund planning and works to improve freshwater quality in local water ways. The 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 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 varies 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 freshwater management rate is **\$5,639,003** for the 2019/20 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.

Freshwater management rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	7,756,500	9,360,194	\$23.79
Kaipara	4,995,834	5,462,467	\$21.66
Whangārei	14,123,014	14,123,014	\$20.22

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 activities funded by this rate that relate to the implementation of the Northland Regional Pest Management Plan under the Biosecurity Act 1993, consideration is given to the requirements of Section 100T of the Biosecurity Act. An analysis of Section 100T requirements was carried out and considered by council as part of the process of consulting on and adopting the Long Term Plan 2018-2028, can be found in the rates section of that document. Council confirmed the analysis for 2019/20 at the council meeting held 4 June 2019.

The pest management rate will specifically fund pest plant 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 **\$5,205,789** for the 2019/20 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 of the Northland region, 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 weak.

Pest management rate

District	Rate	Rateable unit
Far North	\$46.78	per SUIP
Kaipara	\$63.80	per rating unit
Whangārei	\$58.37	per SUIP

Flood infrastructure rate

What it funds

This rate will partially or fully fund the development of flood protection infrastructure in communities across Northland that meet specified criteria as approved by the council (as set out in the Infrastructure Strategy included in the Long Term Plan 2018-2028). Specific targeted rates will be used to fund the portion of flood protection infrastructure that is not met by this 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 **\$2,476,855** for the 2019/20 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 \$26.02.

Civil defence and hazard management rate

What it funds

The council uses the civil defence and hazard management rate to fund activities that are carried out under the the Civil Defence Emergency Management Act 2002, Resource Management Act 1991 and Soil Conservation and Rivers Control Act 1941. 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 civil defence 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 civil defence and hazard management rate amounts to **\$1,844,528** for the 2019/20 financial year.

The civil defence 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 civil defence and hazard management activities where the link to land value is weak.

Civil defence emergency management rate

District	Rate	Rateable unit
Far North	\$16.58	per SUIP
Kaipara	\$22.61	per rating unit
Whangārei	\$20.68	per SUIP

Specific targeted rates

The following specific targeted rates are for 2019/20.

Emergency services rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total emergency services rate is **\$1,112,595** for the 2019/20 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 \$11.69.

How is the rate applied?

The emergency services rate will be applied to approved recipients.

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 **\$1,593,107** for the 2019/20 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 \$16.74.

How is the rate applied?

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

Regional infrastructure rate

What it funds

The regional infrastructure rate will fund activities relating to the development and/or completion of regional infrastructure projects.

How it is set

The regional infrastructure 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 varies 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 **\$702,449** for the 2019/20 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 infrastructure rate

District	Actual land value \$(000)'s	Equalised land value \$(000)'s	Rate per \$100,000 of actual land value
Far North	7,756,500	9,360,194	\$2.97
Kaipara	4,995,834	5,462,467	\$2.70
Whangārei	14,123,014	14,123,014	\$2.53

How is the rate applied?

This rate is applied to the infrastructure facilities reserve.

Whangārei transport rate

What it funds

This rate forms the local contribution required to fund the Whangārei bus passenger transport, the Whangārei Total Mobility service, 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 **\$1,015,194** for the 2019/20 financial year. The rate will be set at \$22.83 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, provision of the Total Mobility service, and provision of other public transport services in the Whangārei district.

Far North transport rate

What it funds

This rate funds the Far North bus passenger transport service, 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 **\$319,470** for the 2019/20 financial year. The rate will be set at \$8.68 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.

Awanui River management rate

What it funds

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

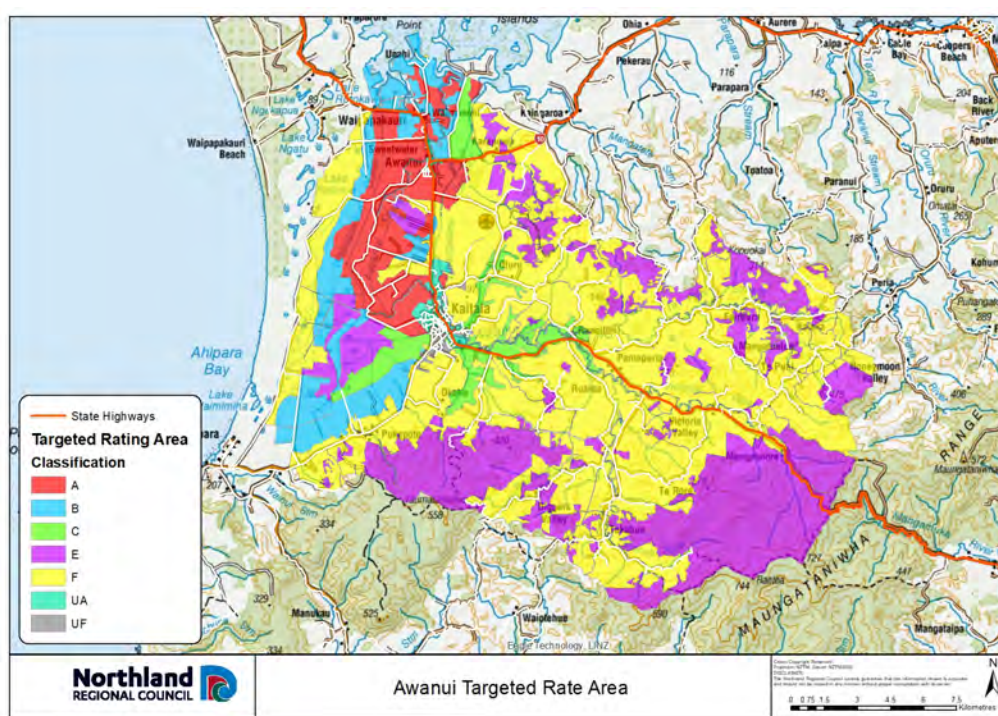
How it is set

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

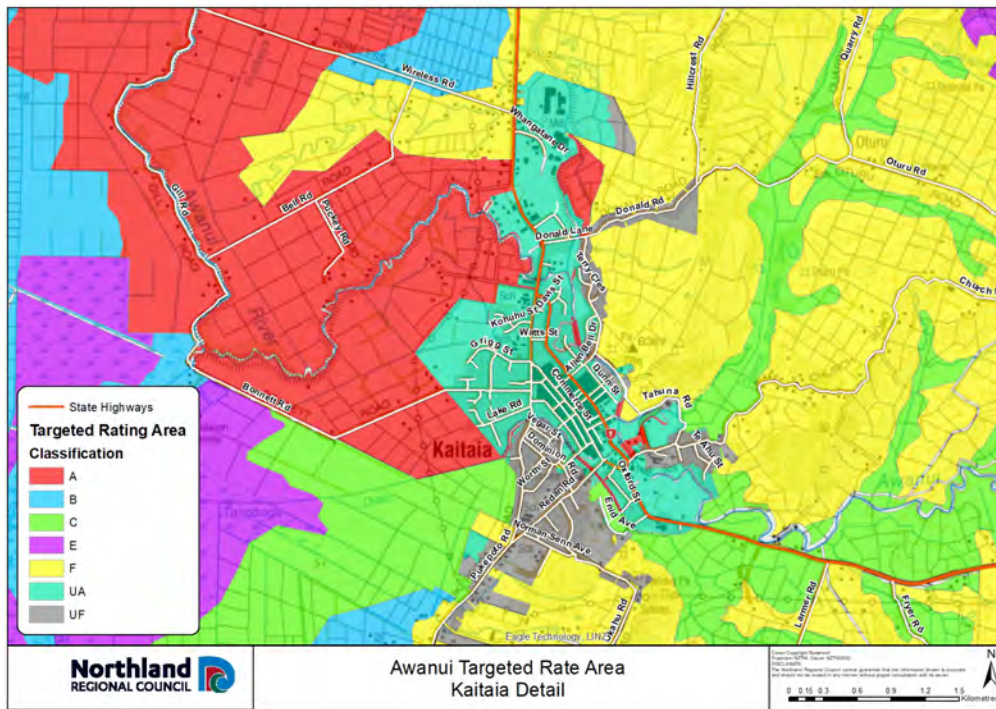
Awanui river management rate			
Category	Description	Rate	Rateable unit
1	Urban rate class UA(floodplain location)\$297.95 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$327.96	Per SUIP
2	Urban rate classes UF (higher ground)\$30.00 direct benefit plus \$30.01 indirect benefit per separately used or inhabited part of a rating unit.	\$60.01	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, \$13.35 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 Kaitiāia flood rating district as illustrated in the following maps and table.	\$13.35	Per SUIP

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

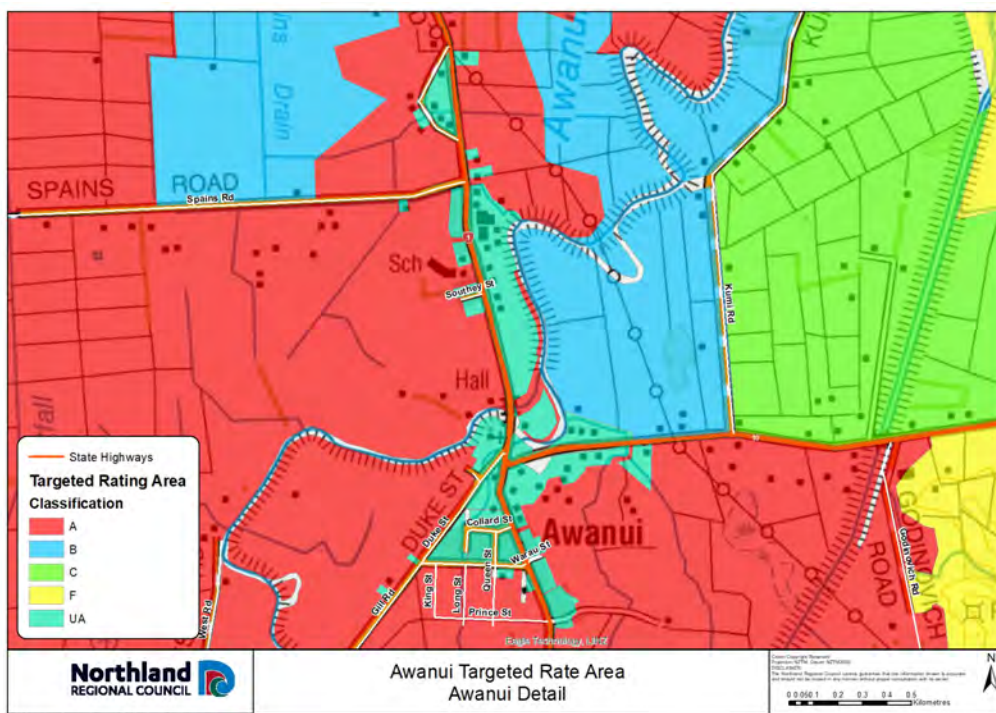
Awanui River scheme targeted rate



Awanui scheme targeted rate - Kaitia detail



Awanui River scheme targeted rate - Awanui detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$24.47
C	Moderate benefit; land floods less frequently and water clears quickly.	\$11.07
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.	\$1.09

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 **\$1,090,352** for the 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui river management rate

Class	Rural or urban	Total revenue
A & B	Rural	\$139,082
C	Rural	\$17,898
F	Rural	\$27,756
Indirect benefit	Rural	\$21,465
Urban A	Urban	\$476,686
Urban F	Urban	\$39,697
Commercial differential	Majority urban	\$367,768
Total		\$1,090,352

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

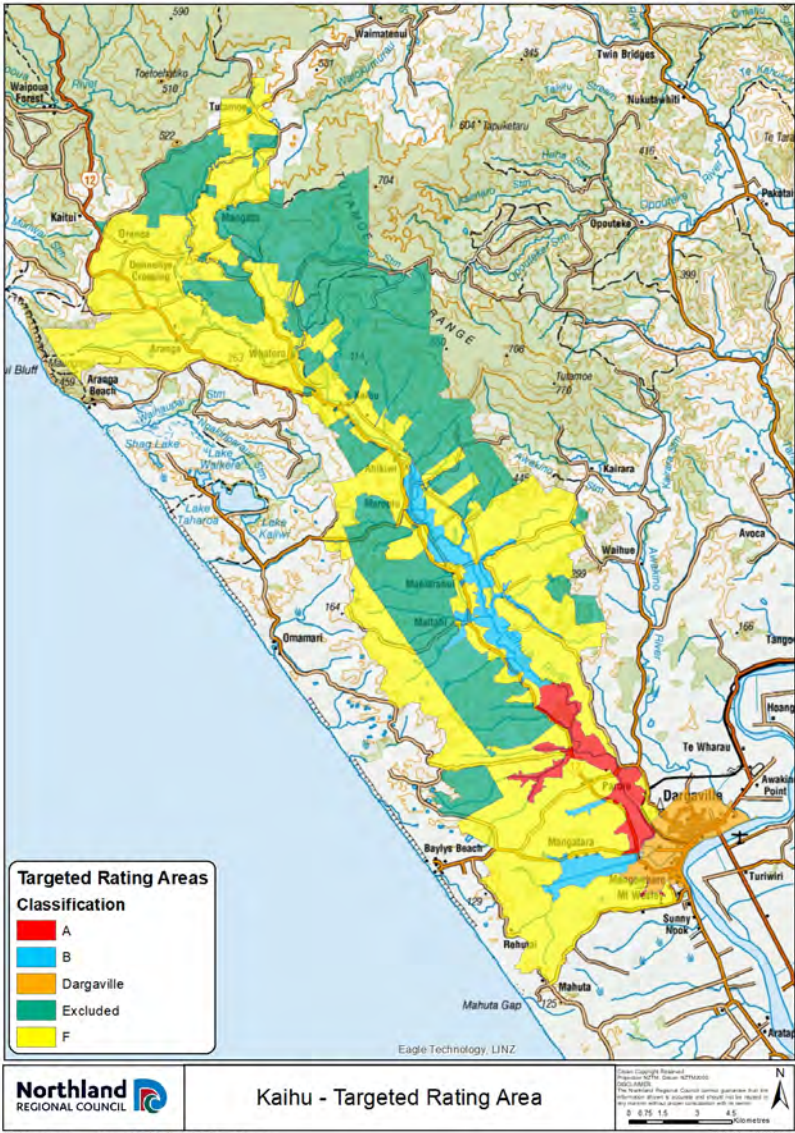
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

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.	\$23.72
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.68
F	Balance of rateable land within the Kaihū River rating area.	\$1.64
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5,015

How much is the rate?

The estimated total Kaihū River management rate is **\$79,869** in the 2019/20 financial year. The revenue sought from each category of rateable land will be as follows:

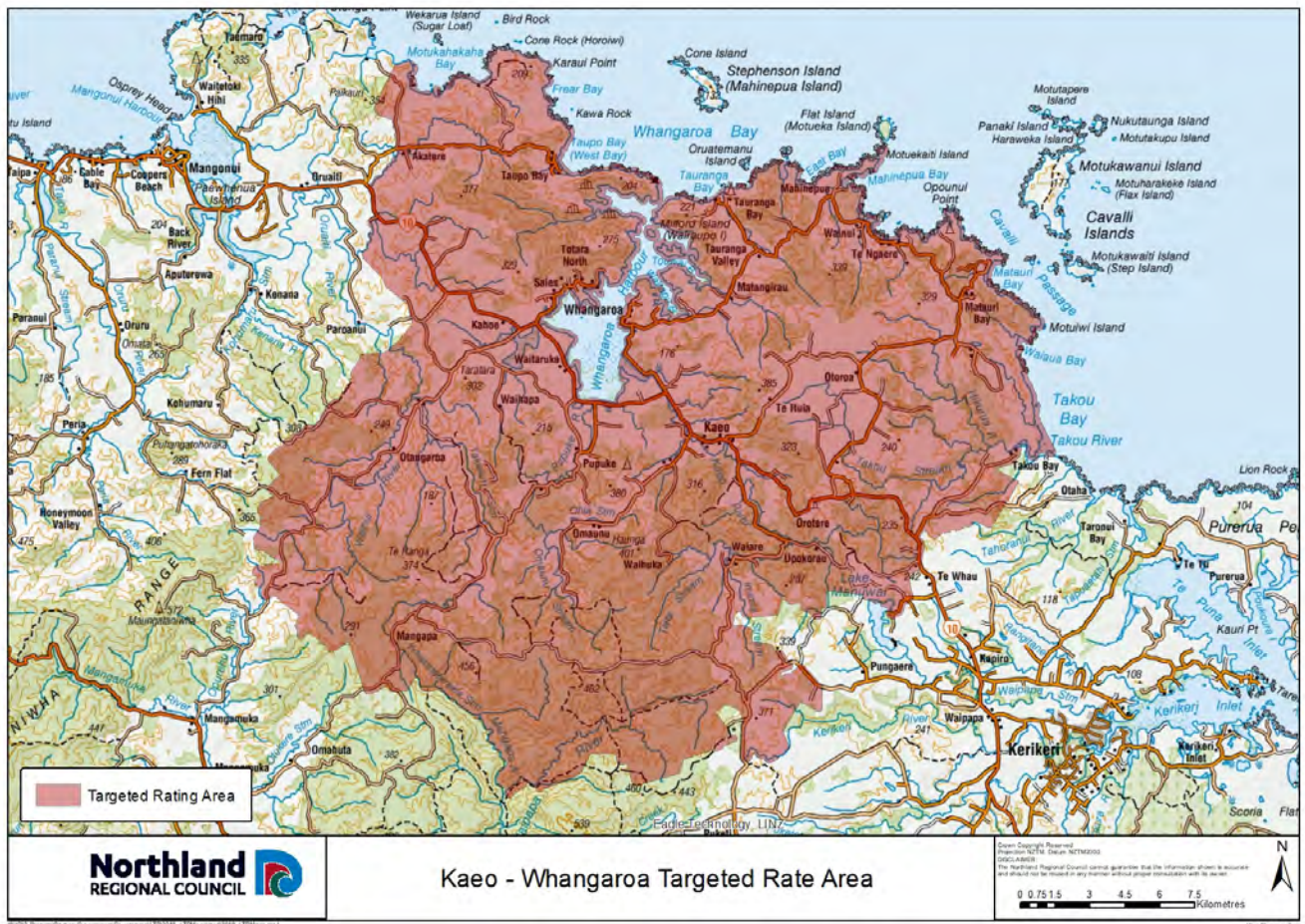
<i>Kaihū river management rate</i>	
Class	Total revenue
A	\$28,510
B	\$14,480
F	\$31,863
Urban contribution	\$5,015
Total	\$79,869

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 \$116,645 in the 2019/20 financial year. The rate is set at \$52.06 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:

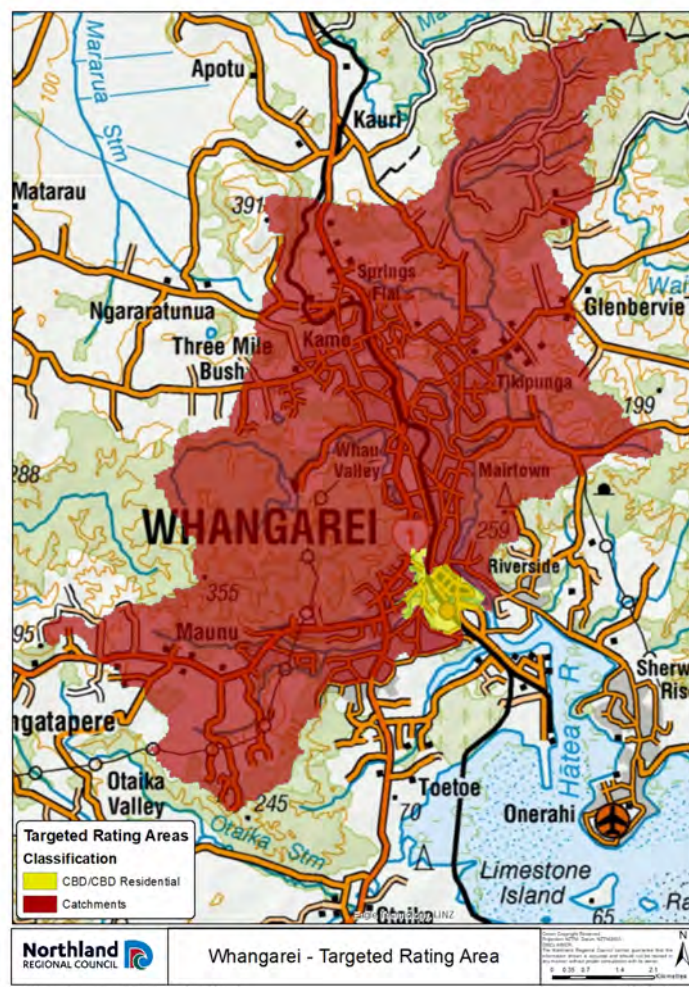
Whangārei urban rivers management rate			
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$352.25	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$174.16	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$43.34	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 which 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 **\$1,154,250** in the 2019/20 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.	\$358,663
2	All residential properties in the Whangārei CBD flood area.	\$22,641
3	All properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$772,946
Total		\$1,154,250

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.

Other rating information

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

Northland Regional Council has adopted policies regarding remission of rates and penalties, postponement of rates, and early repayment of rates. The council remits rates and penalties, postpones payment of rates, applied 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 the Northland Regional Council.

Separately used or inhabited part of a rating unit definitions

Northland Regional Council has adopted the same definitions as the Far North and Whangarei 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 which are leased on a rating unit basis;
- Vacant rating units;
- Single rating units which 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, for example, 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.

Whangarei district SUIP definition

A separately used or inhabited part is defined;

- 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 town houses (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.

Inspection and objection to council's rating information database

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

www.fndc.govt.nz

www.wdc.govt.nz

www.kaipara.govt.nz

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

Rating examples

How much will my rates be?

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

Note that the rates detailed in this plan are worked out using estimated land or capital values (where applicable) – actual rates have been set using information from the district valuation rolls available at the time.

Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

1. A targeted council services rate, differentiated by location and calculation 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 management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable unit;
4. 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;
5. A targeted, fixed flood infrastructure rate, assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence 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;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed Whangārei transport rate assessed on each separately used or inhabited part of a rating unit;
- 10A targeted, fixed emergency service rate assessed on each separately used or inhabited part of a rating unit; and
- 11A 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 Management Rate = LV rate in the \$ = 0.0000991	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002022	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.0000253	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	225,000	22.31	26.93
Targeted Freshwater Management Rate		45.50	56.72
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		5.69	7.99

Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Total Regional Rates		334.08	336.49
Residential Property (in CBD area)			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	225,000	22.31	26.93
Targeted Freshwater Management Rate		45.50	56.72
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Whangārei River Management Rate - CBD Residential		174.16	136.40
Total Regional Rates		508.24	472.89
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	225,000	22.31	26.93
Targeted Freshwater Management Rate		45.50	56.72
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		5.69	7.99
Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Whangārei River Management Rate - General Catchment		43.34	44.29
Total Regional Rates		377.42	380.78
Farm Property			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	2,750,000	272.64	329.18
Targeted Freshwater Management Rate		556.10	693.28
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19

Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		69.60	97.62
Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Total Regional Rates		1,158.93	1,364.92
Commercial Property (non CBD)			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	2,000,000	198.28	239.40
Targeted Freshwater Management Rate		404.44	504.20
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Total Regional Rates		913.92	1,059.45
Commercial Property (in CBD area)			
Targeted Council Services Rate		104.25	91.96
Targeted Land Management Rate	2,000,000	198.28	239.40
Targeted Freshwater Management Rate		404.44	504.20
Targeted Pest Management Rate		58.37	55.57
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		20.68	19.19
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		50.62	71.00
Targeted Whangārei Transport Rate		22.83	23.66
Targeted Emergency Services Rate		11.69	12.06
Whangārei River Management Rate - CBD Commercial		352.25	350.61
Total Regional Rates		1,266.17	1,410.06

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 management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. 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;
5. A targeted, fixed flood infrastructure rate assessed on each rating unit;
6. A targeted civil defence 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;
7. A targeted, fixed regional sporting facilities rate assessed on each rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each rating unit; and
- 10A 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 Management Rate = LV rate in the \$ = 0.0001063	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002166	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002704	(\$)	(\$)	(\$)
Residential Property			
Targeted Council Services Rate		112.05	94.86
Targeted Land Management Rate	225,000	23.92	20.97
Targeted Freshwater Management Rate		48.74	44.19
Targeted Pest Management Rate		63.80	58.42
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		22.61	20.18
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		6.08	6.23
Targeted Emergency Services Rate		11.69	12.06
Total Regional Rates		331.65	299.32
Farm Property			
Targeted Council Services Rate		112.05	94.86
Targeted Land Management Rate	2,750,000	292.38	256.30
Targeted Freshwater Management Rate		595.68	540.10
Targeted Pest Management Rate		63.80	58.42
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		22.61	20.18
Targeted Regional Sporting Facilities Rate		16.74	17.25

Targeted Regional Sporting Facilities Rate	16.74	17.25
Targeted Regional Infrastructure Rate	74.36	76.18
Targeted Emergency Services Rate	11.69	12.06
Total Regional Rates	1,215.33	1,100.50

Additional for Properties in the Kaihu River Catchment	Land Value (\$)	2019/20 (\$)	2018/19 Rates
10 hectares	Class A	237.20	212.20
	Class B	116.80	116.80
	Class F	16.40	16.50
100 hectares	Class A	2,372.00	2,122.00
	Class B	1,168.00	1,168.00
	Class F	164.00	165.00

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 management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. 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 separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence 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;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit.

Far North			
Land Management Rate = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002379	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002969	(\$)	(\$)	(\$)
Residential/Commercial/Other			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	225,000	26.28	24.01
Targeted Freshwater Management Rate		53.54	50.56
Targeted Pest Management Rate		46.78	45.08
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		16.58	15.57
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.69	12.06
Targeted Far North Transport Rate		8.68	8.86
Total Regional Rates		295.15	278.88
Farm Property			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	2,750,000	321.23	293.42
Targeted Freshwater Management Rate		654.33	617.92
Targeted Pest Management Rate		46.78	45.08
Targeted Flood Infrastructure Rate		26.02	25.16

Targeted Civil Defence and Hazard Management Rate	16.58	15.57
Targeted Regional Sporting Facilities Rate	16.74	17.25
Targeted Regional Infrastructure Rate	81.65	87.18
Targeted Emergency Services Rate	11.69	12.06
Targeted Far North Transport Rate	8.68	8.86
Total Regional Rates	1,265.86	1,195.70

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 management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. 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 separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence 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;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A 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 Management Rate 2018/19 = LV rate in the \$ = 0.0001168	Land Value	2019/20	2018/19
Freshwater Management Rate = LV rate in the \$ = 0.0002379	(LV)	Rates	Rates
Regional Infrastructure Rate = LV rate in the \$ = 0.00002969	(\$)	(\$)	(\$)
Residential & Commercial Urban			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	225,000	26.28	24.01
Targeted Freshwater Management Rate		53.54	50.56
Targeted Pest Management Rate		46.78	45.08
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		16.58	15.57
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.69	12.06
Targeted Far North Transport Rate		8.68	8.86
<i>Plus Awanui river management rates applicable to:</i>			
- Urban rate class UA (floodplain location)		327.96	328.28
- Urban rate classes UF (higher ground)		60.01	60.34
- Commercial Urban UA		983.88	984.84
Lifestyle Property – 10 hectares			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	450,000	52.57	48.02

Targeted Freshwater Management Rate	107.07	101.12
Targeted Pest Management Rate	46.78	45.08
Targeted Flood Infrastructure Rate	26.02	25.16
Targeted Civil Defence and Hazard Management Rate	16.58	15.57
Targeted Regional Sporting Facilities Rate	16.74	17.25
Targeted Regional Infrastructure Rate	13.36	14.26
Targeted Emergency Services Rate	11.69	12.06
Targeted Far North Transport Rate	8.68	8.86

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B	747.37	746.52
- Rural Class A & B	258.03	257.84
- Rural Class C	124.06	124.21
- Rural Class E	13.35	13.50
- Rural Class F	24.24	25.69

Farm Property - 100 hectares

Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	2,750,000	321.23	293.42
Targeted Freshwater Management Rate		654.33	617.92
Targeted Pest Management Rate		46.78	45.08
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		16.58	15.57
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		81.65	87.18
Targeted Emergency Services Rate		11.69	12.06
Targeted Far North Transport Rate		8.68	8.86

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B	¹ Refer Below	¹ Refer Below
- Rural Class A & B	2,460.08	2,456.90
- Rural Class C	1,120.45	1,120.59
- Rural Class E	13.35	13.50
- Rural Class F	122.22	135.40

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: On \$327.96 for urban commercial class UA; \$983.87. On \$24.47 for rural commercial class A & B; \$73.40. On \$11.07 for rural commercial class C; \$33.21. On \$1.09 for rural commercial class F; \$3.27. The rural rate also includes a single rate of \$13.35 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 Kaeo-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 management rate assessed on the land value of each rateable rating unit;
3. A targeted freshwater management rate assessed on the land value of each rateable rating unit;
4. 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 separately used or inhabited part of the rating unit;
5. A targeted, fixed flood infrastructure rate assessed on each separately used or inhabited part of the rating unit;
6. A targeted civil defence 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;
7. A targeted, fixed regional sporting facilities rate assessed on each separately used or inhabited part of the rating unit;
8. A targeted, regional infrastructure rate assessed on the land value of each rateable rating unit;
9. A targeted, fixed emergency service rate assessed on each separately used or inhabited part of the rating unit;
- 10A targeted, fixed Far North transport rate assessed on each separately used or inhabited part of the rating unit;
- 11A targeted Kaeo-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 - Kaeo-Whangaroa			
Land Management Rate 2018/19 = LV rate in the \$ = 0.0001168	(LV)	Rates	Rates
Freshwater Management Rate = LV rate in the \$ = 0.0002379	Land Value	2019-2020	2018-2019
Regional Infrastructure Rate = LV rate in the \$ = 0.00002969	(\$)	(\$)	(\$)
Residential/Commercial/Other			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	225,000	26.28	24.01
Targeted Freshwater Management Rate		53.54	50.56
Targeted Pest Management Rate		46.78	45.08
Targeted Flood Infrastructure Rate		26.02	25.16
Targeted Civil Defence and Hazard Management Rate		16.58	15.57
Targeted Regional Sporting Facilities Rate		16.74	17.25
Targeted Regional Infrastructure Rate		6.68	7.13
Targeted Emergency Services Rate		11.69	12.06
Targeted Far North Transport Rate		8.68	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate		52.06	53.86
Total Regional Rates		347.21	332.74
Farm Property			
Targeted Council Services Rate		82.16	73.20
Targeted Land Management Rate	2,750,000	321.23	293.42
Targeted Freshwater Management Rate		654.33	617.92
Targeted Pest Management Rate		46.78	45.08

Targeted Flood Infrastructure Rate	26.02	25.16
Targeted Civil Defence and Hazard Management Rate	16.58	15.57
Targeted Regional Sporting Facilities Rate	16.74	17.25
Targeted Regional Infrastructure Rate	81.65	87.18
Targeted Emergency Services Rate	11.69	12.06
Targeted Far North Transport Rate	8.68	8.86
Targeted Kaeo-Whangaroa Rivers Management Rate	52.06	53.86
Total Regional Rates	1,317.92	1,249.56

Summary of rates

The following table illustrates the distribution of the regional rate on forecast basis for the 2019/20 financial year, with the actual 2018/19 regional rate for comparison. The actual and projected apportionment of rates among Northland's districts is as follows, based on the Valuation Roll at 30 June in each year:

District Valuation Roll

Estimate – 30 June 2019

	Gross Number of RU (Kaipara) or SUIP (others)	Net Number of RU (Kaipara) or SUIP (others)	Capital Value (CV) \$(000)	Land Value (LV) \$(000)	Equalised CV \$(000)	Equalised LV \$(000)	Equalised CV (%)	Equalised LV (%)
Far North District	37,852	36,798	15,268,782	7,756,500	18,395,349	9,360,194	33.07	32.34
Kaipara District	14,562	13,933	8,698,428	4,995,834	9,498,838	5,462,467	17.08	18.87
Whangārei District	45,622	44,461	27,733,861	14,123,014	27,733,861	14,123,014	49.86	48.79
Total Valuation - Northland	98,036	95,192	51,701,070	26,875,348	55,628,048	28,945,676	100.00	100.00

	Rates 2019/20 (including GST)			Rates 2018/19 (including GST)		
		Total (gross) \$(Total (net) \$)		Total (gross) \$(Total (net) \$)
Targeted Council Services Rate						
Far North (per SUIP)	82.16	3,109,982	3,023,383	73.20	2,755,322	2,638,424
Kaipara (per RU)	112.05	1,631,669	1,561,189	94.86	1,448,127	1,304,604
Whangārei (per SUIP)	104.25	4,755,947	4,634,917	91.96	4,046,936	3,945,505
		9,497,598	9,219,489		8,250,385	7,888,533
Targeted Land Management Rate						
Far North (per \$ of actual LV)	0.0001168	906,054	895,546	0.0001067	817,910	798,392
Kaipara (per \$ of actual LV)	0.0001063	531,165	522,627	0.0000932	463,291	454,803
Whangārei (per \$ of actual LV)	0.0000991	1,400,168	1,351,234	0.0001197	1,148,917	1,114,323
		2,837,387	2,769,407		2,430,119	2,367,517
Targeted Freshwater Management Rate						
Far North (per \$ of actual LV)	0.0002379	1,845,620	1,823,491	0.0002247	1,722,441	1,681,336
Kaipara (per \$ of actual LV)	0.0002166	1,082,154	1,064,161	0.0001964	976,291	958,404
Whangārei (per \$ of actual LV)	0.0002022	2,855,984	2,751,351	0.0002521	2,419,733	2,346,875
		5,783,758	5,639,003		5,118,466	4,986,615

Targeted Pest Management Rate						
Far North (per SUIP)	46.78	1,770,784	1,721,475	45.08	1,696,824	1,624,833
Kaipara (per RU)	63.80	929,051	888,921	58.42	891,807	803,421
Whangārei (per SUIP)	58.37	2,663,165	2,595,393	55.57	2,445,494	2,384,201
		5,363,000	5,205,789		5,034,125	4,812,456
Targeted Flood Infrastructure Rate						
Far North (per SUIP)	26.02	984,883	957,458	25.16	946,903	906,729
Kaipara (per RU)	26.02	378,898	362,532	25.16	384,029	345,968
Whangārei (per SUIP)	26.02	1,187,074	1,156,865	25.16	1,107,057	1,079,310
		2,550,855	2,476,855		2,437,988	2,332,007
Targeted Civil Defence and Hazard Management Rate						
Far North (per SUIP)	16.58	627,428	609,957	15.57	586,076	561,211
Kaipara (per RU)	22.61	329,184	314,965	20.18	308,027	277,498
Whangārei (per SUIP)	20.68	943,619	919,606	19.19	844,664	823,494
		1,900,231	1,844,528		1,738,767	1,662,203
Targeted Regional Sporting Facilities Rate						
Far North (per SUIP)	16.74	633,474	615,835	17.25	649,316	621,768
Kaipara (per RU)	16.74	243,706	233,180	17.25	263,339	237,239
Whangārei (per SUIP)	16.74	763,523	744,092	17.25	759,138	740,111
		1,640,703	1,593,107		1,671,792	1,599,118
Targeted Regional Infrastructure Rate						
Far North (per \$ of actual LV)	0.0000297	230,274	227,152	0.0000317	242,997	237,198
Kaipara (per \$ of actual LV)	0.0000270	135,100	132,562	0.0000277	137,695	135,172
Whangārei (per \$ of actual LV)	0.0000253	357,469	342,735	0.0000355	340,740	330,479
		722,842	702,449		721,432	702,850
Targeted Emergency Services Rate						
Far North (per SUIP)	11.69	442,406	430,087	12.06	453,956	434,697
Kaipara (per RU)	11.69	170,200	162,848	12.06	184,108	165,861
Whangārei (per SUIP)	11.69	533,230	519,660	12.06	530,736	517,434
		1,145,836	1,112,595		1,168,801	1,117,992
Targeted Whangārei Transport Rate						
Rate per SUIP	22.83	1,041,703	1,015,194	23.66	1,041,229	1,015,132
Targeted Far North Transport Rate						
Far North District	8.68	328,621	319,470	8.86	333,503	319,354

Targeted Awanui River Management Rate					
Far North District - Rural		210,330	207,969	210,440	207,964
Far North District - Urban		892,878	882,383	891,075	882,383
		1,103,208	1,090,352	1,101,516	1,090,348
Targeted Kaihū River Management Rate					
Kaipara District (Kaihu river area only)		79,869	79,869	79,869	79,869
Targeted Kaeo-Whangaroa Rivers Management Rate					
Far North (Kaeo only)	52.06	123,981	116,644	53.86	127,944
					116,644
Targeted Whangārei Urban Rivers Management Rate					
Rate per SUIP		1,167,409	1,154,250	1,159,654	1,154,266
TOTAL RATES					
		Gross (\$)	Net (\$)	Gross (\$)	Net (\$)
Far North District		12,106,715	11,830,850	11,434,711	11,030,933
Kaipara District		5,510,995	5,322,854	5,136,582	4,762,839
Whangārei District		17,669,291	17,185,296	15,844,299	15,451,132
		35,287,001*	34,339,001**	32,415,592	31,244,904

* Amount inclusive of GST

** Amount net of remissions and inclusive of GST

Financials

Mahere a Pūtea

Financial Statements

The following financial statements show our draft financial plan for the 2019/20 year.

Please note that the following documents support the financial information contained in these financial statements, and can be found on our website www.nrc.govt.nz/annualplanpolicies:

- Significant forecasting assumptions
- Significant financial forecasting assumptions
- Accounting policies

Prospective statement of comprehensive revenue and expense

LTP Year 1		Annual Plan	LTP Year 2
2018/19		2019/20	2019/20
\$(000)		\$(000)	\$(000)
REVENUE			
27,169	Rates	29,860	29,455
4,310	Fees and Charges	4,388	4,398
3,046	Subsidies and Grants	4,793	2,869
1,195	Interest Revenue	1,001	1,413
6,173	Other Revenue	6,704	7,693
3,228	Other Gains	2,339	3,327
45,121	TOTAL REVENUE	49,085	49,155
EXPENSES			
15,612	Personnel Costs	17,623	16,899
1,626	Depreciation and Amortisation Expense	1,810	1,738
936	Finance Costs	1,340	1,201
-	Other Losses	-	-
26,099	Other Expenditure on Activities	28,681	26,800
44,273	TOTAL OPERATING EXPENDITURE	49,454	46,638
848	SURPLUS/(DEFICIT) BEFORE TAX	(369)	2,517
-	INCOME TAX CREDIT/(EXPENSE)	-	-
848	SURPLUS/(DEFICIT) AFTER TAX	(369)	2,517
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:			
848	Northland Regional Council	(369)	2,517
-	Non-Controlling Interest	-	-
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
<i>Items that will be reclassified to surplus/(deficit)</i>			
-	Financial Assets at fair value through other comprehensive revenue and expense	-	-
<i>Items that will not be reclassified to surplus/(deficit)</i>			
-	Gains/(loss) on Property Revaluations	-	-
-	Gains/(loss) on Infrastructure Asset revaluations	-	-
-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-
848	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(369)	2,517

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

While the above statement shows a deficit when presented using GAAP. The table below demonstrates the calculations used to determine a balanced budget. Any result zero or greater demonstrates a balanced budget that meets s100(1).

GAAP deficit as above	(368,856)
Transfers to Reserves	(3,345,967)
Transfers from Reserves	3,961,724
	<hr/> 246,901
CIF Recapitalisation	(716,000)
CIF Funded Grant	500,000
Balanced Budget Surplus / (Deficit)	<hr/> 30,901

Prospective statement of financial position

LTP Year 1		Annual Report	Annual Plan	LTP Year 2
2018/19		2017/18	2019/20	2019/20
\$(000)		2017/18	\$(000)	\$(000)
ASSETS				
Current Assets				
86	Cash and cash equivalents	998	73	81
4,136	Other financial assets	4,039	3,930	4,553
5,453	Receivables	5,862	5,285	5,702
3,205	Inventory	3,102	3,175	3,205
14,194	Assets held for sale	11,248	0	0
27,074	Total Current Assets	25,249	12,463	13,541
Non Current Assets				
6,346	Receivables	5,744	5,900	6,446
58,837	Other financial assets	56,048	42,922	65,475
38,707	Infrastructure, property, plant and equipment	34,836	41,376	40,520
33,473	Investment property	41,100	70,449	47,667
283	Intangible assets	600	525	337
2,713	Forestry assets	3,235	2,862	2,713
7,828	Investment in subsidiaries (excl council controlled organisations) and joint venture company	7,828	7,828	7,828
863	Investment in council controlled organisations	863	863	863
149,050	Total Non Current Assets	150,254	172,724	171,848
176,123	TOTAL ASSETS	175,503	185,187	185,390
LIABILITIES				
Current Liabilities				
5,427	Payables	4,453	4,602	5,559
1,661	Employee entitlements	1,751	1,792	1,711
7,088	Total Current Liabilities	6,204	6,394	7,269
Non Current Liabilities				
916	Payables and deferred revenue	653	806	938
19,977	Borrowings and other financial liabilities	18,542	27,077	26,522
18	Employee entitlements	15	19	19
20,911	Total Non Current Liabilities	19,210	27,901	27,479

28,000	TOTAL LIABILITIES	25,414	34,296	34,749
148,124	NET ASSETS	150,089	150,892	150,641
EQUITY				
126,042	Accumulated funds	123,540	137,567	127,663
2,807	Revaluation reserves	3,963	3,963	2,807
19,274	Other reserves	22,586	9,361	20,170
148,124	Total Equity	150,089	150,892	150,641
-	Non-controlling interests in subsidiary companies	-	-	-
148,124	TOTAL EQUITY	150,089	150,892	150,641

Prospective statement of changes in equity

LTP Year 1		Annual Report	Annual Plan	LTP Year 2
2018/19		2017/18	2019/20	2019/20
\$(000)		2017/18	\$(000)	\$(000)
147,276	Balance at 1 July	146,088	151,261	148,124
848	Total comprehensive revenue and expense	4,001	- 369	2,517
148,124	Balance at 30 June	150,089	150,892	150,641
<i>Total comprehensive revenue and expense attributable to:</i>				
848	Northland Regional Council	4,001	- 369	2,517
-	Non-controlling interests	-	-	-
148,124	Balance at 30 June	150,089	150,892	150,641

Prospective statement of cashflows

LTP Year 1		Annual Plan	LTP Year 2	Variance
2018/19		2019/20	2019/20	to LTP
\$(000)		\$(000)	\$(000)	\$(000)
Cash flows from operating activities				
26,659	Receipts from rates revenue	29,157	28,907	(250)
9,275	Receipts from customers	11,725	10,795	(930)
2,144	Subsidies and grants received	2,278	2,144	(134)
2,997	GST received	2,938	3,603	666
3,616	Interest received	3,607	3,602	(5)
3,598	Other revenue received	3,708	3,708	-
(45,274)	Staff and suppliers	(50,126)	(47,941)	2,185
(259)	Other payments - operating	(291)	(265)	27
(936)	Interest paid	(1,340)	(1,201)	139
1,820	Net cash provided (used) in operating activities	1,657	3,355	1,698
Cash flows from investing activities				
-	Sale of infrastructure, property, plant and equipment	-	14,194	-
410	Other receipts - investing	8,438	(6,300)	(14,738)
(5,190)	Purchase of infrastructure, property, plant and equipment	(16,744)	(17,798)	(1,054)
(4,780)	Net cash provided (used) in investing activities	(8,306)	(9,904)	(1,598)
Cash flows from financing activities				
2,667	Other receipts - financing	6,135	6,545	410
-	Other payments - financing	-	-	-
2,667	Net cash provided (used) in financing activities	6,135	6,545	410
(293)	Net increase/(decrease) in cash and cash equivalents	(514)	(5)	510
379	Cash and cash equivalents at beginning of period	587	86	(502)
86	Cash and cash equivalents at end of period	73	81	8

Schedule of reserves

LTP Year 1		Annual Plan	LTP Year 2
2018/19		2019/20	2019/20
\$		\$	\$
Land Management Reserve			
233,580	Opening Balance as at 1 July	136,000	(176)
(233,756)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(136,000)	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(176)	Closing Balance as at 30 June	(0)	(176)
Awanui River Reserve			
(773,404)	Opening Balance as at 1 July	(710,541)	(598,881)
174,523	Increase /(Decrease) in Reserve throughout the year (operational transfer)	161,016	163,175
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(95,964)	-
(598,881)	Closing Balance as at 30 June	(645,489)	(435,706)
Kaihu River Reserve			
69,450	Opening Balance as at 1 July	60,865	59,276
(10,174)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(10,698)	(10,698)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
59,276	Closing Balance as at 30 June	50,167	48,578
Whangaroa Kaeo Rivers Reserve			
42,787	Opening Balance as at 1 July	124,817	30,106
(12,681)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(14,256)	(14,256)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
30,106	Closing Balance as at 30 June	110,561	15,850
Whangarei Urban River Reserve			
(9,571,405)	Opening Balance as at 1 July	(9,077,076)	(9,164,350)
407,055	Increase /(Decrease) in Reserve throughout the year (operational transfer)	455,922	455,922
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(9,164,350)	Closing Balance as at 30 June	(8,621,154)	(8,708,428)
Kerikeri Waipapa Rivers Reserve			
443,592	Opening Balance as at 1 July	425,000	415,985
(12,607)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(29,474)	(29,474)
(15,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(15,330)	(15,330)
415,985	Closing Balance as at 30 June	380,196	371,181
Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(1,320,000)	(1,319,551)

559,419	Increase /(Decrease) in Reserve throughout the year (operational transfer)	445,029	445,029
(1,878,970)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,131,500)	(1,131,500)
(1,319,551)	Closing Balance as at 30 June	(2,006,471)	(2,006,022)
Whangarei Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(180,000)	(179,596)
60,404	Increase /(Decrease) in Reserve throughout the year (operational transfer)	36,974	36,974
(240,000)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(45,000)	(45,000)
(179,596)	Closing Balance as at 30 June	(188,026)	(187,622)
Awanui Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	(194,000)	(193,898)
354,232	Increase /(Decrease) in Reserve throughout the year (operational transfer)	300,926	300,926
(548,130)	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(256,500)	(256,500)
(193,898)	Closing Balance as at 30 June	(149,574)	(149,472)
Kaeo Flood Infrastructure Reserve			
-	Opening Balance as at 1 July	21,000	21,430
21,430	Increase /(Decrease) in Reserve throughout the year (operational transfer)	21,030	21,030
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(12,000)	(12,000)
21,430	Closing Balance as at 30 June	30,030	30,460
Infrastructure Facilities Reserve			
(3,346,214)	Opening Balance as at 1 July	(2,639,000)	(3,171,014)
175,200	Increase /(Decrease) in Reserve throughout the year (operational transfer)	175,200	175,200
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(3,171,014)	Closing Balance as at 30 June	(2,463,800)	(2,995,814)
Property Reinvestment Fund Reserve			
22,773,304	Opening Balance as at 1 July	15,317,563	23,046,276
272,972	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(799,953)	276,248
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	(12,837,716)	-
23,046,276	Closing Balance as at 30 June	1,679,894	23,322,524
Infrastructure Investment Fund Reserve			
8,858,736	Opening Balance as at 1 July	19,602,631	8,968,818
110,082	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(278,415)	111,403
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
8,968,818	Closing Balance as at 30 June	19,324,216	9,080,221
Equalisation Fund Reserve			
845,516	Opening Balance as at 1 July	1,407,000	765,479
(80,037)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(415,171)	235,214

-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
765,479	Closing Balance as at 30 June	991,829	1,000,693
Hatea River Reserve			
169,119	Opening Balance as at 1 July	124,000	116,771
(52,348)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(51,332)	(52,418)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
116,771	Closing Balance as at 30 June	72,668	64,353
Investment and Growth Reserve			
2,160,270	Opening Balance as at 1 July	238,010	328,114
(1,850,777)	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(495,458)	(633,778)
18,621	Increase /(Decrease) in Reserve throughout the year (capital transfer)	839,900	839,900
328,114	Closing Balance as at 30 June	582,452	534,236
Whangarei Transport Reserve			
(47,539)	Opening Balance as at 1 July	(95,000)	(47,539)
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	(24,550)	(7,534)
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
(47,539)	Closing Balance as at 30 June	(119,550)	(55,073)
Far North Transport Reserve			
162,754	Opening Balance as at 1 July	40,000	162,754
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
162,754	Closing Balance as at 30 June	40,000	162,754
Capital Subsidy Reserve : Public Transport			
-	Opening Balance as at 1 July	67,000	-
-	Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
-	Closing Balance as at 30 June	67,000	-
Emergency Services Reserve			
-	Opening Balance as at 1 July	183,000	34,453
34,453	Increase /(Decrease) in Reserve throughout the year (operational transfer)	43,453	43,453
-	Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-
34,453	Closing Balance as at 30 June	226,453	77,906
19,274,457	Total special reserves closing balance as at 30 June 2013	9,361,402	20,170,443

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
- And 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 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 reserves ensures council is accountable and transparent.

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

Purpose of each reserve fund:

Land Management reserve

This reserve was created to set aside Land Management rates collected but not fully used in any given year. While the Land management reserve maintains a positive balance, it can be used to fund land management activities and emergency events such as remedial storm expenditure on a case-by-case basis.

River reserves

The Awanui, Kaihu, Kaeo -Whangaroa, Kerikeri-Waipapa and Whangarei urban river reserves were all created to hold targeted rates collected and unspent in any given year to cover any future funding shortfalls of river works required as part of their respective river flood management schemes. This keeps the surpluses/deficits in the appropriate activity separate from other activities. Any deficit balance in these reserves will be repaid from future targeted river management rates collected from the rate payers within the area of benefit identified in the respective flood management plans.

Infrastructure Facilities reserve

The Infrastructure facilities reserve was created to set aside any targeted Infrastructure rates collected and not fully used in any given year for the purpose of funding the holding costs associated with the Marsden Point Rail link project, the capital costs of securing the rail corridor designation, and other activities relating to the development and/or completion of future regional infrastructure projects. The deficit balance of this reserve will be repaid from future targeted Regional Infrastructure rates collected from ratepayers in all three Northland districts.

Property Reinvestment Fund reserve

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 the Marsden Maritime Holdings Limited. The funds are general funds and are set aside to be reinvested in income producing assets. The fund invests monies in separate managed funds which have been earmarked to hold the funds pending the identification of approved property investments.

Equalisation Fund reserve

This reserve was created to set aside 50% of council's forestry net income arising in any year. This reserve is intended to provide future funding of councils general operating activities by allowing council to use these funds for any council activity to smooth future rating increases. It is further intended that this reserve be used to fund the cost of forestry operations in non-harvesting years.

Hātea River Maintenance reserve

This reserve was created to set aside a component of the council services rate specifically levied across the Whangārei constituency to ensure funding is immediately available in the event dredging of the Hātea river is required. The funds may be applied to the following:

1. Ongoing maintenance and dredging;
2. Disposal of dredged spoil material;
3. The provision of an annual hydrographic survey of the river.

The reserve is to be maintained at a targeted fund of up to \$400,000.

Investment and Growth reserve

This reserve was created to set aside the investment income redirected to be made available for activities and projects that contribute towards economic well-being. The council will allocate monies from the reserve to projects in accordance with set criteria.

Far North Transport reserve

This reserve is to be created to hold any targeted Far North transport rates collected and unspent in any given year to cover any future funding shortfalls of Far North transport service. This keeps surpluses/ deficits in this activity separate from other activities.

Infrastructure Investment Fund reserve

This reserve was established to stabilise the impact of irregular large infrastructure projects on council's income and capital requirements. It will help spread the costs of such projects. The fund is also intended to provide more flexibility around when such large capital intensive projects can commence. The fund invests monies which has been earmarked for the approved infrastructure and economic development investments in externally managed funds.

Whangārei Transport reserve

This reserve was established to hold any targeted Whangārei transport rates collected and unspent in any given year to cover any future funding shortfalls of Whangārei transport service. The deficit balance of this reserve will be repaid from future targeted Whangareei transport rates collected from ratepayers in the Whangareei district.

Emergency Services reserve

This reserve was established to hold any targeted Emergency Services rates collected and unspent in any given year to contribute to any future funding shortfalls of Emergency Services funding.

Capital Subsidy reserve : Public Transport

This reserve currently holds capital subsidies received from the NZ transport agency that will be used to offset the future costs associated with the Regional Integrated Ticketing Information System (RITIS).

All reserves displaying a deficit balance at 1 July 2019 have an associated targeted rate that will generate income over a certain time period in order to return the reserve to a credit balance.

Financial Prudence

There is an expectation that Northland Regional Council (NRC) will act with financial prudence. To measure the level of prudence a number of measures have been developed for the sector.

Northland Regional Council measures financial prudence using the following measures:

		Target	Annual Plan 2019/20
Affordability			
<i>Benchmark</i>			
Rates Benchmark*	i) Total Rates as % of Total Revenue	< 65%	61%
	ii) Total Average Rates Increase as %	< 10%	7%
Debt Benchmark	Net Debt as % of Total Revenue	< 175%	-39%
<i>Indicator</i>			
Rates Indicator**			\$360.74
Sustainability			
<i>Benchmark</i>			
a) Balanced budget benchmark***		> 1	0.99
b) Essential services benchmark****		> 1	11.49
c) Net Interest as % of Revenue		< 10%	-4%
d) Liquidity		> 110%	407%
Predictability			
<i>Benchmark</i>			
Operations control benchmark***** (result to be published in the annual report)			N/A

* Rates income complies with the limits set in the council's financial strategy

** Rates revenue per rating unit/SUIP

*** Revenue, excluding income from development contributions and financial contributions, revaluations and vested assets, exceeds operating expenditure

