Northland Community Plan 2009-2019

Long Term Council Community Plan – Volume Two

Creating a region of choice

NORTHLAND REGIONAL COUNCIL

Your Regional Council

Our vision

Creating a region of choice

Our mission

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

Our motto

Putting Northland first

Our values

To achieve our vision and mission the Council will:

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

NORTHLAND REGIONAL COUNCIL

Our values in action

Put our community and region first

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

Be a champion for our natural environment

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

Be forward thinking and innovative

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

Be flexible and open

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

Be responsive and deliver value

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

Be professional and accountable

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

Work with others

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

Northland Community Plan

Northland Regional Council Long Term Council Community Plan 2009-2019

Volume Two

Adopted by the Council at its Meeting on 24 June 2009

You can also view this Plan on the Council's website: www.nrc.govt.nz/ltccp

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Whatungarongaro he tangata toitu te whenua – Mankind passes on but the earth remains for all eternity

E rua ano nga hua e kite ana e te tangata i te wā e ora ana e ia i runga i te mata o te whenua.

Ko nga mea na Te Atua i hanga, me nga mea na te tangata ano i hanga.

Ta Te Atua i hanga ai, he taonga, he mea tapu, tapu rawa, mei ata tiaki marika, mehemea ngaro ai, ka ngaro mo ake tonu atu.

Ta te tangata i hanga ai, he taputapu noa iho māna, ka whakamahia, ka whakapaua, ka whakarerea, e taea noa iho te whakahoua.

During a person's time on earth, he or she will see only two things; Things created by the hand of God and things manufactured by the hand of man.

Things created by the hand of God are of divine creation and are given the sacred description of Taonga. Being most sacred, they must be protected at all costs for once lost, they are lost forever.

Things manufactured by the hand of man are personal belongings and are for his or her convenience only. As such, they are usable, consumable, disposable and replaceable.

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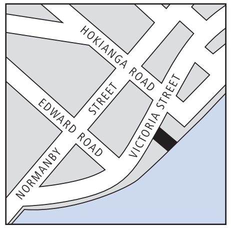
Council Offices

Northland Regional Council address and contact details

WHĀNGĀREI

Main Office

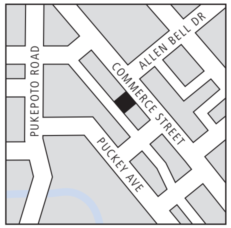
Street Address:	36 Water Street, Whāngārei.
Postal Address:	Private Bag 9021, Whāngārei Mail Centre, Whāngārei 0148.
Telephone No:	09 438 4639
Facsimile No:	09 438 0012
E-mail:	mailroom@nrc.govt.nz
Freephone:	0800 002 004
24/7 Environmental Hotline:	0800 504 639
Website:	www.nrc.govt.nz



DARGAVILLE

Dargaville Office

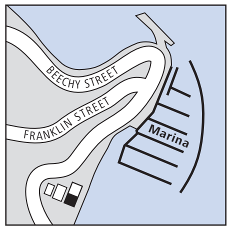
Street Address:	61B Victoria Street, Dargaville.
Telephone No:	09 439 3300
Facsimile No:	09 439 3301



KAITĀIA

Kaitāia Office

Street Address:	192 Commerce Street, Kaitāia.
Telephone No:	09 408 6600
Facsimile No:	09 408 6601



ŌPUA

Ōpua Office

Street Address:	Unit 10, Ōpua Marine Park, Ōpua.
Telephone No:	09 402 7516
Facsimile No:	09 402 7510

Introduction

The Local Government Act 2002 requires the Council to adopt a number of governance and financial policies concurrently with the Long Term Council Community Planning process.

Following the adoption of its first Community Plan in June 2004, the Council must prepare and adopt its second Community Plan no later than 30 June 2006, and triennially thereafter. The policy requirements of the Local Government Act 2002 that were incorporated into the first Community Plan have been reviewed and revised, where appropriate, and are now represented in this Community Plan.

The policy requirements are as follows:

- **A Significance Policy** - establishes the process and thresholds, if any, for dealing with major transactions and decisions.
- **A Private Sector Partnership Policy** - deals with how the Council will enter into, if at all, partnerships with private sector organisations.
- **Appointment of Directors** - to the Council's organisations and any Council-Controlled organisations.
- **Revenue and Financing Policy** - that sets out the Council's structure for statutory and other functions and how the cost of those activities is to be met from various funding sources.
- **The Treasury Management Policy** - incorporating the statutory liability management and investment policies into a consolidated Treasury Management Policy.
- **The Northland Regional Council Rating Policies** - setting out the principles for funding separate activities by different rating methods. It also includes details of rates relief and postponement policies and the provisions for Māori freehold land.
- **A Charging Policy** - setting out the Council's philosophy, principles and practice for recovering a share of the cost of its activities from those persons or associations who receive a private benefit from those activities, together with a schedule of fees and charges.
- **A Financial Contributions Policy** - this outlines the purposes for which financial contributions, if any, may be required.

Volume 1 of the Community Plan focuses on community outcomes and Council activities, whilst the financial projections set out in this volume are the expected costs of carrying out the activities that contribute to achieving community outcomes.

Therefore, this section of the Community Plan also includes the following statements:

- **Funding Impact Statement** - this outlines the impact of the Council's financial forecasts and financial plans on ratepayers for the term of this Plan.
- **Forecast Financial Statements** - forecast financial statements - statements of forecast operations, financial position and cash flows.

Financial Strategy

There are a number of strategies and polices that address and manage various facets of the financial operations of the Northland Regional Council. The objective of these various strategies and policies is to manage the public's investment assets and the Council's revenue, expenditure, assets, liabilities and general financial dealings, prudently and in a manner that promotes the current and future interests of the community.

The purpose of this section is to outline these various policies and strategies in one location. More detail can be gained by referring to the full policies and strategies contained within this Community Plan.

Balanced budget

In accordance with section 100 of the Local Government Act, the Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating expenditure, except where the Council resolves that it is financially prudent not to do so. The Council may set projected operating revenues at a different level from projected operating expenditure; the key reasons for doing so are as follows:

- The Council may choose to not rate for the full cost of depreciation on some of the Council assets. The Council believes that rating for the full cost of depreciation on new assets (rather than replacement assets) such as the development of new River Management Schemes, results in the ratepayers having to fund both the infrastructure and the replacement of the infrastructure which goes against the principle of intergenerational equity.
- To smooth the rating burden, the Council also may elect to fund certain operational expenditure from reserves, including prior year surpluses.
- Where the Council funds capital expenditure from public debt or internal borrowing, the Council will operate a surplus of revenue over expenditure until such time as the loan is repaid.

Funding principles

Levels of service and operating programmes are established in a variety of policies, plans and strategies that the Council has prepared and adopted pursuant to various pieces of legislation.

Expenditure budgets are set to deliver upon those levels of service and operating programmes.

The funding of the operating expenditure budgets and operating programmes is based upon a number of principles. The application of these principles is outlined in detail in the Revenue and Financing Policy section and outlined briefly here:

- The first is the principle of public good. Public goods are goods or services that provide benefits to the whole community. Benefits to the whole community accrue when individual users cannot be easily identified or cannot be easily excluded from entry. These activities should be funded from general funds.
- Second is the principle of beneficiary/exacerbator pays. This is where an individual or group of individuals directly benefits from the service provided by the Council, or causes the Council to provide a service or incur expenditure. That party then pays for that service.
- The third is where the Council is providing services that are part of national programmes or the Government provides subsidies to the Council to supply certain services, in which case the Council will claim for those Government grants/subsidies.
- Fourth is where the Council provides services to a specific area or group within the regional community but there is no mechanism to directly charge those beneficiaries or exacerbators. The Council will then use targeted rates to match the costs and benefits of those services. Targeted rates may also be set by the Council when it considers the rating valuation system used in setting the targeted rate provides a more acceptable alignment to the expenditure to be funded, in comparison to the general rate, or where the Council considers separate, targeted rating provides greater transparency and accountability to the ratepayer.

The balance of the Council's funding requirements will be funded from general rates and investment revenue, referred to as general funds.

General funding

General rates are reduced by investment returns. The Council receives investment returns from its treasury, equity, forest and land investments. By using these investment returns to reduce rates, the Council is effectively providing these returns back to the regional community. The Council considers the retention and growth of the investment is important, as investment revenue is allocated to general funds and will be available to reduce the rating burden on ratepayers in Northland, both today and in the generations to come.

Many of the services provided by the Council are used, or are available to be used, equally by all members of the regional community. Those services which relate to democracy and corporate, regional information and engagement and environmental and resource management planning, and other activities which tend to have little or no correlation with property ownership, are funded from the targeted council services rate (formerly known as the targeted fixed environmental rate). This rate is a targeted fixed rate differentiated by location and based on the capital value, determined by the estimate of projected valuation, of the constituent districts of the Northland region.

Those services which have a direct impact on and are in relation to land, including land and river management planning, biosecurity activities including plant and pest control and emergency management, are funded from a rate set on property land values.

The funding impact statement, included in Volume Two of this Community Plan, provides details of the projected funding sources over the ten year period of this plan.

The region's three district councils collect regional rates. The rates remission and rates postponement policies for the Northland Regional Council are the same as those adopted by the respective district councils. These policies are set in the rating policies set out in Volume Two of this 2009-2019 Community Plan.

Council reserves

Council operates a number of reserves. Some of the reserves were established to set aside funds for specific purposes. Where funds are collected for a specific purpose they can only be spent for the purpose for which they were collected.

The Council has previously elected to set aside a share of proceeds from the net forestry income in a forest income equalisation reserve. The reserve was established to smooth the rating burden and to provide funds for general operating activities after the completion of the forest harvest rotation. The forest harvest rotation was projected to be completed in the 2007-2008 financial year, however the final harvest was deferred due to poor projected returns, and is now due to be completed in the 2009-2010 financial year. In view of the current volatility of the economic climate, where the Council considers it financially prudent to do so, it may utilise the funds from the forestry equalisation reserve to supplement falling investment revenue so as to reduce rate increases during these difficult financial times.

The Council has established a Hātea Channel Dredging Reserve. A rate will be levied over the Whāngārei District to set aside funds so that in the event further dredging is required, funding is immediately available. The funds may be applied to the following: ongoing maintenance dredging; disposal of dredged spoil material; and the provision of an annual hydrographic survey of the river. The Council considers the reserve should be retained at approximately $200,000 over the long term.

The Council also operates a reserve titled the Land Management Reserve. This reserve consists of surpluses relating to the targeted land management rate. This reserve may be used to fund operating deficits in activity areas that are funded from the targeted land management rate. The reserve may also be used to fund land-based, emergency works including matching Government and other third party contributions to provide financial assistance for emergency and repair work for significant events. To ensure funds are available in times of emergency, the Council considers a reasonable level of reserves of $1.5 million should be retained over the long term, however this will fluctuate over the short term.

Investment assets

In recognition of the importance of the public's investment assets and the importance of ensuring investment assets are retained for the benefit of future generations, the Council established an investment fund reserve to set aside funds received from the sale of investment assets and capital dividend distributions. This will ensure these funds are available for further reinvestment. In terms of assets and investments, the Council's strategy is to maintain, in real terms, the value of the Council's assets and investments.

Regional Event Centre grant

In 2005-2006, the Council agreed to contribute a grant towards the establishment of the Regional Events Centre. The grant is to be funded by way of borrowing internally and repaying the internal loan over an approximate 15 year period. The Council has introduced a targeted rate on all ratepayers (the Targeted Regional Recreational Facilities Rate) to fund the repayment of this internal loan. The Council will incur a deficit in the year the grant is paid and will incur a surplus of revenue over expenditure until such time as the internal loan is repaid and the Targeted Regional Recreational Facilities Rate is no longer in place. Rates collected for the Regional Events Centre project, to date, have been set in a specific reserve and will be released to the loan repayment on disbursement of the grant.

Use of public debt

The Council may use public debt or internal borrowing to construct infrastructure assets or to finance investment where the benefits of the expenditure spread over a number of years. The use of public debt or internal borrowing matches the costs of the expenditure with the benefits. At this stage the Council does not have, nor does it plan to have, any public debt. The utilisation of public debt will be in accordance with Council's Treasury Management Policy. This policy is contained within Volume Two of this Community Plan. All significant assets will be developed and managed in accordance with their asset management plans.

Significant Forecasting Assumptions

Schedule 10 of the Local Government Act 2002 requires that the Council identifies the significant forecasting assumptions and risks underlying the financial information set out in the ten year Community Plan. Where there is a high level of uncertainty, the Council is required to state the reason for that level of uncertainty and provide an estimate of the potential effects on the financial assumptions. The level of uncertainty is determined by reference to both the likelihood of occurrence and the financial materiality.

Each year the Council reviews its position and has the opportunity to revise the intentions signalled in the 2009-2010 Community Plan. An Annual Plan will be prepared for the 2011-2012 financial year and again for the 2012-2013 year, with a Community Plan being prepared every third financial year. Where revised prospective financial statements are issued, the Council must provide an explanation of the changes made to the prospective financial statements in the Community Plan and include a reconciliation of all material differences between the previously reported prospective financial statements and the revised financial statements. The projections for individual years will be ratified annually through a special consultative procedure, in accordance with the Local Government Act 2002.

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

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

The Council has assumed that the actual results for the 2008-2009 financial year will be in accordance with the 2008-2009 Annual Plan. With the passage of time, if the actual 2008-2009 full year financial results are expected to be materially different to forecasted results, the financial forecasts will be updated accordingly prior to the final adoption of the Community Plan in June 2009.

The information presented in this document represents the course of action the Council intends to take. The Council has a reasonable and supportable basis for the determination of assumptions underlying these prospective financial statements. The realisation of assumptions may have a direct impact on resulting rates and funding requirements. The information in these financial statements may not be appropriate for purposes other than those described.

The significant forecasting assumptions used in developing the financial forecasts in the Community Plan are detailed in the table over leaf:

General Assumptions

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
Levels of Service Demand for Council services and customer expectations regarding levels of service will not significantly change and therefore there will be no significant effect on asset requirements operating expenditure.	There are significant changes in customer expectations regarding demand for services or levels of service.	Low	Low	The Council has well defined service levels for its planned activities.
Regional Population Growth For the purposing of projecting rate revenue increases, the ratepayer base has being held constant, except in the case of the targeted regional recreational rate. The estimated growth in the region's ratepayer base is projected to be nil from 2008-2009 to 2009-2010. The projection is 0.68% for the Far North District, 0.96% for Whāngārei and 0.11% for Kaipara District. Ratepayer growth projections are from Statistics New Zealand's projected population of territorial authority areas (medium scenario).	The growth in the ratepayer base is higher or low than projected.	Low	Low	Minor fluctuations in the ratepayer base will not have a material impact on rates.

Financial Assumptions

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
Inflation The Council has adjusted base financial projects to reflect the estimated impact of inflation. **Inflation Rates Applied** Inflation rates have been estimated using the BERL price level change forecasts to calculate an average inflation rate for each year of the Community Plan. Where expenditure is subject to inflation, the following rates have been applied: Year 1 0.0% Year 6 2.2% Year 2 3.3% Year 7 2.3% Year 3 2.3% Year 8 2.3% Year 4 2.4% Year 9 2.4% Year 5 2.1% Year 10 2.5%	That actual inflation will be significantly different from the assumed inflation	Low-Medium Years 1-3 Medium–High years 4-10	Low Medium	Inflation is affected by external economic factors, most of which are outside of the Council's control and influence. The Council's costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made. While individual indices will at times vary from what has been included in the Community Plan, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.

Financial Assumptions continued

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
Application of Inflation Rates: The inflation rates above have been applied across all items within the financial statements with the exception of the following expenditure types: **Salaries** Salaries in year one are projected to increase 2.5%. All other expenditure was assumed to be provided at 2009-2010 expected values. The number of full time equivalent staff will, in the main, continue at 2008-2009 levels. Salaries increases beyond year one are based on the inflation rates above. **Electricity Costs** Electricity inflation rates have been estimated using the BERL price level change forecasts to calculate an average inflation rate for energy each year of the Community Plan Year 1 0% Year 6 3.3% Year 2 2.3% Year 7 3.3% Year 3 2.6% Year 8 3.3% Year 4 3.0% Year 9 3.4% Year 5 2.9% Year 10 3.5%	That the expenditure streams identified are influenced by changes in prices or the rate of inflation. That salaries and or salary increases differ from projections.	Low Low-Medium	Low Low	The assumption is considered reasonable in these cases due to the specific circumstances noted. Although the expenditure streams may vary annually due to factors outside the control of the Council, it is not considered that annual variances will have a material effect on the financial forecasts in the Community Plan.
Emission Trading Scheme (ETS) Cost Adjustments BERL have advised that the introduction of the ETS is likely to have an impact on the prices of everyday consumables and as such, costs are expected to increase as a result. BERL advises the impact of the ETS is likely to have a particular impact on the energy costs adjustor and the road cost adjustor. The influence of the ETS on the cost adjustors is expected to be a single, one-off impact on the level of the relevant indices. Assuming price emission unit of NZ$50 per tonne of CO2, the overall consumer price level would lift by a one-off 1.1% in the 2010-2011 financial year or increase the road and energy adjustors by more than the 1.1% average. This Council has not included a 1.1% increase in the 2010-2011 financial year to take account of the potential price increases expected to result from the introduction of the ETS.	That the impact of the introduction of the ETS on general costs increases costs on average by 1.1% in the 2010-2011 financial year. Once the ETS becomes established and a price for NZ emissions units can be observed, the above calculations can be undertaken and projected with more rigour.	High	Medium	A 1.1% increase in total operating expenditure for 2010-2011 would result in an increase of $272,885 for the 2010-2011 financial year. Total projected expenditure on electricity and petrol for vehicles in 2010-2011 is $1,266,373, a 10% increase in these costs would result in increased costs of $126,637. The Council is not accounting for credits which may be due as a result of the Council holding forestry assets. Any unbudgeted increased costs may in fact be offset by these unbudgeted credits.

Financial Assumptions continued

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
Carbon Neutrality The Council has no obligation or liability under the NZ ETS, as its Forestry Management Plan prescribes the replanting or re-vegetation of all harvested areas. Therefore, the Council has not included income or expenditure associated with moving towards a carbon neutral authority or entering into an emission trading scheme during the ten year financial forecast. Under the current proposed legislation, the Council is likely to be a recipient of carbon credits. The compensation is provided as compensation for loss in land value and is thus considered to be capital in nature. In accordance with the Revenue and Finance Policy this money would be set aside for further reinvestment. Due to the uncertainty surrounding the legislation, the absence of market data and the immaterial monetary value, the Council considered it was not financially prudent to estimate monetary values and include these within the forecast.	Low	High	Low	The monetary value of credits the Council may receive will be immaterial. The Northland Regional Council do intend to apply for any free allocation of carbon credits under the final Allocation Plan. These could amount to some (assuming 60 NZU's/ha and $25/NZU) tax-free income in 2009-2010 of $62,000 and 2017-2018 of $376,000 – assuming units are sold as received. However, this income is not certain and subject to the review of the NZ ETS and also Tranches 2 and 3 are subject to the current Kyoto rules applying after 2012. If the rules change the Government can cancel these post-dated Tranche 2 and 3 units.
Borrowing Costs Borrowing costs for qualifying assets have not been capitalised in accordance with the old version of NZ IAS 23 and The Accounting Standards Review Board decision to indefinitely defer the adoption of the New NZ IAS 23 – borrowing costs for public entities.	That borrowing costs will need to be capitalised during the term of this plan.	Low	Low	The decision to adopt the standard has been deferred indefinitely.

Financial Assumptions continued

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
Revenue Income: Revenue is expected to increase in accordance with inflation except for the following revenue listed below:	That the revenue streams identified are influenced by changes in prices or the rate of inflation.	Low	Low	The assumption is considered reasonable in these cases due to the specific circumstances noted. Although the revenue streams may vary annually due to factors outside the control of the Council, it is not considered that annual variances will have a material effect on the financial forecasts in the Community Plan.
Rate Revenue In order to fund the expenditure identified in the Community Plan process, the Council intends to increase rates. This increase will be in line with projected inflation with the exception of years one, two and six. The intended rate increases for year one and two are explained in the financial overview. In year six, the targeted council services rate is intended to be increased by an additional 2% to provide approximately $100,000 additional funding to help fund the transport strategy projects which are scheduled for review in that financial year. **Inflation Rates Applied** Inflation rates have been estimated using the BERL price level change forecasts to calculate an average inflation rate for each year of the Community Plan. The following projected increases have been applied to rates revenue: Year 1 - refer financial overview; Year 6 2.75% Year 2 - refer financial overview; Year 7 2.30% Year 3 2.30%; Year 8 2.30% Year 4 2.40%; Year 9 2.40% Year 5 2.10%; Year 10 2.50%	That the projected rate increases are insufficient to cover price changes resulting from inflation. Rate funding provides around one-third of Council's revenue, with the remaining revenue coming from investments and user pays, including grants and subsidies.	Medium	Medium	A reduction in other funding sources could impact on rates. Council has a relatively low rating base, which means a 1% increase in rates will provide around $100,000 additional rating revenue.

Financial Assumptions continued

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
NZTA Subsidies NZTA requirements and specifications for the performance of subsidy work and subsidy rates will not alter to the extent that they impact significantly on operating costs.	Changes in the subsidy rate and variation in criteria for inclusion in subsidy works programme.	Low	Low	Variations in subsidy rates will increase / decrease council operational revenue by $7,982 for every 1% change in subsidy.
Vested assets No vesting of assets is forecast across the 10 year period.	That the Council will have assets vested, thereby increasing the deprecation expense in subsequent years.	Low	Low	The recognition of vested assets in the income statement is non-cash in nature and will have no effect on rates. The financial effect of the uncertainty is expected to be low.
Expected Returns on Investments: Council has forecast the following returns for significant investments: **Dividends from Northland Port Corporation (NZ) Ltd** Although rates of inflation will affect the revenues and expenditure of the Northland Port Corporation NZ (Ltd), it is not anticipated the level of dividend will be influenced by rates of inflation in the future. Irrespective of the future structure of this investment, the financial return is expected to approximate 6 cents per share per annum. The Council has not forecasted any special (capital) dividends or distribution.	That the revenue streams identified fluctuate annually as a result of external factors outside the control of the Council. That dividend revenue differs from projections.	Low-Medium	Low	A 1% movement in dividend income will have a $13,677 impact on revenue.
Forestry Investment Revenue Forestry revenue is projected inline with the forestry management plan.	That the projected forestry returns differ significantly from those estimated.	Low-Medium	Low	If the projected harvest return is below expectations, the Council is able to defer harvesting for a number of years, if required, utilise funds from the Forestry Equalisation Reserve.

Financial Assumptions continued

Assumption	Risk	Level of Uncertainty: Likelihood	Level of Uncertainty: Financial Impact	Impact of assumption with high financial risk
Investment Property Revenue The Council has projected capital growth of investment properties to project revenue in future years to calculate the expected increase in revenue resulting from rent reviews.	That the investment property revenue differs significantly from projections.	Low	Low	All rentals are subject to contractual obligations, which have varying renewal and review periods. The large majority of Council's property investments have 5, 7 and 21 year lease reviews. The rental reviews falling due in any one year will not have a material impact on rent
Revaluation of Investment property (fair value gain/loss) The current uncertain economic outlook in both the international and national markets makes estimating growth in property values very difficult. Due to the high volatility in market expectations and in view of some outlooks suggesting a short-term market contraction, the Council considers a growth rate of 0% should be applied to the investment property growth over the first three years of this Community Plan. Growth is forecasted for year 4 to year 10 in accordance with the property price adjusted as detailed by BERL. Fair value adjustments are non-cash and will not impact on revenue and expenditure cash requirements. The actual market value of the property will have some bearing on the rent reviews as they fall due. As the rent review's are set at 5, 7 and 21 year intervals, the impact is not deemed to be material.	That investment property will be subject to revaluation movements.	Medium	Low	Revaluation movements are non-cash and therefore the Council has not budgeted for these fair value adjustments. This assumption has no impact on depreciation as these assets are not depreciated.
Interest Revenue Includes return from investment in Northland Regional Council / ONTRACK Joint Venture.	That prevailing interest rates will differ significantly from those estimated.	Medium-High	High	The interest rate is set at 7%. Interest revenue will increase / decrease by $458,217 for every 1% movement in interest rates.

Assets Assumptions

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
Sources of funds for the future replacement of significant assets Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy.	That sources of funds are not achieved.	Low	Low	General rates, user charges and targeted rates have to achieve funding requirements. Depreciation is funded through rates. The Council is able to access borrowings in accordance with the Revenue and Financing and Treasury Management Policy.
Useful lives of significant assets The useful lives of significant assets is shown in the Statement of Accounting Policies.	That assets wear out or need to be replaced earlier or later than estimated.	Low	Low	The financial effect of the uncertainty is likely to be immaterial. Depreciation and interest costs (if borrowing was required) would increase if capital expenditure was required earlier than anticipated.
Planned asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.	That the useful life and therefore depreciation expense may change.	Low	Low	The financial effect of the uncertainty is likely to be immaterial.
Non-Current Assets Held for Sale Assets held for sale include three leasehold properties ($429,000), which are available for sale. The Council has previously undertaken public consultation to gain approval to sell these properties, however there is no market for these properties at this time. The Council is holding land and properties purchased along the Marsden Point rail corridor as non-current assets held for sale. Once the designation process is complete, the Council will look to sell any excess land and the ownership of the corridor will be transferred to ONTRACK.	That the timing of the capital repayment differs to that forecasted in the prospective statement of comprehensive income or the income recovered from the sale of excess land will be less than forecast.	Medium	Low	

Assets Assumptions continued

Assumption	Risk	Level of Uncertainty		Impact of assumption with high financial risk
		Likelihood	Financial Impact	
New Assets Council is aware of all new asset requirements.	At the completion of the river modelling exercise for priority rivers, that new assets are required that are not included in this ten year budget.	Medium	Low	Consultation will be undertaken with affected communities and a targeted rate will be levied to fund any new infrastructure.
Current Debtors and Creditors The debtors and creditors at any financial year should not be subject to significant variation. The balance of debtors and creditors is forecast to move in line with inflation as predicted by the BERL price adjustors.	The actual debtors or creditors may fluctuate.	Medium	Low	Any movement will not have a material impact on the balance sheet position. The offsetting factor is the cash balance.
Asset Management Plans The Council is currently completing the asset management plan for the Awanui River Scheme.	That asset management plan requires expenditure that is materially different to that budgeted.	Medium	Low	Consultation will be undertaken with the affected community to agree all work to be carried out on the scheme. The work is to be funded by way of a targeted rate.

Funding Impact Statement

The total estimated expenditure for the Northland Regional Council for 2009-2010 is $40,426,190. Total expenditure will be funded from the sources listed (GST exclusive). These funding/financing sources are consistent with the Revenue and Financing Policy.

Prospective Funding Impact Statement

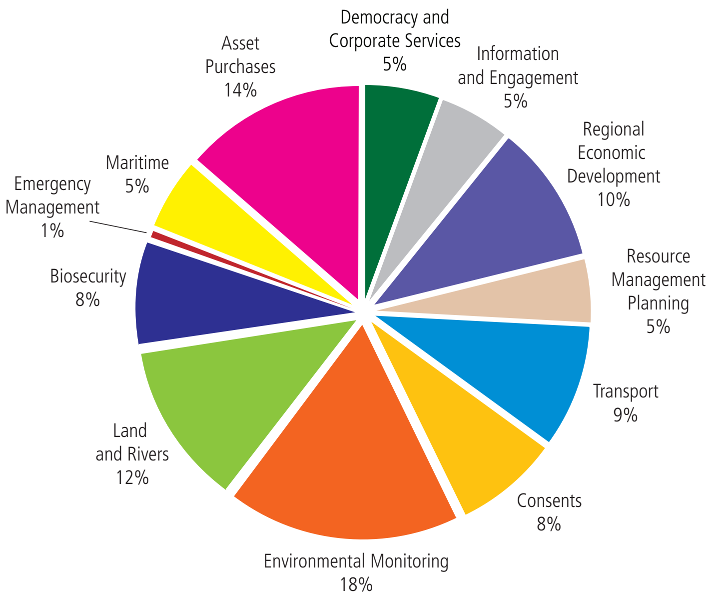
Period ending 30 June:	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
Operating Expenditure	21,465,760	37,466,683	24,859,337	25,403,295	25,730,639	26,150,372	27,189,996	27,211,731	27,974,847	28,694,340	29,293,617
Internal Finance Costs	–	162,404	632,080	595,444	556,175	514,084	468,968	420,611	368,779	313,222	253,672
Capital Expenditure	6,360,310	3,909,903	2,586,565	1,546,731	1,273,440	1,540,137	1,057,274	1,233,241	1,753,093	1,053,289	1,767,400
Less Non Cash expenditure	1,264,752	1,062,800	1,097,872	1,125,292	1,152,299	1,176,497	1,202,380	1,230,035	1,258,326	1,288,526	1,320,739
Net Operating and Capital Expenditure to be funded	**26,561,318**	**40,476,190**	**26,980,110**	**26,420,178**	**26,407,955**	**27,028,096**	**27,513,858**	**27,635,548**	**28,838,393**	**28,772,325**	**29,993,950**
Funded by:											
Targeted Council Service Rate	4,018,798	4,632,283	4,873,947	4,984,812	5,103,158	5,155,479	5,370,905	5,494,435	5,620,808	5,755,707	5,899,599
Land Management Rate	3,747,721	3,916,540	4,045,786	4,138,839	4,238,171	4,327,172	4,422,370	4,524,085	4,628,139	4,739,214	4,857,694
Infrastructure Rate	542,275	566,626	585,324	598,787	613,158	626,034	639,807	654,522	669,576	685,646	702,787
Recreational Rate	1,746,793	1,128,155	1,137,987	1,147,910	1,156,388	1,164,933	1,173,435	1,181,909	1,190,449	1,197,924	1,205,356
Targeted Rates	616,780	1,774,579	2,225,100	2,264,284	2,304,630	2,341,432	2,380,356	2,421,528	2,463,558	2,507,219	2,553,426
User Charges	2,798,281	3,754,466	3,944,778	4,085,083	4,195,009	4,265,115	4,434,774	4,481,624	4,625,926	4,750,241	4,883,302
Rental Income	2,831,375	3,112,000	3,214,696	3,288,634	3,367,561	3,438,280	3,513,922	3,594,742	3,677,421	3,765,680	3,859,822
Dividends	1,700,000	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712
Interest Income	3,449,976	3,207,522	2,737,846	2,774,482	2,813,751	2,892,102	2,937,218	2,985,575	3,037,407	3,092,964	3,152,514
Internal Interest Income	–	162,404	632,080	595,444	556,175	514,084	468,968	420,611	368,779	313,222	253,672
Subsidies and Grants	1,122,058	1,203,318	1,206,103	1,232,703	1,251,810	1,278,667	1,343,158	1,323,787	1,350,310	1,389,196	1,406,798
Forestry Income	450,000	365,825	–	–	–	–	–	390,419	–	–	–
Other Income	323,821	32,000	33,056	33,817	34,628	35,355	36,133	36,964	37,814	38,722	39,690
Transfers from/(to) Cash Reserves *	3,213,440	15,252,760	975,695	(92,329)	(594,197)	(378,270)	(574,899)	(1,242,366)	(199,507)	(831,120)	(188,421)
Total Funding	**26,561,318**	**40,476,190**	**26,980,110**	**26,420,178**	**26,407,955**	**27,028,096**	**27,513,858**	**27,635,548**	**28,838,393**	**28,772,325**	**29,993,950**

* This includes funding for the Regional Event Centre Grant of $13M in 2009-2010.

Expenditure and Funding Sources 2009-2010

For the 2009-2010 year, each dollar of Council gross expenditure will be applied to activities. Rates contribute the balance after fees and other income.

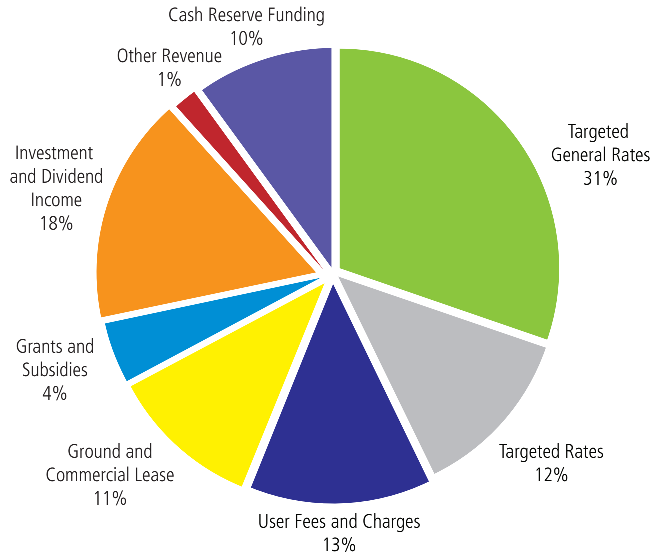
Forecast 2009-2010 Gross Expenditure



* Excludes the $13m cost of the Regional Events Centre

- Democracy and Corporate Services (5 cents).
- Regional Information and Engagement (5 cents).
- Regional Economic and Development (10 cents).
- Resource Management Planning (5 cents).
- Transport (9 cents).
- Consents and Environmental Advice (8 cents).
- Environmental and Consent Compliance Monitoring, Hazardous Substances (18 cents).
- Land and Rivers, including river control and flood protection (12 cents).
- Biosecurity including plant and pest control (8 cents).
- Emergency Management (1 cent).
- Harbour Safety, navigation, and oil spill contingency planning and management activities (5 cents).
- Asset Purchases (14 cents).
- The cost of all activities includes a component of Support Services costs (Finance, Information Services, Human Resources and Records Management and Administration).

Forecast Total Sources of Funding for 2009-2010



Excludes funding of Regional Events Centre

Capital Expenditure

The Council funds its capital expenditure consistent with the *Revenue and Financing Policy*. Where the Council considers it financially prudent to do so and in accordance with the provisions of the *Revenue and Financing Policy*, the Council may not fully fund all of its operating expenditure. The Council will take account of the considerations outlined in the *Revenue and Financing Policy* to determine the sources of financing appropriate for that project. Sources of financing include funding from depreciation, funding from accumulated cash surpluses arising from funding of depreciation, borrowing, targeted rates and general funds. Targeted rates and borrowing will be applied to the funding of capital works relating to River Management Schemes.

Fees and Charges

Fees and Charges are applied in accordance with Council's Fees and Charges Policy.

Rates

Each District in Northland is independently revalued by QV over a three-yearly cycle (one District per year). In order to ensure that property valuations in the remaining two Districts are current, a registered valuer also provides the Council with "an estimate of projected value" of property values in those Districts. (This is provided for in Section 131 of the Local Government (Rating) Act 2002). The Council's Targeted Council Service Rate is set differentiated by the projected capital value of each District. The Council's Targeted Land Management Rate and Targeted Regional Infrastructure Rate are set according to the projected land value in each District (see page 29). In the case of the Targeted Land Management Rate and the Targeted Regional Infrastructure Rate, it is important to realise that if all Districts had the same valuation date, then each District would have the same rate per dollar of actual land value.

Targeted General Rates

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

Targeted Council Services Rate

What it funds

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

How it is set

The Targeted Council Services Rate is a fixed rate, differentiated by location. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. An additional $1.69 per separately used and inhabited parts (SUIP) of rating units is to be levied across the Whāngārei Constituency to provide $60,432 to fund the ongoing maintenance needs of the Hātea River channel. This rating policy recognises that a differentiated fixed charge on separately used or inhabited parts (SUIP) of each rating unit or per rating unit (property) links better to environmental planning, 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. Previously this rate was referred to as the Targeted Fixed Environmental Rate.

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

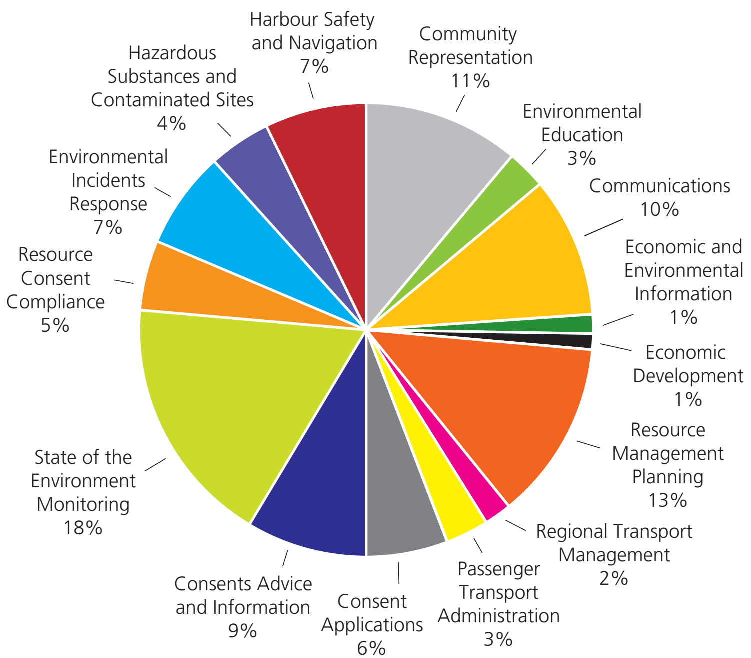
How much is the rate?

The estimated total General Rate amounts to $5,211,318 for the 2009-2010 financial year.

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

General Rate	Incl. GST
Far North constituency	$57.59 per SUIP
Kaipara constituency	$66.80 per rating unit
Whāngārei constituency	$67.72 per SUIP

General Rate allocation % to Activities



Targeted Land Management Rate

What it funds

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

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

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

How it is set

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value (see page 29). The Council does not apply a differential on this rate.

How much is the rate?

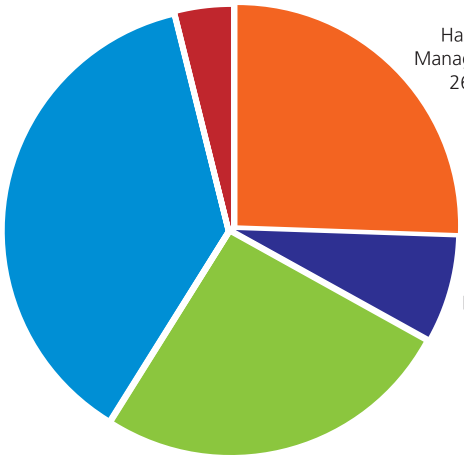
The estimated total Targeted Land Management Rate amounts to $4,406,108 for the 2009-2010 financial year.

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

District	Actual Land Value $(000)'s	Projected Land Value $(000)'s	Rate per $100,000 of Actual Land value
Far North	10,362,452	10,868,451	$17.98
Kaipara	4,573,332	4,573,332	$17.14
Whāngārei	9,258,309	10,258,483	$18.99

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

Land Management Rate allocated % to Activities



Targeted rates

The following targeted rates are intended for 2009-2010:

Targeted Rate – Northland Regional Recreational Facilities

What it funds

To fund the development of the Regional Events Centre.

How it is set

The Northland Regional Recreational Facilities Rate will be a targeted and differentiated rate of $28.13 (including GST) to each separately used or inhabited part of rating units in the Whāngārei District constituency and $5.63 (including GST) for separately used or inhabited part of rating units in the Far North District constituency and $5.63 (including GST) per rating unit in the Kaipara District constituency.

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

How much is the rate?

The estimated total Northland Regional Recreational Facilities Targeted Rate amounts to $1,269,174 for the 2009-2010 financial year. The rate is to be levied as follows:

Regional Recreational Facilities Rate	Incl. GST	
Far North constituency	$5.63	per SUIP
Kaipara constituency	$5.63	per rating unit
Whāngārei constituency	$28.13	per SUIP

How is the rate applied?

This rate is applied 100% to the development of the Regional Events Centre which forms part of the Economic Development Activity.

Targeted Rate – Regional Infrastructure

What it funds

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

How it is set

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value (see page 29). The Council does not apply a differential on this rate.

How much is the rate?

The estimated total Targeted Regional Infrastructure Rate amounts to $637,454 for the 2009-2010 financial year.

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

District	Actual Land Value $(000)'s	Projected Land Value $(000)'s	Rate per $100,000 of Actual Land value
Far North	10,362,452	10,868,451	$2.60
Kaipara	4,573,332	4,573,332	$2.48
Whāngārei	9,258,309	10,258,483	$2.75

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

How is the rate applied?

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

Targeted Rate – Rescue Helicopter Services

What it funds

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

How it is set

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

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

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

How much is the rate?

The estimated total Targeted Rescue Helicopter Service Rate amounts to $703,589 for the 2009-2010 financial year.

The fixed charge is set for each rating unit in the Kaipara District and each separately used or inhabited parts of rating units in the Far North and Whāngārei Districts of the Northland region, being $8.56.

How is the rate applied?

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

Targeted Rate – Transport Rate (Whāngārei District)

What it funds

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

How it is set

The rate is to be set by way of a set fixed charged levied on each separately used or inhabited parts of rating units in the Whāngārei District.

The rate is set for each separately used or inhabited parts of rating units in the Whāngārei District. The rate is calculated as a rate in the dollar of the rateable capital value of each rating unit.

How much is the rate?

The estimated total Targeted Transport Rate amounts to $459,776 for the 2009-2010 financial year.

The fixed charge will be set at $12.83 for each separately used or inhabited parts of rating units in the Whāngārei District.

How is the rate applied?

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

Targeted Rate - Awanui River Flood Management Rate

What it funds

To fund works on the Awanui Flood Management Scheme.

How it is set

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

Awanui River Flood Management Rate	Incl. GST
1. Urban rate class UA (floodplain location) $121.32 direct benefit plus $12.13 indirect benefit, total per each separately used or inhabited parts of a rating unit:	$133.45
2. Urban rate classes UF (higher ground) $12.13 direct benefit plus $12.13 indirect benefit, total per rating each separately used or inhabited parts of a rating unit:	$24.26
3. Commercial differential factor:	3.0
4. Rural rate differentiated by class, $12.13 per each separately used or inhabited parts of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitāia Flood Rating District.	

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

Awanui River Management Rate: Description		Rate per Ha Incl. GST
Class	Description	
A1 / A2	Maximum benefit; peat basins, low-lying reclaimed tidal land; alluvial land at risk from frequent ponding and flooding.	$30.33
B1 / B2	High benefit land subject to floodwater flows but not ponding as floods recede.	$22.74
C	Moderate benefit; land floods less frequently and water clears quickly.	$15.16
E	Land in flood ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	–
F	Contributes runoff waters, and increases the need for flood protection.	$1.21

How much is the rate?

The estimated total Awanui River Management Rate amounts to $618,108 for the 2009-2010 financial year. The revenue sought from each category of rateable land will be as follows:

		Total Revenue $ Incl. GST
Class A	Rural	90,201
Class B	Rural	69,411
Class C	Rural	26,736
Class F	Rural	24,866
Indirect benefit	Rural	23,127
Urban A		214,869
Urban F		17,108
Commercial differential	Majority Urban	151,790
Total Rate		**$618,108**

How is the rate applied?

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

Targeted Rate - Kaihu River Flood Management Rate

What it funds

To fund works on the Kaihu River Management Scheme.

How it is set

To fund channel maintenance work carried out in accordance with the Kaihu River Flood Management Plan by way of a targeted and differentiated rate based on the level of benefit to land and rating units, falling within the Kaihu River Management area. The Council will set the rate differentially as follows:

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

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

Kaihu River Flood Management Rate: Description		Rate per Ha Incl. GST
Class	Description	
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	$24.26
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck.	$12.13
Catchment Rate	Balance of rateable land within the Kaihu River rating area.	$1.82
Urban Contribution	A contribution from Kaipara District Council instead of a separate rate per property	$5,392 per annum

How much is the rate?

The estimated targeted Kaihu River Management Rate amounts to $85,382 in the 2009-2010 financial year. The revenue sought from each category of rateable land will be as follows:

	Total Revenue $ Incl. GST
Class A	27,251
Class B	18,748
Catchment Rate	34,223
Urban Contribution	5,392
Total Rate	**$85,614**

How is the rate applied?

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

Targeted Rate – Kaeo River Management Rate

What it funds

This rate will be used to provide funding for remedial works to clear flood debris and gravel from streams from Taupo Bay to Te Ngaire. This work will increase the current level of protection while more comprehensive, catchment-wide and long-term measures are investigated.

How it is set

A targeted fixed Kaeo River Flood management rate for the 2008-2009 year, set on a uniform basis across all rateable properties within the former Whāngāroa Ward (falling between rating roles 100 -199). The fixed Kaeo River Flood Management rate is payable in respect of each separately used or inhabited parts of rating units falling between rating roles 100 -199.

How much is the rate?

The estimated targeted Kaeo River management rate amounts to $129,313 in the 2009-2010 financial year. The fixed levy of $64.08 (including GST) will be applied to each separately used or inhabited part of rating units falling between rating roles 100 -19.

How is the rate applied?

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

Further Rating information

The same basis for calculating rates has been adopted for the term of this Community Plan, but it should be noted that the estimates for the medium to 10 year, including price level changes, may differ from the actual rates to be made in future years, and those differences may be material.

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

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

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

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

Inspection and objection to Council's Rating Information Database

The Rating Information Database (RID) for each district is available at the relevant district council and on the district councils' websites, the website addresses are: www.fndc.govt.nz, www.wdc.govt.nz, www.kaipara.govt.nz. Ratepayers have the right to inspect the RID records and can object on the grounds set out in the Local Government (Rating) Act 2002.

Funding Impact Statement – Table of Rates

The following tables illustrate the distribution of the regional rate on the actual and forecast bases for the current year and the next financial year 2009-2010. The actual and projected apportionment of rates between constituent districts of Northland is as follows, based on the Valuation Roll at 30 June in each year:

	District Valuation Roll Estimate - 30 June 2009						
	Capital Value $000s	Land Value $000s	Valuation Revision Date	Equalised Capital Value $000s	Equalised Land Value $000s	Equalised CV%	Equalised LV%
Far North District	15,762,337	10,362,452	01/09/07	16,276,188	10,868,451	38.18%	42.30%
Kaipara District	6,759,167	4,573,332	01/09/08	6,759,167	4,573,332	15.86%	17.80%
Whāngārei District	17,131,888	9,258,309	01/09/06	19,593,569	10,258,483	45.96%	39.90%
Total Valuation – Northland	**39,653,392**	**24,194,093**		**42,628,925**	**25,700,266**	**100.00%**	**100.00%**

	District Valuation Roll Estimate - 30 June 2008			
	Capital Value $000s	Land Value $000s	CV%	LV%
Far North District	15,650,318	10,427,298	41.91%	46.15%
Kaipara District	4,890,316	3,126,972	13.10%	13.84%
Whāngārei District	16,802,003	9,040,514	44.99%	40.01%
Total Valuation – Northland	**37,342,637**	**22,594,784**	**100.00%**	**100.00%**

Budgeted Rates 2008-2009 (including GST)		Fixed Environmental Rate (calculated on CV)		Land Management (calculated on LV)		Regional Recreation Facilities (fixed)		Targeted Infrastructure (calculated on LV)	
No of rating units (Kaipara) or separately used or inhabited parts of rating units (Others)	$	Fixed Rate per SUIP/RU	$	0.0001866c	$	Fixed Rate per SUIP/RU	$	0.000027c	$
Far North	34,260	48.54	1,663,207	0.0001866	1,945,734	11.25	385,425	0.00002700	281,537
Kaipara	11,820	57.22	676,442	0.0001866	583,493	11.25	132,975	0.00002700	84,428
Whāngārei	36,738	59.38	2,181,498	0.0001866	1,686,960	39.38	1,446,742	0.00002700	244,094
Totals	**82,818**		**4,521,148**		**4,216,187**		**1,965,142**		**610,058**

				Awanui River Management Rate (on area)		Kaihu River Management Rate	Kaeo River Management Rate	Total Rates
				Rural $	Urban $	$	$	$
				224,319	263,301	–	123,750	4,887,273
				–	–	82,507	–	1,559,845
				–	–	–	–	5,559,294
				224,319	**263,301**	**82,507**	**123,750**	**12,006,412**

Budgeted Rates 2009-2010 (including GST)		Targeted Council Services Rate (calculated on CV)		Land Management (calculated on LV)		Regional Recreation Facilities (fixed)		Targeted Infrastructure (calculated on LV)	
No of rating units (Kaipara) or separately used or inhabited parts of rating units (Others)		$	Fixed Rate per SUIP/RU	Rate per $ of Actual LV	Total Land Management Rate	Fixed Rate per SUIP/RU	Total Regional Recreational Facilities Rate	Rate per $ of Actual LV	Total Infrastructure Rate
Far North	34,151	57.59	1,966,606	0.0001798	1,863,533	5.63	192,099	0.0000260	269,579
Kaipara	12,230	66.80	816,931	0.0001714	784,052	5.63	68,794	0.0000248	113,419
Whāngārei	35,850	67.72	2,427,780	0.0001899	1,758,523	28.13	1,008,281	0.0000275	254,456
Totals	**82,231**		**5,211,317**		**4,406,108**		**1,269,174**		**637,454**

Targeted Rescue Helicopter Rate (fixed)		Targeted Transport (fixed)		Awanui River Management Rate (on area)		Kaihu River Management Rate	Kaeo River Management Rate	Total Rates
Fixed Rate per SUIP/RU	Total Targeted Rescue Helicopter Services Rate	Fixed Rate per SUIP/RU	Total Transport Rate	Rural $	Urban $	$	$	$
8.56	292,204	–	–	234,342	383,767	–	129,313	5,331,443
8.56	104,643	–	–	–	–	85,614	–	1,973,452
8.56	306,742	12.83	459,776	–	–	–	–	6,215,558
	703,589		**459,776**	**234,342**	**383,767**	**85,614**	**129,313**	**13,520,454**

How much will my rates be?

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

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

Ratepayers in the Whāngārei District constituency

Whāngārei ratepayers will be levied per separately used and inhabited parts (SUIP) of rating units: (1) a targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June, with an additional charge of $1.69 to fund the maintenance of the Hātea Channel; (2) a targeted land management rate based on the equalised land value of the property, and (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure rate based on the land value of the property; (5) a targeted fixed transport rate; (6) a targeted fixed rescue helicopter services rate.

Whāngārei Urban/Rural/Other Land Management Rate = LV rate in the $ = $0.0001900 Infrastructure Rate = LV rate in the $ = $0.0000275	Land Value $	2009-2010 Rates $
Residential property, Targeted Council Services Rate		67.72
Targeted Land Management Rate	120,000	22.80
Targeted Recreational Facilities Rate		28.13
Targeted Infrastructure Rate		3.30
Targeted Transport Rate		12.83
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$143.34**

Whāngārei Urban/Rural continued	Land Value $	2009-2010 Rates $
Residential property, Targeted Council Services Rate		67.72
Targeted Land Management Rate	225,000	42.75
Targeted Recreational Facilities Rate		28.13
Targeted Infrastructure Rate		6.19
Targeted Transport Rate		12.83
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$166.18**
Farm property, Targeted Council Services Rate		67.72
Targeted Land Management Rate	2,750,000	522.50
Targeted Recreational Facilities Rate		28.13
Targeted Infrastructure Rate		75.60
Targeted Transport Rate		12.83
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$715.34**
Commercial property, targeted Council Services Rate		67.72
Targeted Land Management Rate	2,000,000	380.00
Targeted Recreational Facilities Rate		28.13
Targeted Infrastructure Rate		54.98
Targeted Transport Rate		12.83
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$552.22**

Ratepayers in the Kaipara constituency

Kaipara ratepayers will be levied (1) a targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June (2) a targeted land management rate based on the equalised land value of the property, and (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure rate based on the land value of the property; (5) a targeted fixed rescue helicopter services rate per rating unit, and (6) the Kaihu River Management Rate, based on land area, and level of benefit to land and rating units.

Kaipara Urban/Rural Land Management Rate = LV rate in the $ = $0.0001714 Infrastructure Rate = LV rate in the $ = $0.0000260	Land Value $	2009-2010 Rates $
Residential property, Targeted Council Services Rate		66.80
Targeted Land Management Rate	120,000	20.57
Targeted Recreational Facilities Rate		5.63
Targeted Infrastructure Rate		2.98
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$104.54**
Residential property, Targeted Council Services Rate		66.80
Targeted Land Management Rate	225,000	38.57
Targeted Recreational Facilities Rate		5.63
Targeted Infrastructure Rate		5.58
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$125.15**
Farm property, Targeted Council Services Rate		66.80
Targeted Land Management Rate	2,750,000	471.45
Targeted Recreational Facilities Rate		5.63
Targeted Infrastructure Rate		68.23
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$620.66**

Kaipara Urban/Rural continued	Land Value $	2009-2010 Rates $
Commercial property, Targeted Council Services Rate		66.80
Targeted Land Management Rate	900,000	154.29
Targeted Recreational Facilities Rate		5.63
Targeted Infrastructure Rate		22.33
Targeted Helicopter Services Rate		8.56
Total Regional Rates		**$257.61**

Property Kaihu River Catchment 10 hectares	Land Value $	Class A Rates $	Class B Rates $	Class C Rates $
Targeted Council Services Rate		66.80	66.80	66.80
Targeted Land Management Rate	120,000	20.57	20.57	20.57
Targeted Recreational Facilities Rate		5.63	5.63	5.63
Targeted Infrastructure Rate		2.98	2.98	2.98
Targeted Helicopter Services Rate		8.56	8.56	8.56
Kaihu River Management Rate		242.60	121.30	18.20
Total Regional Rates		**$347.14**	**$225.84**	**$122.74**

Property Kaihu River Catchment 100 hectares	Land Value $	Class A Rates $	Class B Rates $	Class C Rates $
Targeted Council Services Rate		66.80	66.80	66.80
Targeted Land Management Rate	600,000	102.86	102.86	102.86
Targeted Recreational Facilities Rate		5.63	5.63	5.63
Targeted Infrastructure Rate		14.89	14.89	14.89
Targeted Helicopter Services Rate		8.56	8.56	8.56
Kaihu River Management Rate		2,426.00	1,213.00	182.00
Total Regional Rates		**$2,624.74**	**$1,411.74**	**$380.74**

Ratepayers in the Far North constituency

Far North District ratepayers will be levied per separately used and inhabited parts (SUIP) of rating units: (1) a targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June; (2) a targeted land management rate based on the equalised land value of the property; (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure rate based on the equalised land value of the property; (6) a targeted fixed rescue helicopter services rate (7) the Awanui River Management Rate, classes UA/UF and A to F; (8) a targeted Kaeo River Management Rate set on a uniform basis across all properties within the former Whāngāroa Ward (rating rolls 100-199). All rates include GST.

Far North District Land Management Rate = LV rate in the $ = $0.0001900 Infrastructure Rate = LV rate in the $ = $0.0000275	Land Value Rates $	Urban UA Low Land Rates $	Urban UF Hills Rates $	Commercial * Urban UA Rates $
Urban Area (1 hectare or less) Residential and Commercial				
Targeted Council Services Rate		57.59	57.59	57.59
Targeted Land Management Rate	120,000	21.58	21.58	21.58
Targeted Recreational Facilities Rate		5.63	5.63	5.63
Targeted Regional Infrastructure Rate		3.12	3.12	3.12
Targeted Rescue Helicopter Services Rate		8.56	8.56	8.56
Awanui River management rate		133.45	24.26	400.35
Total Regional Rates		**$229.93**	**$120.74**	**$496.83**

	Land Value Rates $	Commercial * A Rates $	Commercial * B Rates $	Rural Class A Rates $	Rural Class B Rates $	Rural Class C Rates $	Rural Class E Rates $	Rural Class F Rates $
Lifestyle – 10 hectares								
Targeted Council Services Rate		57.59	57.59	57.59	57.59	57.59	57.59	57.59
Targeted Land Management Rate	450,000	80.91	80.91	80.91	80.91	80.91	80.91	80.91
Targeted Regional Infrastructure Rate		11.71	11.71	11.71	11.71	11.71	11.71	11.71
Targeted Recreational Facilities Rate		5.63	5.63	5.63	5.63	5.63	5.63	5.63
Targeted Rescue Helicopter Services Rate		8.56	8.56	8.56	8.56	8.56	8.56	8.56
Awanui River Management Rate *		1,285.99	1,058.29	315.43	239.53	163.73	12.13	24.23
Total Regional Rates		**$1,450.39**	**$1,222.69**	**$479.83**	**$403.93**	**$328.13**	**$176.53**	**$188.63**

* Commercial properties are subject to the 3:1 commercial differential on class UA ($133.45 including GST), and Rural A ($33.33 per ha) and B ($22.74 per ha) for the Awanui River flood management rate. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

	Land Value Rates $	Farms outside Awanui Plan Rates $	Non-Farm Com. A & B Rates $	Farm Rates $	Farm Rates $	Farm Rates $	Farm Rates $	Farm Rates $
Farm Property – 100 Hectares – No commercial differential								
Targeted Council Services Rate		57.59	57.59	57.59	57.59	57.59	57.59	57.59
Targeted Land Management Rate	2,750,000	494.47	494.47	494.47	494.47	494.47	494.47	494.47
Targeted Infrastructure Rate		71.56	71.56	71.56	71.56	71.56	71.56	71.56
Targeted Recreational Facilities Rate		5.63	5.63	5.63	5.63	5.63	5.63	5.63
Targeted Rescue Helicopter Services Rate		8.56	8.56	8.56	8.56	8.56	8.56	8.56
Awanui River Management Rate		–	* Refer below	3,045.13	2,286.13	1,528.13	12.13	133.13
Total Regional Rates		**$637.80**	**637.80**	**$3,682.93**	**$2,923.93**	**$2,165.93**	**$649.93**	**$770.93**

* Commercial properties are subject to the 3:1 commercial differential on class UA ($133.45 including GST), and Rural A ($33.33 per ha) and B ($22.74 per ha) for the Awanui River flood management rate. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3). Those properties with greater land values and hectares than illustrated above will consequently pay proportionately more than shown in the second and third sections of the table.

Far North District ratepayers will be levied per separately used and inhabited parts (SUIP) of rating units: (1) a targeted council services rate, differentiated by location, projected capital value as assessed by certificate of projected value of the district at 30 June; (2) a targeted land management rate based on the equalised land value of the property; (3) a targeted fixed Regional Recreational Facilities Rate, differentiated by location; (4) a targeted Regional Infrastructure rate based on the equalised land value of the property; (6) a targeted fixed rescue helicopter services rate; (7) the Awanui River Management Rate, classes UA/UF and A to F; (8) a targeted Kaeo River Management Rate set on a uniform basis across all properties within the former Whāngāroa Ward (rating rolls 100-199). All rates include GST.

Far North District Land Management Rate = LV rate in the $ = $0.0001798 Infrastructure Rate = LV rate in the $ = $0.00002602	Land Value $	2009-2010 Rates $
Residential/Commercial/Other Targeted Council Services Rate		57.59
Targeted Land Management Rate	120,000	21.58
Targeted recreational facilities rate		5.63
Targeted infrastructure rate		3.12
Targeted rescue helicopter services rate		8.56
Targeted Kaeo River Management Rate		64.08
Total Regional Rates		**$160.56**

Far North District continued	Land Value $	2009-2010 Rates $
Residential/Commercial/Other Targeted Council Services Rate		57.59
Targeted land management rate	250,000	44.95
Targeted infrastructure rate		5.63
Targeted rescue helicopter services rate		6.51
Targeted recreational facilities rate		8.56
Targeted Kaeo River Management Rate		64.08
Total Regional Rates		**$187.32**
Residential/Commercial/Other Targeted Council Services Rate		57.59
Targeted land management rate	2,750,000	494.47
Targeted recreational facilities rate		5.63
Targeted regional infrastructure rate		71.56
Targeted rescue helicopter services rate		8.56
Kaeo River Management Rate		64.08
Total Regional Rates		**$701.88**

Forecast Financial Statements

Prospective Statement of Comprehensive Income

Period ending 30 June:	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
REVENUE											
Grants and Subsidies	1,122,058	1,203,318	1,206,103	1,232,703	1,251,810	1,278,667	1,343,158	1,323,787	1,350,310	1,389,196	1,406,798
User Charges	2,798,281	3,754,466	3,944,778	4,085,083	4,195,009	4,265,115	4,434,774	4,481,624	4,625,926	4,750,241	4,883,302
Revenue from Activities	**3,920,339**	**4,957,784**	**5,150,881**	**5,317,786**	**5,446,819**	**5,543,782**	**5,777,932**	**5,805,411**	**5,976,236**	**6,139,437**	**6,290,100**
Targeted Council Service Rate	4,018,798	4,632,283	4,873,947	4,984,812	5,103,158	5,155,479	5,370,905	5,494,435	5,620,808	5,755,707	5,899,599
Land Management Rates	3,747,721	3,916,540	4,045,786	4,138,839	4,238,171	4,327,172	4,422,370	4,524,085	4,628,139	4,739,214	4,857,694
Infrastructure Rate	542,275	566,626	585,324	598,787	613,158	626,034	639,807	654,522	669,576	685,646	702,787
Recreational Rate	1,746,793	1,128,155	1,137,987	1,147,910	1,156,388	1,164,933	1,173,435	1,181,909	1,190,449	1,197,924	1,205,356
Targeted Rates	616,780	1,774,579	2,225,100	2,264,284	2,304,630	2,341,432	2,380,356	2,421,528	2,463,558	2,507,219	2,553,426
Total Rating Revenue	**10,672,367**	**12,018,183**	**12,868,144**	**13,134,632**	**13,415,505**	**13,615,050**	**13,986,873**	**14,276,479**	**14,572,530**	**14,885,710**	**15,218,862**
Rental Income	2,831,375	3,112,000	3,214,696	3,288,634	3,367,561	3,438,280	3,513,922	3,594,742	3,677,421	3,765,680	3,859,822
Interest Income	3,449,976	3,207,522	2,737,846	2,774,482	2,813,751	2,892,102	2,937,218	2,985,575	3,037,407	3,092,964	3,152,514
Dividend Income	1,700,000	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712
Forestry Income	450,000	365,825	–	–	–	–	–	390,419	–	–	–
Sundry Income	323,821	32,000	33,056	33,817	34,628	35,355	36,133	36,964	37,814	38,722	39,690
Other Revenue	**8,755,172**	**8,085,059**	**7,353,310**	**7,464,645**	**7,583,652**	**7,733,449**	**7,854,985**	**8,375,412**	**8,120,354**	**8,265,078**	**8,419,738**
Other Gains	**1,303,167**	**137,045**	**92,960**	**102,060**	**1,428,838**	**1,427,952**	**1,592,881**	**1,341,782**	**1,610,499**	**1,429,454**	**1,522,068**
TOTAL REVENUE	**24,651,045**	**25,198,071**	**25,465,294**	**26,019,124**	**27,874,815**	**28,320,234**	**29,212,670**	**29,799,084**	**30,279,619**	**30,719,679**	**31,450,767**

Prospective Statement of Comprehensive Income continued

Period ending 30 June:	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
EXPENDITURE											
Personnel Costs	8,647,118	9,586,003	9,906,125	10,151,913	10,352,357	10,601,478	10,872,960	11,154,151	11,506,312	11,815,414	12,161,929
Depreciation and Amortisation	1,264,752	1,062,800	1,097,872	1,125,292	1,152,299	1,176,497	1,202,380	1,230,035	1,258,326	1,288,526	1,320,739
Finance Costs	1,000	1,000	1,033	1,057	1,082	1,105	1,129	1,155	1,182	1,210	1,240
Other Expenditure on activities	11,552,890	26,816,880	13,854,307	14,125,034	14,224,900	14,371,292	15,113,526	14,826,390	15,209,028	15,589,190	15,809,709
TOTAL OPERATING EXPENDITURE	**21,465,760**	**37,466,683**	**24,859,337**	**25,403,295**	**25,730,639**	**26,150,372**	**27,189,996**	**27,211,731**	**27,974,847**	**28,694,340**	**29,293,617**
NET SURPLUS / (DEFICIT) FROM OPERATIONS	**3,185,285**	**(12,268,613)**	**605,958**	**615,828**	**2,144,176**	**2,169,862**	**2,022,674**	**2,587,354**	**2,304,773**	**2,025,338**	**2,157,150**
OTHER COMPREHENSIVE INCOME											
Gain/(Loss) on Property, Plant and Equipment Revaluation	–	230,643	–	–	–	–	880,875	–	–	–	–
TOTAL OTHER COMPREHENSIVE INCOME	**–**	**230,643**	**–**	**–**	**–**	**–**	**880,875**	**–**	**–**	**–**	**–**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,185,285**	**(12,037,970)**	**605,958**	**615,828**	**2,144,176**	**2,169,862**	**2,903,549**	**2,587,354**	**2,304,773**	**2,025,338**	**2,157,150**
Transfers from/(to) reserves:											
Land Management Reserve	(100,000)	–	–	–	(100,000)	(100,000)	–	(100,000)	–	–	–
Awanui River reserve	–	(410,834)	(47,555)	–	–	–	–	–	–	–	–
Recreational Facilities Reserve	(1,671,793)	3,307,776	(453,570)	(498,926)	(545,388)	(594,872)	(647,258)	(702,774)	(761,800)	(823,396)	(888,843)
Kaipara Pool.	–	700,000	–	–	–	–	–	–	–	–	–
Forestry Equalisation Fund (Harvest)	(225,000)	(227,912)	79,000	50,000	–	–	220,000	(400,000)	73,000	234,000	262,000
Forestry Equalisation Fund (Growth)	–	374,754	–	–	–	–	–	–	–	–	–
Hātea River Maintenance Reserve	–	(46,458)	(46,240)	(46,053)	(45,865)	–	–	–	–	–	–
Other Reserves	(34,210)	(41,210)	(41,210)	–	–	–	–	–	–	–	–
Total Transfer from/(to) Reserves	**(2,031,003)**	**3,656,116**	**(509,575)**	**(494,979)**	**(691,253)**	**(694,872)**	**(427,258)**	**(1,202,774)**	**(688,800)**	**(589,396)**	**(626,843)**
TOTAL COMPREHENSIVE INCOME AFTER TRANSFERS FROM/(TO) RESERVES	**1,154,282**	**(8,381,854)**	**96,382**	**120,849**	**1,452,923**	**1,474,990**	**2,476,291**	**1,384,580**	**1,615,973**	**1,435,942**	**1,530,307**

Reconciliation of Total Comprehensive Income to Activity Cost and Funding Statements

Period ending 30 June:	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
REVENUE											
Targeted Council Service Rate	4,018,798	4,632,283	4,873,947	4,984,812	5,103,158	5,155,479	5,370,905	5,494,435	5,620,808	5,755,707	5,899,599
Land Management Rates	3,747,721	3,916,540	4,045,786	4,138,839	4,238,171	4,327,172	4,422,370	4,524,085	4,628,139	4,739,214	4,857,694
Infrastructure Rates	542,275	566,626	585,324	598,787	613,158	626,034	639,807	654,522	669,576	685,646	702,787
Recreational Rates	1,746,793	1,128,155	1,137,987	1,147,910	1,156,388	1,164,933	1,173,435	1,181,909	1,190,449	1,197,924	1,205,356
Investment Income	5,149,976	4,737,638	4,737,638	4,737,638	4,737,638	4,773,898	4,773,898	4,773,898	4,773,898	4,773,898	4,773,898
Activity Revenue	8,142,315	10,242,188	10,623,733	10,904,520	11,153,639	11,358,850	11,708,343	12,249,064	12,155,030	12,451,056	12,743,037
TOTAL REVENUE PLUS RATES AS PER ACTIVITY COST AND FUNDING STATEMENTS	**23,347,878**	**25,223,430**	**26,004,415**	**26,512,506**	**27,002,152**	**27,406,366**	**28,088,757**	**28,877,914**	**29,037,900**	**29,603,446**	**30,182,371**
Add Forestry Revaluations	125,922	137,045	92,960	102,060	138,066	101,039	180,097	(162,102)	268,032	263,986	276,818
Add Investment and Building Revaluations	1,177,245	–	–	–	1,290,772	1,326,914	1,412,784	1,503,884	1,342,467	1,165,468	1,245,250
Less Internal Interest Income	–	162,404	632,080	595,444	556,175	514,084	468,968	420,611	368,779	313,222	253,672
TOTAL REVENUE AS PER STATEMENT OF COMPREHENSIVE INCOME	**24,651,045**	**25,198,071**	**25,465,294**	**26,019,124**	**27,874,815**	**28,320,234**	**29,212,670**	**29,799,084**	**30,279,619**	**30,719,679**	**31,450,767**
EXPENDITURE											
Personnel Costs	8,647,118	9,586,003	9,906,125	10,151,913	10,352,357	10,601,478	10,872,960	11,154,151	11,506,312	11,815,414	12,161,929
Depreciation and Amortisation	1,264,752	1,062,800	1,097,872	1,125,292	1,152,299	1,176,497	1,202,380	1,230,035	1,258,326	1,288,526	1,320,739
Internal Finance Costs	–	162,404	632,080	595,444	556,175	514,084	468,968	420,611	368,779	313,222	253,672
Finance Costs	1,000	1,000	1,033	1,057	1,082	1,105	1,129	1,155	1,182	1,210	1,240
Other Expenditure on Activities	11,552,890	26,816,880	13,854,307	14,125,034	14,224,900	14,371,292	15,113,526	14,826,390	15,209,028	15,589,190	15,809,709
TOTAL EXPENDITURE AS PER ACTIVITY COST AND FUNDING STATEMENTS	**21,465,760**	**37,629,087**	**25,491,417**	**25,998,739**	**26,286,813**	**26,664,456**	**27,658,964**	**27,632,342**	**28,343,626**	**29,007,562**	**29,547,289**
Less Internal Finance Costs	–	162,404	632,080	595,444	556,175	514,084	468,968	420,611	368,779	313,222	253,672
TOTAL EXPENDITURE AS PER STATEMENT OF COMPREHENSIVE INCOME	**21,465,760**	**37,466,683**	**24,859,337**	**25,403,295**	**25,730,639**	**26,150,372**	**27,189,996**	**27,211,731**	**27,974,847**	**28,694,340**	**29,293,617**
NET SURPLUS / (DEFICIT) FROM OPERATIONS AS PER STATEMENT OF COMPREHENSIVE INCOME	**3,185,285**	**(12,268,613)**	**605,958**	**615,828**	**2,144,176**	**2,169,862**	**2,022,674**	**2,587,354**	**2,304,773**	**2,025,338**	**2,157,150**
OTHER COMPREHENSIVE INCOME											
Gain/(Loss) on property, Plant and Equipment Revaluation	–	230,643	–	–	–	–	880,875	–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,185,285**	**(12,037,970)**	**605,958**	**615,828**	**2,144,176**	**2,169,862**	**2,903,549**	**2,587,354**	**2,304,773**	**2,025,338**	**2,157,150**

Prospective Statement of Financial Position

As at 30 June:	Annual Report 2007-2008 NZ$	Movements 2008-2009 NZ$	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
EQUITY													
Accumulated Funds	117,979,912	(937,083)	117,042,829	108,561,310	109,200,266	109,902,677	111,978,953	114,122,089	116,433,663	118,585,864	121,024,619	123,342,466	125,818,052
Asset Revaluation Reserve	474,323	–	474,323	704,966	704,966	704,966	704,966	704,966	1,585,841	1,585,841	1,585,841	1,585,841	1,585,841
Special Reserves	9,214,376	1,996,793	11,211,169	7,424,075	7,391,077	7,304,494	7,372,394	7,399,120	7,110,219	7,545,372	7,411,391	7,118,881	6,800,446
TOTAL EQUITY	**127,668,611**	**1,059,710**	**128,728,321**	**116,690,351**	**117,296,309**	**117,912,137**	**120,056,313**	**122,226,175**	**125,129,723**	**127,717,077**	**130,021,851**	**132,047,189**	**134,204,339**
CURRENT ASSETS													
Cash and Cash Equivalents	10,789,158	4,837,529	15,626,687	830,867	537,937	663,352	1,289,166	1,699,660	2,307,646	3,585,285	3,828,989	4,698,884	4,932,850
Trade and Other Receivables	3,202,954	195,380	3,398,334	3,398,334	3,510,479	3,591,220	3,677,409	3,754,635	3,837,237	3,925,493	4,015,780	4,112,158	4,214,962
Inventories	179,042	10,922	189,964	189,964	196,233	200,746	205,564	209,881	214,498	219,432	224,479	229,865	235,613
Non–Current Assets Held for Sale	8,875,185	(1,046,185)	7,829,000	7,400,000	7,400,000	7,400,000	7,400,000	–	–	–	–	–	–
Other Financial Assets	13,833,219	–	13,833,219	13,833,219	13,183,219	13,183,219	13,183,219	15,583,219	15,583,219	15,583,219	15,583,219	15,583,219	15,583,219
TOTAL CURRENT ASSETS	**36,879,558**	**3,997,646**	**40,877,204**	**25,652,384**	**24,827,868**	**25,038,538**	**25,755,358**	**21,247,395**	**21,942,600**	**23,313,429**	**23,652,467**	**24,624,128**	**24,966,644**
NON-CURRENT ASSETS													
Investment Property	46,099,000	–	46,099,000	46,318,237	46,318,237	46,318,237	47,609,009	48,935,923	50,348,706	51,852,591	53,195,058	54,360,526	55,605,775
Investments in Subsidiaries and Associates	20,197,672	–	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672	20,197,672
Other Investments	9,060,409	(2,603,815)	6,456,594	6,456,594	6,456,594	6,456,594	6,456,594	11,456,594	11,456,594	11,456,594	11,456,594	11,456,594	11,456,594
Property, Plant and Equipment	18,274,506	(4,260)	18,270,246	18,506,452	18,360,138	18,184,148	17,921,353	17,549,755	18,033,872	17,621,040	17,230,707	16,798,239	16,362,427
Intangible Assets	333,648	27,470	361,118	2,983,420	4,618,427	5,215,855	5,599,791	6,335,027	6,586,679	7,002,721	7,887,818	8,085,048	8,967,523
Biological Assets	1,366,200	(138,200)	1,228,000	1,365,045	1,458,004	1,560,065	1,698,130	1,799,169	1,979,266	1,817,164	2,085,196	2,349,182	2,626,000
Capital Projects in Progress	9,632	(9,632)	–	–	–	–	–	–	–	–	–	–	–
TOTAL NON-CURRENT ASSETS	**95,341,067**	**(2,728,437)**	**92,612,630**	**95,827,420**	**97,409,072**	**97,932,571**	**99,482,550**	**106,274,143**	**108,602,793**	**109,947,781**	**112,053,047**	**113,247,265**	**115,215,994**
TOTAL ASSETS	**132,220,625**	**1,269,209**	**133,489,834**	**121,479,804**	**122,236,941**	**122,971,109**	**125,237,909**	**127,521,538**	**130,545,393**	**133,261,211**	**135,705,514**	**137,871,393**	**140,182,638**

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Prospective Statement of Financial Position continued

As at 30 June:	Annual Report 2007-2008 NZ$	Movements 2008-2009 NZ$	Forecast 2008-2009 NZ$	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
CURRENT LIABILITIES													
Trade and Other Payables	3,434,406	209,499	3,643,905	3,643,905	3,764,154	3,850,729	3,943,147	4,025,953	4,114,524	4,209,158	4,305,968	4,409,312	4,519,545
Employee Benefit Liabilities Current	1,014,815	–	1,014,815	1,040,185	1,068,270	1,097,114	1,124,542	1,152,655	1,181,471	1,212,190	1,250,980	1,284,756	1,324,583
TOTAL CURRENT LIABILITIES	**4,449,221**	**209,499**	**4,658,720**	**4,684,090**	**4,832,424**	**4,947,843**	**5,067,688**	**5,178,608**	**5,295,995**	**5,421,348**	**5,556,948**	**5,694,068**	**5,844,128**
NON-CURRENT LIABILITIES													
Employee Benefit Liabilities Term	102,793	–	102,793	105,363	108,208	111,129	113,907	116,755	119,674	122,786	126,715	130,136	134,170
TOTAL NON-CURRENT LIABILITIES	**102,793**	**–**	**102,793**	**105,363**	**108,208**	**111,129**	**113,907**	**116,755**	**119,674**	**122,786**	**126,715**	**130,136**	**134,170**
TOTAL LIABILITIES	**4,552,014**	**209,499**	**4,761,513**	**4,789,453**	**4,940,632**	**5,058,972**	**5,181,596**	**5,295,363**	**5,415,669**	**5,544,133**	**5,683,663**	**5,824,204**	**5,978,298**
TOTAL NET ASSETS	**127,668,611**	**1,059,710**	**128,728,321**	**116,690,351**	**117,296,309**	**117,912,137**	**120,056,313**	**122,226,175**	**125,129,723**	**127,717,077**	**130,021,851**	**132,047,189**	**134,204,339**

Prospective Statement of Changes in Equity

Period ending 30 June:	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
Accumulated Funds at Start of the Year	**117,042,829**	**108,561,310**	**109,200,266**	**109,902,677**	**111,978,953**	**114,122,089**	**116,433,663**	**118,585,864**	**121,024,619**	**123,342,466**
Net Surplus/(Deficit) from Operations for the Year	(12,268,613)	605,958	615,828	2,144,176	2,169,862	2,022,673	2,587,354	2,304,773	2,025,338	2,157,150
Movements in general reserves for the year	3,787,094	32,998	86,583	(67,900)	(26,726)	288,901	(435,153)	133,982	292,509	318,436
Accumulated Funds at the End of the Year	**108,561,310**	**109,200,266**	**109,902,677**	**111,978,953**	**114,122,089**	**116,433,663**	**118,585,864**	**121,024,619**	**123,342,466**	**125,818,052**
Asset Revaluation Reserve at Start of the Year	**474,323**	**704,966**	**704,966**	**704,966**	**704,966**	**704,966**	**1,585,841**	**1,585,841**	**1,585,841**	**1,585,841**
Revaluation Gains/(Losses) for the Year	230,643	–	–	–	–	880,875	–	–	–	–
Asset Revaluation Reserve at End of the Year	**704,966**	**704,966**	**704,966**	**704,966**	**704,966**	**1,585,841**	**1,585,841**	**1,585,841**	**1,585,841**	**1,585,841**
Special Reserves at the Start of the Year	**11,211,169**	**7,424,075**	**7,391,077**	**7,304,494**	**7,372,394**	**7,399,120**	**7,110,219**	**7,545,372**	**7,411,391**	**7,118,881**
Movements in Special Reserves for the Year	(3,787,094)	(32,998)	(86,583)	67,900	26,726	(288,901)	435,153	(133,981)	(292,510)	(318,435)
Special Reserves at the End of the Year	**7,424,075**	**7,391,077**	**7,304,494**	**7,372,394**	**7,399,120**	**7,110,219**	**7,545,372**	**7,411,391**	**7,118,881**	**6,800,446**
Equity at the End of the Year	**116,690,351**	**117,296,309**	**117,912,137**	**120,056,313**	**122,226,175**	**125,129,723**	**127,717,077**	**130,021,851**	**132,047,189**	**134,204,339**

Prospective Statement of Cash Flows

Period ending 30 June:	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from Customers	7,264,291	7,080,385	7,326,793	7,511,009	7,661,524	7,902,227	8,415,493	8,250,875	8,458,263	8,680,010
Receipts from Subsidies and Grants	1,203,318	1,206,103	1,232,703	1,251,810	1,278,667	1,343,158	1,323,787	1,350,310	1,389,196	1,406,798
Receipts from Dividends	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712	1,367,712
Receipts from Interest	3,207,522	2,737,846	2,774,482	2,813,751	2,892,102	2,937,218	2,985,575	3,037,407	3,092,964	3,152,514
Receipts from Rates	12,018,183	12,868,144	13,134,632	13,415,505	13,615,050	13,986,873	14,276,479	14,572,530	14,885,710	15,218,862
Payments to Suppliers and Staff	(36,374,943)	(23,615,522)	(24,163,119)	(24,459,451)	(24,863,318)	(25,870,798)	(25,857,011)	(26,580,855)	(27,269,452)	(27,823,291)
Interest Payments	(1,000)	(1,033)	(1,057)	(1,082)	(1,105)	(1,129)	(1,155)	(1,182)	(1,210)	(1,240)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(11,314,917)**	**1,643,635**	**1,672,146**	**1,899,254**	**1,950,632**	**1,665,260**	**2,510,881**	**1,996,797**	**1,923,184**	**2,001,365**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipt from Sale of Properties Held for Resale	429,000	–	–	–	7,400,000	–	–	–	–	–
Receipt from Sale of Stocks and Bonds	–	650,000	–	–	–	–	–	–	–	–
Purchase of Stocks and Bonds	–	–	–	–	(7,400,000)	–	–	–	–	–
Purchase of Property, Plant and Equipment	(3,909,903)	(2,586,565)	(1,546,731)	(1,273,440)	(1,540,137)	(1,057,274)	(1,233,241)	(1,753,093)	(1,053,289)	(1,767,400)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(3,480,903)**	**(1,936,565)**	**(1,546,731)**	**(1,273,440)**	**(1,540,137)**	**(1,057,274)**	**(1,233,241)**	**(1,753,093)**	**(1,053,289)**	**(1,767,400)**
NET INCREASE/(DECREASE) IN CASH HELD	**(14,795,820)**	**(292,929)**	**125,415**	**625,813**	**410,494**	**607,986**	**1,277,639**	**243,704**	**869,895**	**233,965**
CASH HELD AT BEGINNING OF YEAR	**15,626,687**	**830,867**	**537,937**	**663,352**	**1,289,166**	**1,699,660**	**2,307,646**	**3,585,285**	**3,828,989**	**4,698,884**
CASH HELD AT END OF YEAR	**830,867**	**537,937**	**663,352**	**1,289,166**	**1,699,660**	**2,307,646**	**3,585,285**	**3,828,989**	**4,698,884**	**4,932,850**

Prospective Statement of Costs and Funding by Groups of Activities

Period ending 30 June:	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
REVENUE										
Grants and Subsidies	1,203,318	1,206,103	1,232,703	1,251,810	1,278,667	1,343,158	1,323,787	1,350,310	1,389,196	1,406,798
User Charges	3,754,466	3,944,778	4,085,083	4,195,009	4,265,115	4,434,774	4,481,624	4,625,926	4,750,241	4,883,302
Targeted Rates	1,774,579	2,225,100	2,264,284	2,304,630	2,341,432	2,380,356	2,421,528	2,463,558	2,507,219	2,553,426
Other Revenue	3,509,825	3,247,752	3,322,450	3,402,190	3,473,636	3,550,055	4,022,125	3,715,236	3,804,400	3,899,511
TOTAL OPERATING REVENUE	**10,242,188**	**10,623,733**	**10,904,520**	**11,153,639**	**11,358,850**	**11,708,343**	**12,249,064**	**12,155,030**	**12,451,056**	**12,743,037**
EXPENDITURE										
Democracy and Corporate Services	1,557,566	1,810,265	1,609,953	1,631,726	1,626,920	1,672,343	1,541,467	1,933,178	1,732,064	1,799,478
Regional Information and Engagement	1,534,992	1,588,328	1,652,721	1,582,613	1,624,950	1,665,809	1,698,349	1,746,178	1,800,584	1,842,515
Regional Economic Development	15,938,360	2,696,747	2,782,665	2,752,241	2,675,296	2,784,269	2,769,405	2,686,140	2,778,904	2,783,042
Resource Management Planning	1,349,116	1,403,369	1,273,783	1,284,777	1,308,055	1,343,012	1,338,770	1,392,618	1,475,605	1,426,880
Transport	2,673,900	2,701,113	2,781,946	2,822,866	2,894,996	3,257,289	3,020,900	3,094,912	3,206,891	3,255,682
Consents	2,213,199	2,298,815	2,393,153	2,423,862	2,489,728	2,553,474	2,603,369	2,677,067	2,760,462	2,825,251
Environmental Monitoring	4,924,253	5,093,472	5,345,608	5,393,645	5,515,177	5,626,518	5,727,669	5,885,936	6,066,467	6,215,544
Land and Rivers	3,478,840	3,799,725	3,923,563	4,090,894	4,117,185	4,236,490	4,319,080	4,191,959	4,314,204	4,409,691
Biosecurity	2,306,934	2,393,270	2,464,354	2,506,021	2,567,310	2,628,932	2,683,877	2,753,173	2,831,051	2,898,799
Emergency Management	210,150	217,132	225,720	228,880	235,029	241,016	245,863	252,864	260,619	266,895
Maritime Operations	1,441,776	1,489,180	1,545,273	1,569,289	1,609,811	1,649,812	1,683,593	1,729,600	1,780,710	1,823,512
Support Services	4,679,497	4,889,363	5,255,034	5,190,850	5,362,858	5,525,639	5,567,475	5,713,432	5,954,940	6,017,670
Less Support Costs internally recovered	(4,679,497)	(4,889,363)	(5,255,034)	(5,190,850)	(5,362,858)	(5,525,639)	(5,567,475)	(5,713,432)	(5,954,940)	(6,017,670)
TOTAL OPERATING EXPENDITURE	**37,629,087**	**25,491,417**	**25,998,739**	**26,286,814**	**26,664,456**	**27,658,964**	**27,632,342**	**28,343,625**	**29,007,562**	**29,547,289**
Less Non-Cash Items	1,062,800	1,097,872	1,125,292	1,152,299	1,176,497	1,202,380	1,230,035	1,258,326	1,288,526	1,320,739
NET CASH COST/(SURPLUS) OF ACTIVITY	**(26,324,099)**	**(13,769,812)**	**(13,968,926)**	**(13,980,876)**	**(14,129,110)**	**(14,748,241)**	**(14,153,243)**	**(14,930,269)**	**(15,267,980)**	**(15,483,514)**
Funded by										
Targeted Council Service Rate	4,553,683	4,780,293	4,828,388	4,972,957	5,076,804	5,314,281	5,436,509	5,536,661	5,695,027	5,837,402
Land Management Rate	3,860,294	4,009,190	4,102,403	4,206,271	4,305,011	4,399,721	4,500,914	4,604,435	4,714,942	4,832,815
Infrastructure Rate	566,626	585,324	598,787	613,158	626,034	639,807	654,522	669,576	685,646	702,787
Recreational rate	1,128,155	1,137,987	1,147,910	1,156,388	1,164,933	1,173,435	1,181,909	1,190,449	1,197,924	1,205,356
Investment Income	4,737,638	4,737,638	4,737,638	4,737,638	4,773,898	4,773,898	4,773,898	4,773,898	4,773,898	4,773,898
Transfer from / (to) Cash Reserves	11,477,703	(1,480,620)	(1,446,200)	(1,705,536)	(1,817,570)	(1,552,901)	(2,394,509)	(1,844,750)	(1,799,457)	(1,868,744)
TOTAL OPERATIONAL FUNDING	**26,324,099**	**13,769,812**	**13,968,926**	**13,980,876**	**14,129,110**	**14,748,241**	**14,153,243**	**14,930,269**	**15,267,980**	**15,483,514**

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Prospective Statement of Costs and Funding by Groups of Activities continued

Period ending 30 June:	Forecast 2009-2010 NZ$	Forecast 2010-2011 NZ$	Forecast 2011-2012 NZ$	Forecast 2012-2013 NZ$	Forecast 2013-2014 NZ$	Forecast 2014-2015 NZ$	Forecast 2015-2016 NZ$	Forecast 2016-2017 NZ$	Forecast 2017-2018 NZ$	Forecast 2018-2019 NZ$
CAPITAL EXPENDITURE										
Democracy and Corporate Services	219,237	–	–	–	–	–	–	–	–	–
Transport	90,000	–	–	–	–	–	–	–	–	–
Environmental Monitoring	198,764	217,137	185,461	99,555	118,566	104,187	99,632	133,923	104,370	114,443
Land and Rivers	96,000	92,970	42,270	43,285	22,162	22,649	23,170	23,703	24,272	24,879
Biosecurity	62,000	8,263	5,283	–	–	–	–	–	–	–
Maritime Operations	56,600	54,708	124,502	140,676	44,323	45,299	46,341	47,407	48,544	49,758
Support Services	3,187,302	2,213,487	1,189,213	989,924	1,355,086	885,139	1,064,098	1,548,060	876,103	1,578,320
TOTAL CAPITAL EXPENDITURE	**3,909,903**	**2,586,565**	**1,546,731**	**1,273,440**	**1,540,137**	**1,057,274**	**1,233,241**	**1,753,093**	**1,053,289**	**1,767,400**
Funded by										
Targeted Council Service Rate	78,600	93,654	156,424	130,201	78,675	56,624	57,926	84,147	60,680	62,197
Land Management Rate	56,246	36,596	36,436	31,900	22,162	22,649	23,170	23,703	24,272	24,879
Transfer from Cash Reserves	3,775,057	2,456,315	1,353,871	1,111,339	1,439,300	978,001	1,152,145	1,645,243	968,337	1,680,324
TOTAL CAPITAL FUNDING	**3,909,903**	**2,586,565**	**1,546,731**	**1,273,440**	**1,540,137**	**1,057,274**	**1,233,241**	**1,753,093**	**1,053,289**	**1,767,400**

Prospective Statement of Capital Expenditure

Period ending 30 June:	LTCCP Year 1 2009-2010 NZ$	LTCCP Year 2 2010-2011 NZ$	LTCCP Year 3 2011-2012 NZ$	LTCCP Year 4 2012-2013 NZ$	LTCCP Year 5 2013-2014 NZ$	LTCCP Year 6 2014-2015 NZ$	LTCCP Year 7 2015-2016 NZ$	LTCCP Year 8 2016-2017 NZ$	LTCCP Year 9 2017-2018 NZ$	LTCCP Year 10 2018-2019 NZ$
Democracy and Corporate Services										
Buildings and Property	219,237	–	–	–	–	–	–	–	–	–
Transport										
Plant and Equipment	90,000	–	–	–	–	–	–	–	–	–
Environmental Monitoring										
Plant and Equipment	198,764	217,137	185,461	99,555	118,566	104,187	99,632	133,923	104,370	114,443
Land and Rivers										
Plant and Equipment	96,000	92,970	42,270	43,285	22,162	22,649	23,170	23,703	24,272	24,879
Maritime										
Plant and Equipment	56,600	54,708	124,502	140,676	44,323	45,299	46,341	47,407	48,544	49,758
Biosecurity										
Plant and Equipment	62,000	8,263	5,283	–	–	–	–	–	–	–
Support Services										
Information Systems	2,832,302	1,851,937	819,348	611,182	967,254	488,774	658,617	1,133,253	451,340	1,142,938
Plant and Equipment	55,000	51,650	52,837	54,106	55,404	56,624	57,926	59,258	60,681	62,198
Vehicles	300,000	309,900	317,028	324,636	332,428	339,741	347,555	355,549	364,082	373,184
Total Support Services	**3,187,302**	**2,213,487**	**1,189,213**	**989,924**	**1,355,086**	**885,139**	**1,064,098**	**1,548,060**	**876,103**	**1,578,320**
NORTHLAND REGIONAL COUNCIL										
Buildings and Property	219,237	–	–	–	–	–	–	–	–	–
Information Systems	2,832,302	1,851,937	819,348	611,182	967,254	488,774	658,617	1,133,253	451,340	1,142,938
Plant and equipment	558,364	424,728	410,355	337,622	240,456	228,759	227,069	264,291	237,867	251,277
Vehicles	300,000	309,900	317,028	324,636	332,428	339,741	347,555	355,549	364,082	373,184
TOTAL NORTHLAND REGIONAL COUNCIL	**3,909,903**	**2,586,565**	**1,546,731**	**1,273,440**	**1,540,137**	**1,057,274**	**1,233,241**	**1,753,093**	**1,053,289**	**1,767,400**

The forecast capital expenditure for 2009-2010 totals $3,909,903 consisting of new capital expenditure of $1,622,078 and capital expenditure to be carried forward from previous financial years of $2,287,825. The Council funds its capital expenditure consistent with the *Revenue and Financing Policy*. Where Council considers it financially prudent to do so and in accordance with the provisions of the *Revenue and Financing Policy*, Council may not fully fund all of its operating expenditure. Council will take account of the considerations outlined in the *Revenue and Financing Policy* to determine the sources of financing appropriate for that project. Sources of financing include, funding from rates for the purposes of recovering depreciation, funding from accumulated cash surpluses arising from recovery of depreciation, borrowing, targeted rates and general funds. Targeted rates and borrowing will be applied to the funding of capital works relating to River Management Schemes.

Other Financial Information

Reserves

Any budget deficits arising in the short to medium term are funded from accumulated reserves.

Reserve funds may be applied to fund expenditure for specific purposes. In some circumstances the reserves are a legal requirement. The Council holds the following reserve funds:

Targeted Land Management Rate Reserve

Until 2003, the Council levied works rates based on land values in the Northland region, pursuant to the Northland Regional Council Pest Management Strategies. From 1 July 2003 a targeted land management rate has been applied for biosecurity operations. Any unspent targeted rates at year end are transferred to this reserve. The reserve can only be spent on funding operating deficits on activities for which the funds were collected. The reserve may also be used to finance urgent hazard management, civil defence emergency management, biosecurity incursion work and similar.

Forest Income Equalisation Reserve

The Council sets aside half the proceeds of forestry net income each year of the current harvesting strategy. The reserve is intended to provide funds for general operating activities after the harvest rotation has been completed in 2010. This will soften the impact of future rate increases when timber sales cease. The reserve may be applied to the costs of any of the general activities of the Council.

Recreational Facilities Rate Reserve

From 1 July 2006 a targeted fixed Recreational Facilities Rate has been applied. Any unspent rate at year end is transferred to this reserve. The reserve can only be spent on recreational facilities.

Awanui River Management Rate Reserve

From 1 July 2005 a targeted Awanui River Flood Management Plan Rate was set. Any unspent rate at year end is transferred to this reserve. The reserve can only be spent on Awanui River Flood Management activities.

Kaihu River Management Rate Reserve

From 1 July 2007 a targeted Kaihu River Flood Management Plan Rate was set. Any unspent rate at year end is transferred to this reserve. The reserve can only be spent on Kaihu River Flood Management activities.

Investment Reserve

An investment reserve has been established to enable proceeds from investment activities to be set aside for reinvestment at a future time.

Regional Infrastructure Development Reserve

From 1 July 2008 a targeted infrastructure rate has been applied. Any unspent rate at year end is transferred to this reserve. The reserve can only be spent infrastructure projects.

Hātea Channel Dredging Reserve

From 1 July 2009, a rate will be levied over the Whāngārei District to set aside funds in a specific reserve to ensure funding is immediately available in the event further dredging is required. The funds may be applied to the following: ongoing maintenance dredging; disposal of dredged spoil material; and the provision of an annual hydrographic survey of the river.

Statement of Significant Accounting Policies

Statement of Compliance

The prospective financial statements have been prepared in accordance with New Zealand generally accepted accounting practice. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Summary of Significant Accounting Policies

The prospective financial statements are prepared in accordance with the Local Government Act 2002. These prospective financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless stated otherwise.

Reporting Entity

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

The Council's group comprises the Council and its subsidiary entities, namely:

1. Northland Port Corporation (NZ) Ltd (52.4% owned) and its subsidiaries; and
2. Northland Regional Council Community Trust (100% owned) and its subsidiaries.

All Northland Regional Council subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Northland Regional Council is to provide goods or services for the community or social benefit, rather than making a financial return. Accordingly, Northland Regional Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Reporting Period

The prospective financial statements are prepared for the ten year period ending 30 June 2019.

Judgements and Estimates

The preparation of prospective financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Where material, information in the major assumptions is provided in the relevant account policy or will be provided in the relevant note to the prospective financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Significant Accounting Policies

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

Basis of Preparation

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain property plant and equipment, investment property, forestry assets and available-for-sale financial assets and financial instruments (including derivative instruments).

Functional and presentation currency

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges.

Revenue

Revenue and expenditure are measured at the fair value of the consideration received or paid.

Rates Revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised and brought to account when the rates are payable.

Other revenue

User fees and charges are recognised and brought to account when invoices are issued for services provided and contracts completed. Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services provided.

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

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

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

Where revenue is derived by acting as an agent for another party, the revenue that is recognised is the commission or fee on the transaction.

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. Dividend income is recorded at the cash amount received, being net of taxation imputation credits.

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

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

Construction Contracts

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

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

An expected loss on construction contracts is recognised immediately as an expense in the statement of Comprehensive Income.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

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

Expenditure

Expenditure is recognised when goods and services have been received.

Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that these arise on the acquisition, construction or production of qualifying assets. In that case, borrowing costs will be capitalised as part of the cost of the asset.

Grant Expenditure

Non-discretionary grants are those grants that are awarded when the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Northland Regional Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Northland Regional Council's decision.

Income Tax

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantially enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

There are two entities within the group that are exempt from income tax, being Destination Northland Limited and Enterprises Northland Trust. These entities both form part of the Northland Regional Council Community Trust group.

Leases

Operating Leases

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

Finance Leases

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

At the commencement of the lease term, the Northland Regional Council recognises finance leases as assets and liabilities on the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset.

The finance charge is charged to the statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Debtors and Other Receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Financial Assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Statement of Comprehensive Income.

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

The Northland Regional Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and financial at fair value through equity. The classification depends on the purpose for which the investments were required, policies and practices of management, the relationship with other instruments and the reporting costs and benefits of each designation. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used is the current bid price.

The four categories of financial assets are:

- **Financial assets at fair value through profit and loss**

  This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the Statement of Financial Position date.

  After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Statement of Comprehensive Income.

- **Loans and receivables**

  These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council's loans and receivables comprise cash and cash equivalents, debtors and other receivables, and term depositions.

  After initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables issued with duration of less that 12 months are recognised at their nominal value. Gains or losses when the asset is impaired or derecognised are recognised in the statement of Comprehensive Income. Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

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

- **Held to maturity investments**

  Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets. Council does not hold any held-to -maturity investments.

  After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains or losses when the asset is impaired or derecognised are recognised in the Statement of Comprehensive Income.

- **Financial Assets at Fair Value through Equity**

  Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

  This category includes:

  – investments in quoted shares that have been designated in Treasury Management Policy as being available for sale;

  – investments that are intended to be held long term but which may be realised before maturity; and

  – shareholdings that are held for strategic purposes.

  The Council's investments in its subsidiary and associate entities are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates), whereas this category is to be measured at fair value.

  After initial recognition, these investments are measured at their fair value, with gains and losses recognised directly in equity except for impairment losses, which are recognised in the Statement of Comprehensive Income.

  On de-recognition, the cumulative gain or loss previously recognised in equity is recognised in the statement of Comprehensive Income.

  Included in this category are the Council's investments in local authority stocks. Fair value for these investments is provided by First NZ Capital Securities Ltd and is determined by reference to published price quotations in an active market.

Impairment of Financial Assets

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

Loans and Other Receivables

Impairment of a loan or a receivable is established when there is objective evidence that Council will not be able to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rates. For debtors and other receivables, the carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When the receivable is uncollectible, it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits, local authority stock, government stock and community loans, impairment losses are recognised directly against the instrument's carrying amount.

Impairment of term deposits, local authority, government stock, and related party and community loans are established when there is objective evidence that the Council will not be able to collect amounts due to the original terms of the instrument. Significant financial difficulties of the issue, probability the issuer will enter into bankruptcy, and default in payments are considered indicators that the instrument is impaired.

Derivative Financial Instruments and Hedging Activities

The Council's subsidiary, Northland Port Corporation (NZ) Limited, uses derivative financial instruments to hedge exposure to foreign exchange and interest rate risks arising from financing activities.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

At the inception of a designated hedge transaction, the group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objectives and strategy for undertaking the transaction. It also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as a non-current asset if the remaining maturity of the hedged item is more than 12 months, and as a current asset if the remaining maturity of the hedged item is less than 12 months.

Fair Value Hedge

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in the Statement of Comprehensive Income.

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

Cash Flow Hedge

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity, and the ineffective portion of the gain or loss on the hedging instrument is recognised in the Statement of Comprehensive Income as part of "gains" or "other expenses".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity will be reclassified into profit or loss in the same period or periods during which the asset acquired, or liability assumed, affects profit or loss. However, if the Council expects that all, or a portion of a loss, recognised directly in equity will not be recovered in one or more future periods, it will classify into profit or loss the amount that is not expected to be recovered.

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

If a hedging instrument expires or is sold, terminated, exercised or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains recognised directly in equity from the period when the hedge was effective will be recognised in the Statement of Comprehensive Income.

For cash flow hedges other than those covered above, amounts that had been recognised directly in equity will be recognised in profit or loss in the same period during which the hedged forecast transaction affects profit or loss (for example, when a forecast sale occurs).

Inventories

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

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

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

Non-current Assets Held for Sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the Statement of Comprehensive Income.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets – These include land, buildings, amenities, plant and equipment, navigational aids, vehicles and vessels and dredging equipment.

Infrastructure Assets – Are the assets that comprise the Awanui River flood management system, including stop-banks and floodgates.

Restricted Assets - There are no restrictions on the assets of the Northland Regional Council.

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

Revaluation

The Northland Regional Council revalue the land and buildings asset class annually, and infrastructure assets at least every five years on the basis described below. All other asset classes are carried at depreciated historical costs.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

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

Subsequent Costs

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Buildings	5 – 100 years	1 – 20%
Amenities	5 – 100 years	1 – 20%
Forest (Strategic Management Plan)	10 years	10%
Plant and Equipment	2 – 20 years	5 – 50%
Navigational Aids	10 years	10%
Vehicles	4 – 5 years	20-25%
Vessels and Dredging Equipment	10 – 25 years	4 – 10%

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

Intangible Assets

Software acquisition and development

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

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

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

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use, and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of Comprehensive Income.

The useful lives' associated amortisation rates have been estimated as follows:

Computer software	4 years	48%DV

Capital Projects in Progress

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

Impairment of Property, Plant and Equipment and Intangible Assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested, annually, for impairment. Assets that have a finite life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use.

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

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

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill), the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Biological Assets

Forestry assets are independently revalued, annually, by Chandler Fraser Keating Ltd at fair value less estimated point-of-sale costs. Fair value is the amount for which the forest asset would be expected to exchange between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties have each acted knowledgeably and without compulsion. Fair value is derived using a combination of the expectation value (or income) approach and the cost-based approach. Under the expectation value approach, the net present value is calculated by discounting to the present day the projected net cash flow of the forest in perpetuity. The calculated net present value is then linked to sales evidence through the application of a discount rate derived from the analysis of actual transactions. The cost-based approach is also employed in the valuation because the tree crop is a young, second rotation forest (80% by value are less than 10 years of age) and this approach better reflects how the market would likely view the tree crop value.

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

The costs to maintain the biological assets are included as an expense in the Statement of Comprehensive Income.

Investment Property

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

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

After initial recognition, Council measures all investment property at fair value, as determined annually by Telfer Young (Northland) Ltd who are independent valuers, and who have recent experience in the location and category of the investment property being valued and hold a recognised and relevant professional qualification. Fair value is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment property reflects, among other things, rental income from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental income from future leases in the light of current conditions.

Gains or losses arising from a change in the fair value of investment property are recognised in the Statement of Comprehensive Income.

Employee Entitlements

Short-term employee entitlements

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

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

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

Council recognises that a liability and an expense are recognised for bonuses where contractually obliged, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

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

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

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

Provisions

A provision for future expenditure of uncertain amount or timing is recognised when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where material, provisions are recorded at the best estimate of the expenditure required to settle the obligation. Provisions to be settled beyond 12 months are recorded at their present value.

Equity

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

The components of equity are:

- accumulated funds,
- special reserves, and
- asset revaluation reserves.

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

Restricted reserves include the Land Management Rate Reserve, Recreational Facilities Rate Reserve, Awanui River Management Rate Reserve and the Kaihu River Management Rate Reserve. These reserves are restricted by law and reflect targeted rates that must be applied to the specific activities for which the rates were collected. Other reserves are established by the Council and may be altered at the discretion of the Council.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Northland Port Corporation (NZ) Limited

The Northland Regional Council owns 22,795,201 25c shares, being 52.4% of the issued capital of the Northland Port Corporation (NZ) Limited. The shares are recorded at $8,058,150.25, being the deemed cost of 21.7 million shares of $5,436,650.25 under the Northland Harbour Board Port Plan 1988, plus the cost of a parcel of shares acquired in May 2005. The company has several subsidiaries, associate companies and joint venture interests which are detailed in the Notes to the Accounts in the Council's Annual Report.

Budget Figures

The budget figures are those approved by the Council at the beginning of the year in the Community Plan or Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Cost Allocation

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

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

Inter-departmental direct costs are charged to the applicable department at the time the cost is incurred. Indirect costs are charged to operating activities using a weighted average percentage, based on the gross labour costs, number of staff, gross expenditure, revenues and working capital deployed.

Financial Risk Management Objectives and Polices

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

The group's principal financial instruments comprise the investment portfolio, finance leases and cash and short-term deposits. The group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations. The main risk arising from the group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk.

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

Financial Instrument Risk

The Northland Regional Council has policies to manage the risk associated with financial instruments. They are both risk averse and seek to minimise exposure from their treasury activities. The Northland Regional Council has established Borrowing and Investment policies. These polices do not allow any transactions that are speculative in nature to be entered into.

Market Risk

Fair value interest rate risk

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

Cash flow interest rate risk

Cashflow interest rate risk is the risk that the cashflows from a financial instrument will fluctuate because of changes in market interest rates. Investments at variable interest rates exposure the Northland Regional Council and Northland Regional Council Community Trust to cashflow interest rate risk.

The policies of the Northland Regional Council require a spread of investment maturity dates to limit exposure to short-term interest rate movements.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Credit Risk

Credit risk is the risk that a third party will default on its obligation to the Northland Regional Council causing the Council to incur a loss.

Northland Regional Council investments are invested in accordance with the Treasury Management Policy which has a low risk profile. Investments are made with creditworthy institutions as determined by their Standard and Poors Credit Rating. Investment of surplus cash is limited to Local Authority and Government stock and approved corporate bonds and deposits with New Zealand registered banks.

Accordingly, the Group has no significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that the Northland Regional Council and Northland Regional Council Community Trust will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the investment portfolio. The vast majority of the investment portfolio is very liquid and able to be sold on the same day.

Capital Management

The Council's capital is its equity (or ratepayers' funds), which comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets, detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its Community Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out under Funding and Financial Policies in the Council's Community Plan.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Financial Reporting Standard 42: Prospective Financial Statements (FRS 42) Disclosures

The Council has complied with FRS 42 in the preparation of these prospective financial statements.

The Council publishes both parent entity and group financial statements for historical reporting purposes but does not publish group prospective financial statements. In accordance with FRS 42 the Council is required to disclose the reasons for not presenting group prospective financial statements. The Council has not prepared group financial statements because:

- The primary focus of the Community Plan is on the activities of the Council (parent) and the consequent impact on rates.
- The financial impact of transactions with group entities is reflected within the Community Plan for funding purposes.

Governance Policies

Policy on Significance

The Local Government Act 2002 (LGA) requires the Council to adopt a “policy on significance” using the special consultative procedure. The requirements are set out in sections 90 and 278 of the Act.

Every decision the Council makes must be made in accordance with the decision making requirements set out in sections 77, 78, 80, 81 and 82 of the LGA. Issues, proposals, decisions or other matters that are part of the normal day-to-day operations of the Council will not require formal consideration for significance. However, the nature, extent and detail of compliance which is appropriate in any particular case will be guided by the "significance" of the matter (see section 79).

It is also possible that a significant decision might be caught by section 97 (decisions that may only be taken if provided for in the Community Plan) or section 88 (decisions relating to a change in mode of delivery that must be made by special consultative procedure).

The significance of a matter will also assist in determining whether a special round of consultation is required and the extent of information disclosed to the community whether as part of consultation or in reporting to the community.

The Act includes definitions of "significant" and "significance":

> *“**significance**, in relation to any issue, proposal, decision or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for, -*
>
> *(a) the current and future social, economic, environmental or cultural well-being of the district or region;*
>
> *(b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter;*
>
> *(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.*
>
> ***significant**, in relation to any issue, proposal, decision or other matter, means that the issue, proposal, decision or other matter has a high degree of significance.”*

POLICY ON SIGNIFICANCE

1. “General approach” to significance

The Northland Regional Council will determine the significance of any issue requiring a decision on a case-by-case basis, by making judgements about the likely impact of that decision based on the following criteria:

a) the current and future social, economic, environmental or cultural well-being of the Northland region;

b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision or matter; and

c) the Council's capacity to perform its role and carry out its activities, now and in the future, and the financial resources and other costs of doing so.

Authority may be delegated to the Chief Executive Officer to determine which, if any issues, proposal, decision or other matter that may arise, will require that a formal assessment of its significance be carried out, in accordance with the guidelines of this policy.

As part of its consideration, the Council will take into account how important the decision, matter or thing is in terms of the achievement of, or ability to achieve, the community outcomes in the Community Plan.

2. Procedure for determining significance

1. Identification of an issue requiring a Council decision (generally by officers).
2. Assessment of significance by officers, using the criteria set out in “Northland Regional Council's General Approach to Significance”, set out in 1 above and the “determining significance” flowchart attached.
3. If the matter is significant or there is any doubt about whether the matter is significant, the decision will be referred to the Council for a determination of the significance of the matter. The referral may include recommendations from officers addressing the issue of significance and relevant considerations having regard to the criteria set out in the "general approach" section above.

4. If the matter is referred to the Council, it will make a finding as to the:
    a) degree of significance of the issue; and
    b) if the matter is "significant", the appropriate method of observing section 76(1) of the LGA in making that decision.

The assessment is to be documented according to the criteria and procedure contained in this policy, with reasons for the conclusions reached.

3. Strategic Assets

In accordance with section 90(2), the Northland Regional Council's only strategic asset is its interest in Northland Port Corporation Ltd.

The Northland Regional Council has no assets that fall within the definition of social, community or infrastructural assets.

4. Other Assets

The Northland Regional Council has no assets that fall within the definition of social or community assets.

The Council has infrastructural assets consisting of river and drainage schemes taken as a whole but not any specific part of the asset group.

Policy on the Appointment of Directors to Council Organisations

Section 57 of the Local Government Act 2002 (LGA) requires the Council to adopt a policy on the appointment of directors to council organisations.

As detailed in section 6(1) of the LGA, a council-controlled organisation is a company in which the Council holds 50% or more of the voting rights, or 50% or more of the rights to appoint trustees or directors. This definition applies to the Northland Regional Council Community Trust.

Under section 6(4) of the LGA, Northland Port Corporation (NZ) Ltd is exempt from being classified as a council-controlled organisation. However, the associated joint venture company Northport Ltd is classified as a Council Trading Organisation. Directors of Northport Ltd are to be appointed by the immediate shareholders.

POLICY ON THE APPOINTMENT OF DIRECTORS TO COUNCIL ORGANISATIONS

In order to identify the skills, knowledge and experience required of directors, in each case a person specification will be prepared setting out the skills, knowledge and experience required of a director/s. In preparing this person specification, consideration will be given to the following:

- the nature and scope of the council organisation, its future direction and requirements of its constitutional documents;
- the objectives of the organisation and the attributes, skills, knowledge and experience required to contribute to the achievement of those objectives;
- the skills of any existing directors;
- outstanding skills, knowledge and experience required; and
- any future skills, knowledge and experience required.

Appointment of directors to council-controlled organisations

When vacancies arise in any CCO, the Council will follow the following process for appointing directors:

The Council will first decide whether to advertise a particular vacancy or make an appointment without advertisement. When making this decision the Council will consider:

- The costs of any advertisement and selection process;
- The availability of qualified candidates; and
- The urgency of the appointment (e.g. A CCO that is without a quorum cannot hold a board meeting).

Appointment by advertisement

Where the Council decides to advertise a vacancy, it will form an ad hoc committee to consider applications and make a recommendation to the Council.

Appointment without advertisement

Where the Council decides not to advertise a particular vacancy, it will form an ad hoc committee to identify a shortlist of candidates and make a recommendation to the Council.

Final appointment

The full Council will make an 'in committee' decision on the appointment of directors. An elected member who is under consideration to fill a particular vacancy may not take part in the discussion or vote on that appointment.

The appointment/s will be made by Council resolution.

Remuneration of directors of council controlled organisations

The remuneration of directors of a council organisation will be determined by the nature of the business of the organisation.

Remuneration for directors of other council organisations (if any) will be determined on a case by case basis taking into account the form and purpose of the organisation and any previous level of fees paid by the shareholder.

Terms

The terms Council Controlled Organisation (CCO), and Council Organisation (CO) used in this policy have the meanings set out in section 6 of the Local Government Act 2002.

Policy on Partnerships with the Private Sector

Section 107 of the Local Government Act 2002 (LGA) determines that the Council must adopt under section 102(4)(e), a policy for the commitment of council resources to partnerships between the Council and the private sector.

Partnerships with the private sector are defined as any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business, but does not include an agreement in which the only parties are local authorities, or one or more local authorities and one or more council organisations.

A contract for the supply of any goods or services to, or on behalf of a local authority, is not defined as a partnership with the private sector.

The responsibility for making decisions under this policy may, from time to time, be delegated by the Council pursuant to clause 32 of schedule 7 of the LGA.

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

1. Circumstances

The Northland Regional Council may consider entering into partnerships with the Private Sector where such a partnership is likely to:

- Contribute to the achievement of community outcomes in the Community Plan;
- Promote the social, economic, environmental or cultural well-being of the region in the present and in the future;
- Be a prudent, efficient and effective use of the Council's resources in the best interests of the region.

A decision to enter into a partnership with the private sector must also comply with the decision making provisions set out in section 76 (and sections 77, 78, 80, 81 and 82 to the extent applicable) of the LGA.

2. Consultation

Consultation on a intended public/private partnership will be required only where:

- There are significant changes in the intended level of service provision for any significant activity undertaken by or on behalf of the Council*;
- Ownership or control of a significant asset is to be transferred to or from the Council (section 97 LGA 2002)*; or
- The intended partnership is deemed significant in accordance with the Council's policy on significance whereby the Council will determine on a case by case basis what, if any, consultation is required *.

3. Conditions

The Council will require, as a condition of providing funding or other resources to any form of partnership with the private sector, that the private sector partner enters into a written agreement recording the terms of the arrangement or agreement, stating clearly:

- The objectives of the partnership;
- The parties' respective responsibilities and obligations under the agreement, including responsibility for obtaining any necessary consents, licences or other approvals, or to undertake any matter or do any thing;
- Details of the Council's agreement to provide funding or other resources to the partnership;
- The Council's expectations in relation to the private sector partner's contribution to the achievement of the community outcomes, or promotion of the aspects of community well-being, current and future including, where possible, target performance measures;
- The Council's requirements in relation to monitoring and reporting of performance; and
- Consequences of non-performance by the private sector party.

The Council may impose any other conditions it considers appropriate in the circumstances.

4. Risk Management

Council staff will carry out an assessment of the risks of providing funding or other resources. This will be completed by reviewing all information received from the intended partner, and through discussion and/or enquiry with any party the Council chooses, using what the Council deems to be the most appropriate methodology, in order to make such an assessment.

The risk assessment will be documented and presented to the Council for consideration.

Should a public private partnership proceed, a strategy will be developed to manage risks identified during the assessment process. The strategy may include requiring contractual assurances from the private sector partner such as:

- Indemnities and guarantees;
- Details of insurance requirement; and
- Details of the level of monitoring and reporting required.

5. Monitoring and reporting

Staff will be required to monitor performance to agreed standards and report to the Council on arrangements entered into for the provision of funding and/or resources.

The frequency of reporting will be determined on a case by case basis depending on the nature of each arrangement entered into, and the value of any resources or funding provided. This reporting however, will occur not less than once a year.

Reporting is required to cover both the performance of the partnership, and the extent to which community outcomes are being furthered as a result of the provision of funding and/or resources.

Monitoring and reporting will be undertaken in accordance with written terms of agreement entered into.

* To be read in conjunction with the Council's Significance Policy.

Funding and Financial Management Policies

Financial Contributions

The Council is required, pursuant to section 102(4)(d) of the Local Government Act 2002 to adopt a policy setting out the purposes for which development or financial contributions may be required. Only territorial authorities have the statutory ability to charge development contributions. Accordingly, the Northland Regional Council is unable to charge development contributions. However, the Council is able to charge for financial contributions pursuant to the Resource Management Act 1991.

No financial contributions can be levied by a Council unless they are included in the terms or rules of a regional plan. The following policy outlines the Council's specific policies for financial contributions.

The Council has three regional plans, all of which have provisions for charging financial contributions. These are:

- Regional Air Quality Plan
- Regional Water and Soil Plan
- Regional Coastal Plan.

When the Regional Council grants a resource consent under the rules in one of the above plans, it may impose a condition requiring that a financial contribution be made for the purposes specified in the plan.

The term 'financial contribution' is defined in section 108(9) of the Resource Management Act 1991 to mean: "… a contribution of:

(a) Money; or

(b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Māori land within the meaning of the Māori Land Act 1993 unless that Act provides otherwise; or

(c) A combination of money and land."

Further matters relating to financial contributions are contained in section 108(10) of the Act. Under this section of the Act, a consent authority must not include a condition in a resource consent requiring a financial contribution unless:

(a) The condition is imposed in accordance with the purpose specified in the plan or intended plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect); and

(b) The level of contribution is determined in the manner described in the plan or intended plan.

Financial contributions may be required for various purposes, including for the purposes of ensuring positive effects on the environment or to offset any adverse effects and/or to mitigate the adverse effects of development (environmental compensation).

Financial contributions will apply where other conditions will not adequately address community concerns or where the circumstances of an individual application point clearly to a financial contribution as the most appropriate option. The requirement for and the amount of a financial contribution are determined under pre hearing consultation during the process of applying for a resource consent. The use and appropriateness of financial contributions in any given circumstance is determined through consultation involving the Council, the applicant for and any submitters to the application.

All moneys collected under the financial contributions provisions of a regional plan are collected by the Council to apply in such a manner as the Council deems fit for the above purposes. When deciding how financial contributions should be levied or allocated, consideration will be given to matters contained in public submissions on a resource consent application.

The Resource Management Act 1991 requires the Regional Council to specify in each regional plan:

- The circumstances when such contributions may be imposed;
- The purposes for which such contributions may be required and used;
- The manner in which the amount of the contribution will be determined.

Each regional plan (where relevant) also sets out the matters which the Regional Council will have particular regard to when deciding whether to impose a financial contribution and the type (or types) of contribution. These plans and the provisions and methodology for calculating financial contributions are available for public inspection at Council offices.

Revenue Financing Policy

1. Introduction

The Council is required to adopt a Revenue and Financing Policy using the special consultative procedures outlined in the Local Government Act 2002. This is the Council's Revenue and Financing Policy. The Local Government Act 2002 provides a statutory process for local authorities to follow when making funding decisions. The process is designed to provide predictability and certainty in relation to the sources and levels of funding required.

The Council is required to manage its revenue, expenses, assets, liabilities, investments and general financial dealings, prudently and in a manner that promotes the current and future interests of the community. The Council must also make adequate and effective provision in its Community Plan and its Annual Plan (as applicable) to meet its expenditure needs as identified in that Community Plan and Annual Plan.

2. Funding Considerations and Principles

Council has determined the funding sources to be used to fund the operating expenditure for each activity by giving consideration to the matters set out in section 101(3) of the Local Government Act 2002. Funding sources available to local authorities are listed in the section 103(2) of the Local Government Act 2002.

As a guiding principle, a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region.

The following considerations are set out in section 101(3) of the Local Government Act:

- The community outcomes to which the activity contributes.
- The distribution of benefits between the community as a whole, any identifiable parts of the community and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The costs and benefits, including consequences for transparency and accountability of funding any activity distinctly from other activities.
- The impact of any allocation costs and the recovery of costs on the current and future social, economic, environmental and cultural well-being of the community.

A summary of the analysis undertaken of the above considerations for the funding of each Council activity is provided in section 8 below.

Section 7 shows the indicative funding source applied to each Council activity. These funding allocations are not intended to be prescriptive, but rather are stated to provide transparency and predictability to the community of the Council's funding requirements and application.

In determining the funding sources to be used, the Council used the following guiding principles to assist in its decision making:

The identification of the distribution of benefits of the Council providing an activity or service between the wider community and identifiable groups and individuals is a key decision factor in determining the most appropriate funding source. The Council gives consideration to the concept of public and private benefit. The concept of public and private benefit and the application of public good and private/exacerbator pays, underpin the guiding principles applied by the Council. These concepts are explained as:

- Public Goods

  Public goods are goods or services that provide benefits to the whole community. An activity should be collectively funded if those that benefit directly cannot be identified and/or if those that benefit directly cannot be excluded from using the service. While it is not possible to charge for certain activities, it is also not appropriate to charge for certain activities that benefit the community as a whole. Similarly, consideration will be given to funding from general funds where a service or activity is deemed to be essential to the contribution of the social, economic, environmental and cultural wellbeing of the community. In instances such as these, it is considered appropriate that funding is predominately provided through general funds (general rate and investment funds).

- Private (User Pays)/Exacerbator

  An activity should be funded on a user-pays basis if an individual or groups of individuals directly derive benefit from the activity exclusively, and the costs of the activity can easily be attributed to that individual or group of individuals. Similarly, an activity should be funded by an exacerbator if the actions or inactions of identified individuals or groups give rise to the need to undertake a particular activity. For the purposes of this policy, targeted rates and user fees and charges are deemed to be private funding source.

  Consideration of costs and benefits of applying a particular funding mechanism include, but are not limited to the following guiding principles:

  – *Affordability*

    The Council's funding decisions are influenced by concepts such as peoples ability to pay and the desire to provide broad access for people to particular services.

  – *Paying for benefits received*

    In general, if a Council activity mainly benefits a particular person or group, then that person or group should contribute to the cost of the activity.

  – *Paying for costs imposed*

    In general, if the actions or inactions of a particular person or group creates a need for the Council to carry out an activity, then that person or group should contribute to the cost of the activity.

  – *Transparency and Accountability*

    Where the principles of paying for benefits and paying for costs suggests that a particular person or group should contribute towards the cost of an activity, then if it is practical and cost effective to do so, that activity should be funded separately from other activities.

  – *Efficiency and Effectiveness*

    The Council's Revenue and Financing Policies should have regard to the costs of implementing them and how effective they will be in achieving their objectives.

  – *Overall impact on overall social, economic, environmental and cultural impacts*

    Decisions on how the Council's need for revenue will be met (by ratepayers and other groups) should take into account the impact of the decision on the current and future social, economic, environmental and cultural wellbeing of the community.

3. Funding of operational expenditure

The Council will set its projected operating revenue at a level sufficient to meet the current year's projected operating expenditure, except where the Council resolves that it is financially prudent not to do so.

When setting projected operating revenue at a level that is different from the level of projected operating expenditure, the Council will have regard to:

- The estimated expenditure of achieving and maintaining the predicted levels of service provision set out in the Community Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life.
- The operating surplus or deficit in the immediately preceding or following financial years.
- Debt repayment.
- The Funding and Financial Policies adopted under section 102 of the Local Government Act.

Revenue Financing Policy

In accordance with these principles, the Council has determined that the following items will not be funded:

- Accounting for fair value changes. Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Comprehensive Income. In accordance with section 100 of the Local Government Act 2002, the Council does not consider it financially prudent to fund changes in the fair value of assets or liabilities as these are essentially unrealised accounting adjustments.
- Non-funding of depreciation on Council assets. The Council may elect not to fund all or part of the depreciation expenditure on specific assets in those circumstances where it is considered to be financially prudent not to do so. In accordance with section 100 of the Local Government Act 2002, the Council considers that it is financially prudent to not fund depreciation in the following circumstances:
  - Where the Council is creating new infrastructural assets and the asset is not to be funded by borrowings or the original borrowings have not been repaid.

4. Funding of Capital Expenditure

Capital expenditure is funded from depreciation, general funds, targeted rates and borrowing as outlined below:

- If the capital expenditure relates to the replacement of an existing asset, that expenditure will be funded out of rates charged to recover depreciation. If accumulated cash surpluses arising from the funding of depreciation are insufficient, then reserves or borrowing may be used to provide funding. Funding of depreciation and repayment of borrowing comes from general rates, investment revenue, targeted rates and user fees and charges, as applicable to each specific project.
- If the capital expenditure relates to the construction or purchase of a new asset or to the upgrade or increase in service potential of an existing asset, that expenditure may be funded from internal or external borrowings and repaid from applicable funding sources over an agreed period of time. Borrowing is a cost effective and equitable means to fund capital expenditure as it spreads the cost of the asset over an extended period, such as the life of the asset, making it affordable to ratepayers today and spreading the incidence of cost over those who benefit from the asset.
- Where the Council considers it financially prudent to do so, the Council may repay the borrowings on an asset at a faster rate than over the full life of the asset.
- On the basis of financial prudence and where the Council considers it appropriate to do so, the Council may impose a targeted rate to fund capital expenditure or repay the borrowings on an asset at a faster rate than over the full life of the asset.
- The funding of capital expenditure from the sale of surplus assets is decided on a case-by-case basis.
- The funding of capital expenditure from restricted or special funds is decided on a case-by-case basis and is subject to the specified purposes and conditions governing the use of those restricted funds.
- If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period to enable the project to be completed.

5. Funding Sources and application

Section 103(1) of the Local Government Act 2002 requires the Council to state policies in respect of the funding of operating and capital expenditure from the sources listed in section 103(2) of the Act. The sources are listed below:

- General rates, including Uniform Annual General Charges
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Any other source.

The Council's general philosophies for applying sources of revenue to fund expenditure are as follows:

Targeted General Rates

Targeted general rates are used to fund public goods where it is not possible or it is impractical to clearly identify customers or users, or to fully recover costs from users or exacerbators. The targeted general rate is also used to fund activities where, for reasons of fairness, equity and consideration of the wider community good it is considered that this is the most appropriate way in which to fund an activity.

The level of general rates is based on the funding required to provide agreed the Council activities after identifying the other income sources.

The Council uses its investment returns (dividends, interest and rent) to reduce the targeted council services rate and the targeted land management rate requirement. Accordingly, for the purposes of this Revenue and Financing Policy investment funds and the targeted council services rate and the targeted land management rate have been combined and are referred to as general funds.

Targeted Rates

Targeted rates are also used to fund certain activities where an individual or group of individuals derive a direct benefit from the provision of the Council activities and where it is appropriate that only this group be targeted to pay for some or all of a particular service. Targeted rates may be also be set by the Council when the Council considers the rating valuation system used in setting the targeted rate provides a more acceptable alignment to the expenditure to be funded, in comparison to the general rate, or where the Council considers separate, targeted rating provides greater transparency and accountability to the ratepayer.

Fees and Charges

User charges are direct charges to people and/or groups who use certain Council services or if the actions or inactions of identified individuals or groups give rise to the need to undertake a particular activity. In these instances, a benefit exists to clearly identifiable people and/or groups and they are required to pay for all or part of the cost of using that service.

Fees and charges are set in accordance with the Council's Fees and Charges Policy.

Interest, Dividends, Rent and Other Investments Revenue

The Council has a policy of applying investment revenue to general funds, to reduce the ratepayer burden of all ratepayers in the Northland Region.

Where the Council considers it financially prudent to do so, the Council may by special resolution resolve to set aside some or all investment revenue in specified reserves to be used to fund future operating or capital expenditure.

The Council uses its investment returns (dividends, interest and rent) to reduce the general rate and targeted land management rate requirement. Accordingly, for the purposes of this Revenue and Financing Policy investment funds and general rates have been combined and are referred to as general funds.

Borrowing

Council may use borrowing, including internal borrowing, to bring forward or accelerate operating expenditure. The Council will fund operating expenses from borrowing only when it is prudent to do so and subsequent to special resolution by the Council. Borrowing may be from Council funds and reserves or borrowing may be external. A cost of borrowing charge will be applied to all borrowing. The cost of borrowing and repayment of borrowing is to be funded from the same funding sources available to fund the specified activity.

Proceeds from Asset Sales

Proceeds from assets sales will be used to provide funding for assets. Where the Council considers it financially prudent to do so, the Council may by special resolution, elect to use the proceeds of asset sales to fund operating expenditure.

The retention of strategic and investment assets and the application of investment returns to general funds, provides intergenerational equity. Unless the Council resolves otherwise, proceeds from the sale of investment assets will be set aside for further reinvestment.

Financial Contributions

Financial contributions will be applied in accordance with the Financial Contributions Policy.

Revenue Financing Policy

Grants and Subsidies

Central Government and other third party agencies provide various grants and subsidies for specified activities and projects. Where appropriate, the Council seeks to take advantage of such funds.

Other funding sources

Use of surpluses from previous financial periods

Where the Council has recorded an actual surplus in one financial period, it may pass this benefit on to ratepayers in a subsequent financial period. A surplus arises from the recognition of additional income or savings in expenditure. The Council considers that passing this benefit on to ratepayers promotes equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

The amount of any surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed onto ratepayers. A surplus will be available for use in future financial periods if the actual surplus/(deficit) is improved when compared to budgeted surplus/(deficit). In calculating the level of surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the surplus, for example whether the surplus is cash or non cash and after taking into account appropriate movements to and from reserves. Generally, only those factors that are cash in nature will be available for use in determining the level of surplus to be carried forward. The Council will not carry forward surpluses in relation to the:

– Sale of assets. Asset proceeds shall be used to fund further capital expenditure, unless the Council resolves otherwise.
– Revenue received for capital purposes. Such surplus shall be retained to fund associated capital expenditure.
– Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.

Reserves and special funds

Reserve funds may be applied to fund expenditure for specific purposes. In some circumstances, the reserves are a legal requirement and the Council may establish additional reserves, as and when required.

Where the Council collects targeted rates, these monies are only able to be spent on specified expenditure. Any funding surplus or deficit resulting from activities funded by way of targeted rates is set aside in a specified reserve to be utilised or repaid in subsequent financial years. Transfers may be made only for specified purposes or when specified conditions are met.

Subject to meeting any specified conditions associated with these reserves, the Council may expend money, of an operating or capital nature, from these reserves.

6. Overall Social, Economic, Environmental and Cultural impacts

The Northland Regional Council operates in a challenging economic environment which is further exacerbated by the proportionally low population density. When setting the Revenue and Financing Policy, the Council must carefully consider the impact on the current and future social, economic, environmental and cultural wellbeing of the community. Where activities provide community wide wellbeing or public benefit, these are funded by general funds. To promote equity, where activities benefit particular individuals or groups, and where it is cost effective to do so, the Council will apply targeted rates and fees and charges to those users. The Council seeks to maximise investment revenues to reduce the burden on ratepayers, while ensuring investment assets are retained and enhanced for future generations. The approach taken by the Council is based on principles of equity and seeks to promote the current and future social, cultural, economic and environmental wellbeing of the community.

7. Revenue and Funding Sources for the Council Activities

The funding sources and indicative funding allocation for each Council activity is provided below. There are eleven primary groups for the activities that the Council carries out. Each group has a number of activities. The descriptions, objectives, cost and performance targets of each activity are presented in this Plan.

Group of Activities	Activity	Indicative Funding Split %		Private	Public
		Private	Public		
Democracy and Corporate Services	Community Representation	0	100		General Funds - Targeted Council Services Rate.
	Commercial Investments	varies	100	User Fees and Charges Realised income from the growth in value of property Proceeds from Asset Sales Debt funding	General Funds.
Regional Information and Engagement	Environmental Education	0-5	95-100	User Fees and Charges.	General Funds - Targeted Council Services Rate.
	Communications	0	100		General Funds - Targeted Council Services Rate.
	Economic and Environmental Information	0	100		General Funds - Targeted Council Services Rate.
Regional Economic Development	Economic Development	varies	100	Income derived from the Northland Regional Council Community Trust Fund. Targeted Rate.	General Funds - Targeted Council Services Rate. Grants and Subsidies. Targeted Rate.
	Growth Programme	varies	100		General funds - Targeted Council Services Rate Grants and Subsidies Targeted Rate
Resource Management Planning	Resource Management Planning	0-5	95-100	Fees and Charges.	General Funds - Targeted Council Services Rate. Grants and Subsidies.
Transport	Regional Transport Management	0	100		General Funds - Targeted Council Services Rate. Grants and Subsidies.
	Passenger Transport Administration	35-60	40-65	Targeted Rate. User Fees and Charges.	General Funds - Targeted Council Services Rate. Grants and Subsidies.
Consents	Consent Applications	45-75	25-55	Fees and Charges.	General Funds - Targeted Council Services Rate.
	Consents Advice and Information	0-5	95-100	Fees and Charges.	General Funds - Targeted Council Services Rate.

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Revenue Financing Policy

Group of Activities	Activity	Indicative Funding Split %		Private	Public
		Private	Public		
Environmental Monitoring	State of the Environment Monitoring	2-30	70-98	Fees and Charges.	General Funds - Targeted Council Services Rate.
	Resource Consent Compliance	65-100	0-35	Fees and Charges.	General Funds - Targeted Council Services Rate.
	Environmental Incidents Response	0-5	95-100	Fees and Charges.	General Funds - Targeted Council Services Rate.
	Hazardous Substances and Contaminated Sites	20-30	70-80	Fees and Charges.	General Funds - Targeted Council Services Rate.
Land and Rivers	Hazard and Emergency Management	0	100		General Funds - Targeted Land Management Rate.
	River Management Works	50-80	20-50	Targeted Rates.	General Funds - Targeted Land Management Rate.
	Land and Biodiversity	0	100		General Funds - Targeted Land Management Rate. Grants and Subsides.
Biosecurity	Biosecurity	0-20	80-100	Fees and Charges.	General Funds - Targeted Land Management Rate.
Emergency Management	Emergency Management	0	100		General Funds - Targeted Land Management Rate. Grants and Subsides.
Maritime Operations	Oil Pollution Response	0-20	80-100	Fees and Charges.	General Funds - Targeted Council Services Rate. Grants and Subsides.
	Harbour Safety and Navigation	40-60	40-60	Fees and Charges.	General Funds - Targeted Council Services Rate.
Support Services *	Finance	0	100		General Funds.
	Information Technology	0	100		General Funds.
	Human Resources and Health and Safety	0	100		General Funds.
	Records Management and Administration	0	100		General Funds.
	Other Support Activities	0	100		General Funds.

* **SUPPORT SERVICES** are allocated to activities based on relevant cost drivers. Support services provide corporate wide services to the Council.

GENERAL FUNDS comprises targeted general rates, which are made up of the targeted council services rate and the targeted land management rate, investment income and income from general Council reserves. The targeted land management rate is applied to land based activities or activities which have a relationship to land. The targeted council services rate is applied to all other non-land based Council activities.

TARGETED RATES may be deemed public, where the rate is levied across the region, but is 'targeted' to provide greater accountability and transparency. Alternatively, a targeted rate may be deemed private, where the rate is levied on a group of individuals who may derive a direct or greater benefit from the provision of specific Council activities. Targeted river rates are deemed to be private.

CAPITAL EXPENDITURE is generally funded from the same sources available to fund operational expenditure. While debt or internal borrowing may sometimes be used to provide the immediate funding needed to acquire an asset, its repayment will be made from the same sources and the same ratio as for operating expenditure.

8. Funding Source Analysis by Activity

8.1 Democracy and Corporate Services

8.1.1 Community Representation

Activity Objective

To ensure community representation through elected Councillors and to facilitate long term planning through the creation of the Northland Community Plan, including the identification and monitoring of community outcomes.

Statutory Considerations

Community Outcomes	– Northland's Natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland retains and enhances its regional identity.
Who benefits	– The community and the Council derive benefit from community contribution towards the Council's decision making process and involvement in the Council decisions. – Similarly the region benefits from the identification and monitoring of the community's progress in achieving community outcomes.
Period of benefit	The benefits of community representation and Council/public partnership are on-going in both the immediate and long term.
Who creates a need	– Need is created by the entire community for knowledge of and involvement in Council decisions. – Need is created by the Council for guidance from the public in decision making. – Need is created by legislation, the Local Government Act requires councils, to work with Government departments, Māori and the community to create and implement community plans.
Rationale of the costs and benefits of funding the activity	**Operating** Community representation is considered to be a public good. The operational costs should be allocated from general funding as the contribution of the public to the decision making process is valuable in that it ensures public expectations are known and considered and promotes public accountability of the Council. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General Funds. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.1.2 Commercial Investments

Activity Objective

To effectively and efficiently manage the Council's commercial investments to provide a maximum rate of return (within the constraints of the relevant lease agreements), thus providing a reliable cash flow to reduce the burden on regional ratepayers.

Statutory Considerations

Community Outcomes	– Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland retains and enhances its regional identity.
Who benefits	The entire community benefits from the financial and non-financial returns achieved from the Council's investments.

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Revenue Financing Policy

Period of benefit	– Investment revenue applied to general funds, provides an immediate benefit via the reduction of burden to the ratepayer. – Re-investment and capital appreciation of current investments provides long term benefit to the community through ability to reduce ratepayer burden in the longer term. – Strategic investments provide both immediate and long term benefit to the region.
Who creates a need	– Need is created by the entire community for a wide range of publicly funded activities. – Need is created by legislation which requires certain activities to be undertaken. – Need is created by Council for funds in order to administer activities and to reduce rates.
Rationale of the costs and benefits of funding the activity	**Operating** The entire revenue streams and capital growth associated with investment activities is considered to be a public good. The income stream derived from Council investments and the application to general funds reduces the rating burden and promotes affordability, providing regional wide benefit. **Capital** Investments can be tailored to achieve a mix of financial and strategic objectives. The growth of Council investments, through further investment and capital appreciation promotes intergenerational equity ensuring assets are available for future benefit of the community.
Funding Sources	**Operating** – General funds. **Capital** – General funds. – Realised income from growth in value of property. – Proceeds from asset sales. – Debt funding.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental and Cultural Well-being of the Community

Democracy and Corporate Services provides wide ranging benefits to the community through encouraging public participation and contribution towards the Council's decision making to best enhance the current and future economic, environmental, cultural and social development of Northland.

Council investments promote the further economic, environmental, cultural and social development of Northland by reducing the ratepayer burden and ensuring the assets are available for future generations.

8.2 Regional Information and Engagement

8.2.1 Environmental Education

Activity Objective

To promote and empower individual and collective responsibility for the environment to encourage sustainable lifestyle choices, activities and communities.

Statutory Considerations

Community Outcomes	– Northland's residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity.
Who benefits	– The community benefit from the opportunity to learn about and participate in the sustainable use, development and protection of the region's resources. – Resource users and industry benefit from guidance on Council activities and applicable legislation. – Environmental awards and scholarships provide benefit to the applicants and the recipients.
Period of benefit	The benefits of environmental education are ongoing, however there is immediate benefit to the recipients.

Who creates a need	– Need is created by the entire community for knowledge and understanding of the environment and legislation. – Need is created by statutory resource management functions and responsibilities. Awards to promote initiatives in environmental management are closely aligned to the Regional Council's statutory resource management functions and responsibilities.
Rationale of the costs and benefits of funding the activity	**Operating** The provision of environmental education is considered to be a public good, however there can be an element of private benefit, where education is provided to targeted groups. The wider community benefits from collective and individual responsibility towards sustainable environmental behaviour through improved quality of life and reduced regulation and enforcement costs. The Council may charge a fee for some workshops or seminars. While some individuals may derive private benefit, in most instances the costs of imposing user charges outweigh the benefits of separately funding part of this activity. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General funds. – User fees and charges. **Capital** – General funds.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.2.2 Communications

Activity Objective

To ensure the community is kept informed about the Northland Regional Council and its activities and functions; to increase public awareness, responsibility, support and involvement in creating a sustainable environment.

Statutory Considerations

Community Outcomes	– Northland's residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity.
Who benefits	The community and the Council benefit from mutual engagement. Effective communication encourages public involvement in Council decision making processes and supports the delivery of Council activities.
Period of benefit	The benefits of effective communication are on-going however, there is immediate benefit at the time of service.
Who creates a need	– Need is created by the entire community for involvement and knowledge of Council's decisions and decision making process. – Need is created by Council for efficient, transparent interface with the public.
Rationale of the costs and benefits of funding the activity	**Operating** Community engagement is considered to be a public good. The wider community benefits from effective community engagement. While some individuals may derive private benefit, in most instances the costs of imposing user charges outweigh the benefits of separately funding part of this activity. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.

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Revenue Financing Policy

Funding Sources	**Operating** – General funds. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.2.3 Economic and Environmental Information

Activity Objective

To develop a comprehensive inventory of Northland's natural and economic resources to support long term regional strategic planning and decision making.

Statutory Considerations

Community Outcomes	– Northland's residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity.
Who benefits	The community and the Council benefit from decisions achieved from having available an inventory of the economic and environmental assets of Northland.
Period of benefit	The benefits derived from integrated planning and decision making are on-going in both the immediate and long term.
Who creates a need	– Need is created by the entire community for a well structured and effective Council. – Need is created by the Council to meet the expectations of the public, be accountable to other regional centres and the public.
Rationale of the costs and benefits of funding the activity	**Operating** The provision of economic and environmental information is considered to be a public good. While some individuals may derive private benefit, in most instances the costs of imposing user charges outweigh the benefits of separately funding part of this activity. The Council may consider imposing a fee for the provision of information in instances where additional information is requested and the Council incurs a cost in collecting and providing such information. The wider community benefits from enhanced information and decision making. **Capital** Minor capital expenditure may be required to provide supporting
infrastructure to carry out this activity. **Funding Sources**	**Operating** – General funds. – User fees and charges. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental and Culture Well-being of the Community

This activity provides wide ranging benefits to the current and future development of economic, environmental, cultural and social development of Northland.

8.3. Regional Economic Development

8.3.1 Economic Development

Activity Objective

To proactively lead the economic development of Northland.

Statutory Considerations

Community Outcomes	– Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland residents are educated and skilled. – Northland has cohesive communities.
Who benefits	– The community benefits from improved economic activity, employment and income opportunities. – Individuals and individual businesses will benefit directly from specific initiatives. – Tourism industry benefits from sector support and promotion.
Period of benefit	Benefits derived from economic development will be both immediate and long term.
Who creates a need	– Need is created by the entire community in their desire to attract business to the region and improve regional wealth. – Need is created by the entire community in their demand for community infrastructure. – Need is created by individual business and industry who will benefit from business opportunities and increased prosperity.
Rationale of the costs and benefits of funding the activity	**Operating** Economic development activities have both public and private benefit. The entire economy derives benefit from an improved economic climate and the flow-on effect of increased economic growth. Individuals or individual businesses derive direct benefit from increased economic opportunities. In recognition of the benefit attributable to all Northlanders, this activity is to be funded from a mix of general funds and targeted rates. Targeted rates may be levied over the entire region on a uniform or on a differentiated basis in recognition of the distribution of benefits. Those targeted rates applied uniformly across the region are set to provide transparency and accountability of the provision of specific activities Where individuals, individual businesses and industries derive direct benefit from economic development activities, and where the Council considers there is benefit in doing so, private funding, through the use of fees and charges or a targeted rate may be applied. In 2006, the Council established an $11.4M trust to promote economic development in Northland. The proceeds from the investment of the trust fund are to be applied to economic development activities. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General Funds. – Income derived from the Northland Regional Community Council Trust Fund. – Northland Regional Community Council Trust Fund (capital). – Grants and subsidies. – User fees and charges. – Targeted Rate. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Revenue Financing Policy

8.3.2 Regional Growth Programme

Activity Objective

Provide inclusive leadership and an integrated planning framework leading to a set of detailed actions to improve the present and future well-being of Northlanders.

Statutory Considerations

Community Outcomes	– Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland residents are educated and skilled. – Northland has cohesive communities.
Who benefits	– The regional community benefits from the development of a diverse economic base and well planned infrastructure. – Individual stakeholders and individual businesses will benefit directly from specific initiatives.
Period of benefit	Benefits derived from integrated planning infrastructure and growth development will be both immediate and long term.
Who creates a need	– Need is created by the community in their demand for a diverse economic base and well planned infrastructure. – Need is created by the Council in their role of co-ordinating the management of the Regions growth platform. – Need is created by individuals and business in the demand for an integrated framework for developing the region.
Rationale of the costs and benefits of funding the activity	**Operating** The Regional Growth Programme will have both public and private benefit. The public will benefit from the provision of a consistent knowledge base and platform for all Northland local authorities and other agencies to plan for and manage the future growth of the region in an integrated, sustainable manner. Individuals or individual businesses derive direct benefit from increased economic opportunities. In recognition of the benefit attributable to all Northlanders, this activity is to be funded from a mix of general funds and targeted rates. Where individuals, individual businesses and industries derive a direct benefit from economic development activities and where the Council considers there is benefit in doing so, private funding, through the use of fees and charges or a targeted rate may be applied. Targeted rates may also be applied to provide transparency and accountability of the provision of specific activities. In 2006, the Council established an $11.4M trust to promote economic development in Northland. The proceeds from the investment of the trust fund are to be applied to economic development activities. Council intends to fund the Regional Growth Programme from the Council reserves in the 2009-2010 financial year and from general funds and targeted rates thereafter. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General Funds. – Income derived from the Northland Regional Community Council Trust Fund. – Northland Regional Community Council Trust Fund (capital). – Grants and subsidies. – User fees and charges. – Targeted Rate. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One(in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental and Cultural Well-being of the Community

This activity provides wide ranging benefits to the community through its contribution towards a vibrant and growing regional economy which will have positive influence on the current and future economic, environmental, cultural and social development of Northland.

8.4 Resource Management Planning

8.4.1 Resource Management Planning

Activity Objective

Provide clear policy guidance and rules for the sustainable management of Northland's natural and physical resources.

Statutory Considerations

Community Outcomes	– Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland retains and enhances its regional identity.
Who benefits	– The entire community benefits from integrated Regional Policies and Plans. – Individuals benefit from integrated plans and policies which provide for the sustainable management of Northland's resources.
Period of benefit	Benefits derived from resource management planning will be both immediate and long term.
Who creates a need	– Need is created by the entire community for a well structured and effective region. – Need is created by legislation. – Need is created by individuals and individual business to create a clear framework for the sustainable management of natural and physical resources in Northland.
Rationale of the costs and benefits of funding the activity	**Operating** Resource management planning is a public good. The regional community benefits from the sustainable use, development and protection of the Region's resources and the opportunity to participate in Council's decision making processes in relation to resource management. Where private individuals or groups of individuals request plan changes, Council will apply user fees and charges in accordance with Council's Charging Policy to recover costs. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General funds. – Grants and subsidies. – User fees and charges. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental and Cultural Well-being of the Community

The Resource Management Act requires that this activity benefit the environmental well-being of communities while also enabling them to provide for their social, economic and cultural well-being.

Revenue Financing Policy

8.5 Transport

8.5.1 Regional Transport Management

Activity Objective

Collaborate with other agencies to develop a strategic approach to regional transport and road safety through a Northland road improvement programme.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland is prosperous. – Northland has cohesive communities.
Who benefits	– The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. – The regional and national community form an efficient, reliable and sustainable transport system which promotes safe and efficient inter-regional movement of people and goods for both personal and economic benefit.
Period of benefit	The benefits of regional transport management are ongoing, however there is immediate benefit to the transport users.
Who creates a need	– Need is created by the entire community for an integrated transport network. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** Regional transport management is a public good/service. The regional community benefits from an integrated regional transport network. This activity is to be funded by general funds and nationally funded contributions. **Capital** Capital expenditure may be required to provide supporting infrastructure and other minor capital works may be undertaken from time to time.
Funding Sources	**Operating** – General Funds. – Grants and subsidies. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.5.2 Passenger Transport Administration

Activity Objective

Provide a cost effective passenger transport service that meets the needs of local communities and groups who are transport disadvantaged.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland is prosperous. – Northland has cohesive communities.
Who benefits	– The regional community benefits from efficient transport administration through the provision of reliable and cost efficient public passenger transport services for the transport disadvantaged. – The entire Whāngārei district benefits from the provision of community passenger transport services and the reduced congestion and improved road safety in Whāngārei urban areas where passenger services operate. – Transport system users benefit from cost effective transport and the facilitation of involvement of disabled and aged people in wider community activities.
Period of benefit	Benefits derived planning, administering and monitoring of passenger transport services accrue in the immediate term at the time using the service/transport.

Who creates a need	– Need is created by the entire community and groups who are transport disadvantaged for passenger transport services. – Need is created by individuals who access the public passenger transport services and total mobility schemes. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** The Whāngārei district benefits from the provision of an efficient passenger transport system. The Whāngārei Bus Service is to be funded from a combination of central government funding, user fees and charges and a targeted rate applied over the Whāngārei district. This combination of funding promotes affordability and transparency and allows the Council to take advantage of available subsidies while setting user fees at an affordable level to encourage and promote use of the bus service. Any funding shortfall will be met from general funds. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General Funds. – Grants and subsidies. – User fees and charges. – Targeted Rate. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental and Cultural Well-being of the Community

The provision of an integrated, safe, responsive transport of people ensures environmental sustainability, assists economic development, assists safety and personal security, improves access and mobility, protects and promotes public health, which contributes to the economic, social, cultural and environmental well-being of the community.

8.6 Consents

8.6.1 Consents Applications

Activity Objective

To facilitate individual and community well-being by processing resource consent applications in a way that results in sustainable resource management as determined by Regional Plans and the Resource Management Act.

Statutory Considerations

Community Outcomes	– Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous.
Who benefits	– RMA and building (dams) consent holders directly benefit from gaining compliance and holding consent. – The regional community benefits as they gain assurance that activities requiring consent are in accordance with Regional Policies and the Resource Management Act 1991. – The regional community benefits from involvement in the processing of consent applications and in sustainable resource management.
Period of benefit	The benefits of these services accrue both in the immediate and long term.
Who creates a need	– Need is created by applicants seeking consent under the Resource Management Act 1991 and the Building Act 2004. – Need is created by legislation. – Need is created by the entire community for structure, consistency and certainty.

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Revenue Financing Policy

Rationale of the costs and benefits of funding the activity	**Operating** Processing resource consent applications is considered to be largely private good, with an element of public benefit. The allocation of costs to those who benefit from the services, or those who cause such costs is beneficial to the community because the community does not have to bear such costs. Consenting activity is provided in response to applications by landowners and developers who will derive direct benefit from undertaking the consented activity. User fees and charges are applied in accordance with the Council's Charging Policy. The cost of appeals is not recoverable, as set out in the Resource Management Act 1991. **Capital** Minor capital expenditure may be required to provide supporting infrastructure to carry out this activity.
Funding Sources	**Operating** – General funds. – Fees and charges. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.6.2 Consents Advice and Information

Activity Objective

To ensure that the public is informed and able to participate in the processing of resource consent applications.

Statutory Considerations

Community Outcomes	– Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous.

Who benefits	– Resource users benefit from guidance on regulation, appropriate use and development of resources. – The regional community benefit from informed participation and decision making, sustainable use, development and protection of the region's resources, information and education. – Prospective consent applicants receive direct benefit and also benefit from improved efficiency of application process.
Period of benefit	The benefits of these services accrue both in the immediate and the long term.
Who creates a need	– Need is created by individuals who may require information and advice on the lawfulness of intended, proposed or existing activities. This advice may include general information about resource consents, including statutory requirements and Council policy. – Need is created by legislation. From time to time, the Council is required to provide mandatory information in accordance with the requirements on the Resource Management Act 1991, the Building Act, Local Government Official Information and Meetings Act and the Local Government Act. – Need is created by the Council. The outcome of changes to regional plans also influences the level of enquiry and advice on resource consents.
Rationale of the costs and benefits of funding the activity	**Operating** The provision of consents advice and information is considered to be a public and private good. The public good is served by informed participation and decision making. Private good exists were advice and information is provided to individuals in relation to consent applications and activities. The Council has a policy of charging for advice beyond the first half hour, except for information sought under the Local Government Official Information and Meetings Act, where the first hour of providing such information is not charged for. The allocation of costs to those who benefit from the services, or those who cause such costs is beneficial to the community because the community does not have to bear such costs. Advice provided to individuals is charged on a cost recovery basis in accordance with Council's Charging Policy. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.

Funding Sources	**Operating** – General funds. – User pays. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental, and Cultural Well-being of the Community

Participation in the process of sustainable development through the application of regional plan rules on intended development and community participation enables environmental, social and cultural well-being while maintaining a healthy economy in the community.

8.7 Environmental Monitoring

8.7.1 State of the Environment Monitoring

Activity objective

Promote sustainable resource management by identifying significant environmental issues and trends in the region, provide scientifically sound information to facilitate informed decision-making and monitor effectiveness of the Council's Policy documents.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland residents have access to recreational and leisure opportunities.
Who benefits	The regional community benefits from improved knowledge and management of the regional environment.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	– Need is created by the community requiring information to enable community participation and informed decision making. – Need is created by individuals who may seek to be better informed on the state of the regional environment. – Need is created by legislation requirements under the Resource Management Act 1991.
Rationale of the costs and benefits of funding the activity	**Operating** State of the environment monitoring is largely a public good. The regional community benefits from improved knowledge and management of the regional environment development charges. Where individuals require additional monitoring, the Council may impose a fee for the provision of information in instances where additional information is requested and the Council incurs a cost in collecting and providing such information. Charges will be fixed to the extent that the likely benefit to persons of the monitoring exceeds the likely benefit of the monitoring to the community. The allocation of costs to those who benefit from the services or those who cause such costs is beneficial to the community because the community does not have to bear such costs. It also provides a transparent method of funding the services provided. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – Fees and charges. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Revenue Financing Policy

8.7.2 Resource Consent Compliance

Activity Objective

Promote the sustainable management of resources and minimise the adverse effects of people's use of the environment by ensuring compliance with resource consents, regional plans and statutory environmental standards.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland residents have access to recreational and leisure opportunities.
Who benefits	– Consent holders primarily benefit from the activities subject to resource consents, as well as receiving independent assessment of their level of compliance and effects. – The local community benefit from environmental protection and enhancement. – The regional community benefits from environmental protection.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	– Need is created by individuals who have consents. – Need is created by community desire to know that resource consents are being complied with and the environmental effects of consented activities are monitored. – Need is created by legislation, under the Resource Management Act 1991.
Rationale of the costs and benefits of funding the activity	**Operating** Resource consent compliance monitoring is required as a result of the actions or inactions of individuals and therefore is mostly a private good. However compliance provides public benefit. Monitoring resource consents and enforcing consent conditions, is required as a result of applications by landowners and developers who will derive direct benefit from undertaking the consented activity. The allocation of costs to those who benefit from the services or those who cause such costs is beneficial to the community because the community does not have to bear such costs. Targeted rates as a form of user charge may be appropriate in some cases. User pays provides a transparent method of funding the services provided. The community and the environment benefit as resource consent conditions are complied with and the environmental effects of consented activities are monitored. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – User pays. – Targeted Rates. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.7.3 Environmental Incidents Response

Activity Objective

Minimise adverse effects on the environment by responding to environmental incidents and non-compliance with the Resource Management Act.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland residents have access to recreational and leisure opportunities.
Who benefits	– Individuals (incident reporters) benefit from the protection of their environment. – The local community benefit from the cleanup of environmental damage. – The regional community benefits from maintaining and improving the environment.
Period of benefit	The benefits of these services accrue both in the short and the long term. This varies from immediate to long term depending on the nature of the incident and the adverse effects.
Who creates a need	– Need is created by the community demand for response to environmental incidents and pollution events. – Need is created by the person(s) whose activities are responsible for the complaint or incident report. – Need is created by legislation, under the Resource Management Act.
Rationale of the costs and benefits of funding the activity	**Operating** Environmental incidents' response is a public good required as a result of the action or inaction of individuals (exacerbators). While this activity is required as a result of an exacerbator action or non action and it would be desirable to fully recover costs from those who create the need, there are legislative difficulties in recovering costs from exacerbators. The local and regional community and the environment benefit from the protection and improvement of the environment. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – Fees and charges. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.7.4 Hazardous Substances and Contaminated Sites

Activity Description

Reduce the quantities of hazardous substances entering Northland's environment and minimise any adverse effects.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland has cohesive communities. – Northland residents have access to recreational and leisure opportunities.

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Revenue Financing Policy

Who benefits	– The regional community benefits from maintaining and improving the environment. – The local community benefits from the protection from waste hazardous chemicals, remediation/clean up and safe disposal. – Individuals benefit from the protection of their natural environment. – Waste/site owners benefit from safe disposal and assistance with cleaning up sites.
Period of benefit	There are both immediate and long term benefits of preventing contamination of the environment with hazardous substances.
Who creates a need	– Need is created by the community wishing to have the environment protected from contamination with hazardous substances. – Need is created by legislation which bans the use of some hazardous substances to protect the environment and for the Regional Council to hold information on contaminated and potentially contaminated sites. – Need is created by past polluters and individuals and businesses with waste hazardous substances.
Rationale of the costs and benefits of funding the activity	**Operating** Hazardous substances and contaminated sites' management is a public good required as a result of the action or inaction of individuals (exacerbators). The community benefits from a clean and safe environment by providing appropriate advice and disposal of facilities where these are not readily available. The safe disposal of hazardous substances is essential to the economic well-being and therefore this activity is to be largely funded by way of a contract and general funds. **Capital** Minor capital expenditure may be required to provide supporting infrastructure. Funding Sources
Operating – General funds. – User fees and charges.	**Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Impact on Current and Future Social, Economic, Environmental, and Cultural Well-being of the Community

The monitoring activities promote informed decision making, compliance with consent conditions and seek to prevent, minimise or mitigate the adverse effects on the environment. These activities contribute positively to the current and future environmental, economic, social and cultural well-being of the community.

8.8 Land and Rivers

8.8.1 Hazard Management

Activity Objective

Identify and provide information on natural hazards, and prepare plans and implement measures to reduce the level of risk to life and property from these natural hazards.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed.
Who benefits	– Individuals benefit from reduced risk to property, production losses and loss of life. – The local community benefits from preventing or minimising the loss of community assets/infrastructure; enhancing community image and minimising the potential reduction in property values. – The regional community benefits from the reduced risk to community assets/infrastructure and loss of life or property.
Period of benefit	The benefits of these services accrue both in the short and the long term.

Who creates a need	– Need is created by individuals and the community who benefit from natural hazard risk reduction when living or planning development in at-risk areas. – Need is created by the environment which is subject to natural hazards. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** Hazard management is primarily a public good. Where hazard management activities provide direct benefit to individuals and groups of individuals, there is an element of private good. Those who benefit from or contribute to the need for hazard management varies from area to area over time. There is community wide benefit arising from hazard management activities which includes hazard identification and risk reduction analysis throughout the region. On a case-by-case basis, the Council may fund emergency events such as remedial storm expenditure from funds set aside in the Land Management Reserve. Physical flood risk reduction works are to be undertaken under the Council's River Management activity. The funding analysis for such work is provided in section 8.8.2 of this document. **Capital** Capital expenditure may be required for plant and equipment and minor river works.
Funding Sources	**Operating** – General funds. **Capital** – General funds. – Debt funding.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.8.2 River Management

Activity Objective

Reduce flood risk by ensuring flood risk reduction works are maintained, the incidence of accelerated streambank erosion is reduced and land uses on flood-susceptible land are sustainable.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed.
Who benefits	– Individual landowners benefit from the reduction in property damage and primary production losses. – The community benefits from the reduction in damage to infrastructure and improved access (less road closures). – The District Council benefits from the reduced cost in infrastructure repairs after floods. – The region benefits from improved image through reduced incidence of damaging floods.
Period of benefit	The benefits of these services accrue both in the short and the long term. Where infrastructure schemes are established, risk mitigation and protection is provided during the useful life of the individual scheme.
Who creates a need	– Need is created by the public and individuals who require flood risk reduction when living or undertaking developments in at-risk areas. – Need is created by the community who benefit from reduced incidence of damaging floods in Northland. – Need is created by the environment which is subject to natural hazards. – Need is created by legislation.

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Revenue Financing Policy

Rationale of the Costs and benefits of funding the activity	**Operating** River management works are considered to be a private and pubic good. Where specific works are carried out, these works provide a greater benefit to identifiable individuals and groups of individuals. While the Council values the protection of all residents and business in the Region's from the risk of flooding and the associated effects on people and the regions productive capacity. The use of targeted rates for each river scheme promotes accountability and affordability as residents and business weigh up the costs of flood protection works against the level of risk. The Council recognises it may not be realistic or cost effective to precisely identify either direct beneficiaries on the flood plain or indirect beneficiaries in the economic catchment and proxies will need to be used. It will not always be feasible for the Council to recoup costs from some types of beneficiaries. Where physical works are determined to be an appropriate flood risk reduction outcome, the Council will consult with affected communities to determine and agree on the on level of works required. When physical works are undertaken to address flood risks, those who benefit or contribute to the need for the work may contribute by way of a separate targeted rate. Exception: Should the cost of collecting a separate targeted rate on small schemes exceed the benefits, then those works will be funded from the general funds. To recognise the regional benefit, the Council will undertake hazard identification and risk reduction analysis under the Hazard Management Activity in section 7.8.1 of this document. **Capital** Capital infrastructure for this activity, including any interest and capital repayments, where infrastructure is debt funded, it should be funded from separate targeted rates.
Funding Sources	**Operating** – Targeted Rates (targeted river management rates applied to each scheme). – General funds. **Capital** – Targeted Rates (targeted river management rates applied to each scheme). – General funds. – Debt funding.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.8.3 Land and Biodiversity

Activity Objective

Northland's land resources are managed in a sustainable way for the benefit of current and future generations.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed.
Who benefits	Individuals benefit from: – Reduced costs of production and improved image. – Retention/enhancement of productive values of land and reduction in adverse effects. – Environment fund recipients directly benefit from protection and enhancement works carried out on their property. The regional community benefits from: – Retention and enhancement of productive value of land. – Improved water quality, reduced runoff and sedimentation and reduced frequency of flooding. – Enhanced indigenous biodiversity for Northland and the restoration and enhancement of priority ecosystems/natural resources.
Period of benefit	The benefits of these services accrue both in the short and the long term.

Who creates a need	– Need is created by individuals who undertake practices which may compromise the environment or who wish to foster and enhance the environment. – Need is created by the community who benefit from the protection and enhancement of our indigenous biodiversity in Northland. – Need is created by the community who benefit from improved water quality, reduced runoff and sedimentation and reduced frequency of flooding. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** The provision of land and biodiversity activities is considered to be a public good. However there can be an element of private benefit, where environment funds and activities are provided to individuals or group of individuals. Beneficiaries of the environment fund must also provide a significant contribution towards the projects. The wider community benefits from collective and individual sustainable environmental behaviour. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. **Capital** – General funds.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.9 Biosecurity

8.9.1 Biosecurity

Activity Objective

To reduce the adverse impacts of pest organisms, pest plants and animal pests on the environment, the economy and human health.

Statutory Considerations

Community Outcomes	– Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity. – Northland residents have access to recreational and leisure opportunities.
Who benefits	The regional community benefits from: – The active control of possum and other animal pests according to the Pest Management Strategies. – The containment and where practicable reduction in the distribution and density of pest plants within the Northland region according to the Northland Regional Pest Management Strategies and the Biosecurity Act. – Protection of the region's unique ecosystems. – Reduced risk to health of humans, livestock, indigenous flora and fauna. – Protection of forest cover on steep erodible land and recreational amenities. – Improved soil and water values. – Decreased threat of bovine TB spreading to the possum population and so becoming a continuing threat to deer and cattle. – Landowners benefit from the reduction in production losses and damage.
Period of benefit	The benefits of these services accrue both in the short and the long term.

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Revenue Financing Policy

Who creates a need	– Need is created by the community who benefit from the active control of animal and plant pests and the protection of our Region's unique ecosystems. – Need is created by individuals who require community collaboration to ensure pest control activities are effective. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** The provision of biosecurity activities is considered to be largely a public good, with an element of private benefit, where pest control is provided to individuals and/or groups of individuals. To promote accountability and the effectiveness of any pest control activities undertaken at the community level, the Council may work with the community to ensure wider community engagement and commitment to continue with the programme. The wider community benefits from collective and individual responsibility towards pest management strategies and the contribution towards the environment and the economy through pest reduction and increased land productivity. Fees and charges may be applied in accordance with the Charging Policy for the purchase or products and supplies and for some goods and services. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – Fees and charges. **Capital** - As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.10 Emergency Management

8.10.1 Emergency Management

Activity Objective

To create resilient communities in Northland by enhancing the capability to manage emergencies and the capability to recovery from disasters.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland has cohesive communities.
Who benefits	The regional and national community benefits from the maintenance of a response capability and from planning for major emergency services.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	– Need is created by the community who benefit from the response capability and advance warning provided in emergency events. – Need is created by legislation.
Rationale of the costs and benefits of funding the activity	**Operating** Civil defence and emergency response is a public good and benefits all individuals and landowners during emergency events. The maintenance of a response capability and planning for major emergency events benefit the regional and national community. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.

Funding Sources	**Operating** – General funds. – Grants and subsidies. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

8.11 Maritime Operations

8.11.1 Oil Pollution response

Activity Objective

To minimise the risk and adverse effects of marine oil spills on the Northland environment.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity. – Northland residents have access to recreational and leisure opportunities.
Who Benefits	– The regional and wider community benefit from clean seas and coastal environment. – Commercial shipping benefit from a spill response system and the availability of resources for clean up of spills. – Recreational coastal users benefit from minimising damage to the coastal environment.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	– Need is created by fuel tankers visiting Marsden Point Oil Refinery which constitute a major oil spill risk. – Need is created by the local commercial tourism service and fishing fleets, as well as the substantial recreational vessel fleet using the Region's coastal waters and the associated refuelling facilities.
Rationale of the costs and benefits of funding the activity	**Operating** The community benefits from actions taken to minimise the effect of any oil spill on the Northland coastal environment. Funding is provided primarily though general funds and subsidy funding. Where evidence permits, the Council will seek to charge the exacerbator. However, it is not always feasible or cost effective to do so. Maritime NZ provides funding via the Oil Pollution Levy Fund which funds around 25% of the cost. **Capital** Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – Grants and subsides. – Fees and charges. **Capital** - As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Revenue Financing Policy

8.11.2 Harbour Safety and Navigation

Activity Objective

To provide services that promote safe navigation and use of Northland harbours and coastline.

Statutory Considerations

Community Outcomes	– Northland residents are safe and healthy. – Northland's infrastructure is developed in a sustainable way. – Northland's natural environment is sustainably managed. – Northland is prosperous. – Northland retains and enhances its regional identity. – Northland residents have access to recreational and leisure opportunities.
Who benefits	– Commercial shipping benefit from safe water transport (owners and users). – Recreational coastal users benefit from safe water transport. – The regional community benefits from safer coastal areas for recreation.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	– Need is created by legislation. – Need is created by commercial shipping. – Need is created by local commercial and fishing fleet. – Need is created by recreational vessel users. – Need is created by other coastal water users.
Rationale of the costs and benefits of funding the activity	**Operating** The provisions of harbour safety and navigation services provides both public and private benefits. The public, including many small vessel recreational users, benefit from the provision of these services. User charges are levied on larger vessel and coastal structure owners, who are direct beneficiaries of the services. Charges are levied in accordance with the Navigation, Water Transport and Maritime Safety Bylaw and Council's Charging Policy. The application of user charges promotes transparency and accountability and reduces the rating burden on the community. **Capital** A major financial investment was made in 2002-2003 for the construction of a new multipurpose work vessel, depreciation is charged on this asset. Capital expenditure in the medium term will focus on the cyclical renewal of navigation aids, associated small plant, vessels and vehicles. Minor capital expenditure may be required to provide supporting infrastructure.
Funding Sources	**Operating** – General funds. – Fees and charges. **Capital** - As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Support Services Group of Activities

Activity Description

Essential support services to the operational and functional activities of the Council:

- Financial accounting, reporting and investment, rating and revenue systems.
- Information services.
- Human Resources and Health and Safety.
- Records management and administration.
- Other Support activities.

Reason for Activity

To provide essential administration and support services and to develop corporate infrastructure to meet the needs of the Council and its operational activities. The Council is legally obliged to comply with a number of laws and regulations including the Financial Reporting Act 1993, the Companies Act 1993, the Trustee Act 1976 (as these relate to its subsidiary entities) and the financial requirements of the Local Government Act, the Local Government (Rating) Act and all taxation matters that come within the scope of the department's activities.

Key Planning Assumptions

That planning and implementation of modern financial, records administration and information service systems are based on the assumption that quality services will continue to be a focus of the Council.

Statutory Considerations

Community Outcomes	This activity underpins the Council's delivery of services towards all Community Outcomes.
Who benefits	Not applicable.
Period of benefit	The benefits of these services accrue both in the short and the long term.
Who creates a need	Not applicable.
Rationale of the costs and benefits of funding the activity	Not applicable.
Funding Sources	**Operating** – General funds. **Capital** – As above.

Projected Operating and Capital Costs and Funding Sources

These are set out in the Overview of Council Groups of Activities in Volume One (in detail) and in the Funding Impact Statement in Volume Two of the Community Plan.

Treasury Management Policy

1.0 Introduction

1.1 Purpose of Policy

The purpose of the Treasury Management Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by the Northland Regional Council. The formalisation of such policies and procedures will enable treasury risks within the Northland Regional Council to be prudently managed.

2.0 Scope and Objectives

2.1 Scope

This document identifies the policy and procedures of the Northland Regional Council in respect of treasury management activities.

2.2 Objectives

The objective of this Treasury Management Policy is to control and manage costs and investment returns that can influence operational budgets and public equity. Specifically:

Statutory Objectives

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- Northland Regional Council is governed by the following relevant legislation:
  - Local Government Act 2002, in particular Part 6 including sections 101,102,104 and 105;
  - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments;
  - Public Bodies Lease Act 1969 and Property Law Act 2007;
  - Other.
- All projected borrowings are to be approved by the Council as part of the Annual Plan process or resolution of the Council before the borrowing is effected.
- All legal documentation in respect to borrowing and financial instruments will be approved by the Council's solicitors prior to the transaction being executed.
- The Council will not enter into any borrowings denominated in a foreign currency.
- The Council will not transact with any Council-Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by the Council itself.
- A resolution of the Council is not required for hire purchase, credit or deferred purchase of goods if:
  - the period of indebtedness is less than 91 days (including rollovers); or
  - the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding, in aggregate, an amount determined by resolution of the Council.

General Objectives

- To manage investments to optimise returns in the long term whilst balancing risk and return considerations.
- Minimise the Council's costs and risks in the management of its borrowings.
- Minimise the Council's exposure to adverse interest rate movements.
- Borrow funds and transact risk management instruments within an environment of control and compliance under the Council approved Treasury Risk Management Policy so as to protect the Council's financial assets and costs.
- Comply with financial ratios and limits stated within this policy.

- Maintain appropriate liquidity levels and manage cash flows within the Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect the Council's financial assets and to prevent unauthorised transactions.

3.0 Liability Management Policy

The Council's liabilities comprise borrowings and various other liabilities. The Council's Liability Management Policy focuses on borrowings as this is the most significant component and exposes the Council to the most significant risks.

3.1 Debt Ratios and Limits

Debt will be managed within the following macro limits:

Ratio	NRC
Net debt as a percentage of equity	<20%
Net debt as a percentage of total revenue *	<100%
Net interest as a percentage of total revenue *	<10%
Net interest as a percentage of annual rates income (debt secured under debenture)	<15%
Liquidity (term debt + committed loan facilities + liquid investments to existing external debt)	>120%

* Excludes non-government capital contributions from revenue and government contributions netted from debt but excluded from revenues.

Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.

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

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated, as and when appropriate.

Disaster recovery requirements are to be met through the liquidity ratio.

3.2 Asset Management Plans

In approving new debt, the Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with the Council's Community Plan.

3.3 Borrowing Mechanisms

Northland Regional Council is able to borrow through a variety of market mechanisms including issuing stock and debentures, direct bank borrowing, accessing the short and long term capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing), the Chief Financial Officer or equivalent takes into account the following:

- Available terms from banks, capital markets and loan stock issuance;
- The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time;
- Prevailing interest rates and margins relative to term for loan stock issuance, capital markets and bank borrowing;
- The market's outlook on future interest rate movements as well as its own;
- Ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/tax/risk limitation compared to the terms and conditions the Northland Regional Council could achieve in its own right;
- Legal documentation and financial covenants together with credit rating considerations.

Treasury Management Policy

The Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong credit rating and manage its relationships with its investors and financial institutions.

3.4 Security

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

Should the Council undertake external borrowing, it is likely that the Council will ultimately need to move to putting in place a Debenture Trust Deed prior to accessing material funding from the external financial markets.

Under a Debenture Trust Deed, the Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act, excluding any rates collected by the Council on behalf of any other local authority. In such circumstances, the security offered by the Council ranks 'Pari Passu' for all stock issued by the Council, including any security stock issued.

Under the Debenture Trust Deed, the Council offers deemed rates as security for general borrowing programmes. From time to time, with prior Council and Debenture Trustee approval, security may be offered by providing a charge over one or more of the Council's assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- The Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Deed.

3.5 Debt Repayment

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

The Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.0 Investment Policy and Limits

4.1 General Policy

The Council is currently a net investor of funds and should apply surplus funds to any debt repayment and internally borrow from special reserve funds in the first instance to meet future capital expenditure requirements, unless there is a compelling reason for establishing external debt. Investments are maintained to meet specified business reasons. Such reasons can be:

1. For strategic purposes consistent with the Council's Community Plan;
2. To reduce the ratepayer burden;
3. The retention of vested land;
4. Holding short term investments for working capital requirements;
5. Holding investments that are necessary to carry out the Council operations consistent with Annual Plans.

The Council recognises that as a responsible public authority, all investments held should be low risk. The Council also recognises that lower investment risk generally means lower returns.

In its financial investment activity, the Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counterparties are acceptable.

4.2 Investment Mix

The Council maintains investments in the following assets, from time to time:

- Equity investments, including investment held in CCO/CCTO and other shareholdings;
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development;
- Financial investments incorporating longer term and liquidity investments;
- Other.

4.2.1 Equity Investments

The Council maintains equity investments and other minor shareholdings.

The Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the Community Plan.

The Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Dividends received from CCO's and unlisted companies not controlled by the Council are recognised when they are received in the Statement of Comprehensive Income.

Any purchase or disposition of equity investments requires the Council approval and any profit or loss arising from the sale of these investments is to be recognised in the Statement of Comprehensive Income.

Any purchase or disposition of equity investments will be reported to the next meeting of the Council.

Unless otherwise directed by the Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then for other capital expenditure as determined by the Council.

The Council recognises that there are risks associated with holding equity investments and to minimise these risks, the Council monitors the performance of its equity investments on a regular basis to ensure that the stated objectives are being achieved. The Council seeks professional advice regarding its equity investments when it considers this appropriate.

4.2.1.1 Equity Investment - Northland Port Corporation (NZ) Ltd

The objective of holding shares in the Northland Port Corporation (NZ) Ltd is to hold an investment asset on behalf of, and for the benefit of Northland that has both strategic and economic significance to the region.

The Council owns a majority of the issued equity capital of the Northland Port Corporation (NZ) Ltd, which is held at cost. Shares are issued at par value as ordinary shares of 25c each. The remainder of the share capital is publicly owned and all shares are listed on the Stock Exchange of New Zealand.

The equity interest in the port is a regionally and nationally significant strategic asset held by the Council on behalf of all Northland residents and ratepayers. The port's activities are integrated with the economic structure of the Northland region. The Council has resolved to retain a majority interest on behalf of Northlanders for the medium term. This investment will be reviewed in terms of its financial contribution and significance to the Council, from time to time.

The Local Government Act 2002 classifies a local authority's shareholding in a port company as a "Strategic Asset" that requires the special public consultative procedure to be adopted and followed before any transfer of ownership or control is made to any person (section 84(3)).

Any purchase or disposition of shares in the Northland Port Corporation (NZ) Ltd requires the Council approval. Any profit or loss arising from the sale of these investments is to be recognised in the Statement of Comprehensive Income.

The investment in the Northland Port Corporation (NZ) Limited is not without risk. Returns to all shareholders are dependent upon the profitability of the company's operations.

Treasury Management Policy

The Council's risk management procedures include:

- Appointing external directors with appropriate expertise to the Board of Directors.
- Appointing the Council's Chief Executive Officer as reporting officer to the Council on matters affecting the company and through him/her, other officers who are appropriately qualified.
- Reviewing the company's strategic intentions at least every three years, subject to the limitations imposed by the Port Companies Act 1988 and the Stock Exchange of New Zealand's listing rules.

4.2.2 Property Investments

The Council holds property investments (including owner occupied land and building, commercial land and buildings, ground leases, land held for development and land and buildings held or acquired for strategic purposes) that are necessary to achieve its operational, investment and strategic objectives as stated in the Community Plan and/or Annual Plan. The Council may also hold and maintain property investments which have been vested to the Council.

The Council seeks to achieve an acceptable commercial rate of return from all property investments held. The determination of an acceptable return must be consistent with the nature of the property investment held. All operational income together with any gain or loss arising from any sale of the Council's property investments is included in Statement of Comprehensive Income. Any gain or loss on sale will be taken to the investment reserve for further investment, unless the Council directs otherwise.

In respect of leasehold land, subject to the powers and provisions conferred under the Local Government Act 2002, Public Bodies Leases Act 1969 and the Property Act 2007, the sale of any ground leases and approval of lease discounts (which may be used to incentivise lessees to adopt short rent review periods) requires Council approval.

Any purchase or disposition of property investments requires the Council approval. Property investments may include, but are not limited to; ground leases, undeveloped land, forestry, commercial and industrial investments. The proceeds from the disposition of property will be used to repay any debt relating to the investment and then taken to the Investment reserve for further investment, unless the Council directs otherwise.

The Council recognises that there are risks associated with holding investment property and to minimise these risks the Council will undertake regular reviews of the property portfolio to ensure stated objectives are being achieved. The Council seeks professional advice regarding its property investments when it considers this appropriate.

4.2.3 Forestry

The Council holds forestry plantations in the Whāngārei district.

The objective of the Council in holding forestry investment is the development, maintenance and protection of the Council's timber plantations, in order to maximise long term revenue whilst meeting the Council's environmental responsibilities. The general policy is to maximise returns while meeting soil conservation, water quality and recreational interests. This policy presumes that harvesting is on a sustainable yield basis in the medium term.

The Council currently owns 524 hectares of plantation and soil conservation forests, all of which are located in the Whāngārei district. Of the total area, 190 hectares remain in native bush.

Any purchase or disposition of forestry investments requires Council approval. Forestry investments may include, but are not limited to; purchase and/or disposition of underlying land and purchase, disposition and harvest of forestry plantation held by the Council. The proceeds from the disposition of property will be used to repay any debt relating to the investment and then taken to the investment reserve for further investment, unless the Council directs otherwise.

The forest is managed and maintained by competent, suitably experienced Council staff or contractors. Where the Council staff do not hold the expertise deemed necessary, the services of a qualified forestry consultant and manager are engaged to manage the Council's forestry interests under contract. Silviculture is carried out in accordance with the forest Management Plan. A forest management plan is to be prepared by the Chief Executive Officer or his delegate in liaison with the Forest Manager or contractor, by 30 June each year. Before a Draft Forest Management Plan is submitted to the Commercial Committee for approval, comments on the Draft Plan are to be obtained from a suitably qualified forestry consultant. The Chief Executive Officer provides the Audit and Finance Committee or similar committee with a report on his stewardship and the state of the Council's forests by 30 June each year.

Revenue risk is mitigated by the Council's ability to defer harvesting and to invest in forestry using a mix of debt, reserve funds and other revenue streams. The forest is fully insured for loss arising from fire or tempest. A significant risk relates to revenue flows upon the commencement of harvesting. Product prices are dependent on world markets and commodity prices as well as the NZD/USD exchange rates. There are presently no proven commodity hedging solutions for log and pulp prices and the Council is prohibited by law from entering into incidental arrangements in foreign currencies.

4.2.4 Financial Investments

For the foreseeable future, the Council will be in a net investment position and until such time that the Council become a net borrower, liquid investment funds will be prudently invested as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest may be credited to the particular fund.
- Internal borrowing will be used wherever possible to avoid external borrowing.

Financial Investment Objectives

- The Council's primary objectives when investing is the protection of its investment capital and maximising returns. Accordingly, the Council may only invest in creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in section 6.3. Credit ratings are monitored and reported quarterly to the Council.
- The Council may invest in acceptable short term debt instruments such as Commercial Paper or Floating Rate Notes (FRN'S) and may make interest rate duration positions using investor swaps. These investments are aligned with the Council's objective of investing in high credit quality and highly liquid assets while allowing for optimal interest rate investments to be made.
- The Council's net investment interest rate profile will be managed within the parameters outlined in section 6.0.

Special Funds and Reserve Funds

Liquid assets are not required to be held against special funds and reserve funds. Instead, the Council will internally borrow or utilise these funds where ever possible.

Through adopting this Treasury Management Policy, the Council supersedes any previous Council resolutions relating to the continued funding or internal borrowing of specific special funds and reserve funds.

Unless otherwise directed by the Council, internal borrowing to/(from) reserves will be undertaken at the internal cost of borrowing. Accounting entries representing interest accrual allocations will be made using the Council's average weighted financial investment portfolio return for that period.

Trust Funds

Where the Council hold funds as a trustee, or manages funds for a trust then such funds must be invested on the terms provided within the trust. If the trust's investment policy is not specified. then this policy should apply.

Treasury Management Policy

5.0 Risk Recognition/Identification/Management

The definition and recognition of interest rate, liquidity, funding, counterparty credit, market, operational and legal risk of Council will be as detailed below and applies to both the liability management policy and investment policy.

5.1 Interest Rate Risk

5.1.1 Risk Recognition

For the foreseeable future, the Council will be a net investor of liquid funds and the following interest rate control limits are designed to manage interest rate risk on the investment portfolio, until such time as the Council becomes a net borrower. Should the Council become a net borrower, the investment interest rate risk control limits will cease to be applicable and the net debt interest rate risk control limits will accordingly apply.

Interest rate risk is the risk that investment returns or funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of projections included in the Community Plan and Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of investment returns or funding costs. Both objectives are to be achieved through the active management of underlying interest rate exposures.

5.1.2 Approved Financial Instruments

Dealing in interest rate products must be limited to financial instruments approved by the Council.

Approved interest rate instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft. Committed cash advance and bank accepted bill facilities (short term and long term loan facilities). Uncommitted money market facilities. Wholesale Bond and Floating Rate Note (FRN) assurance. Commercial paper (CP). NZD denominated Private Placements. Retail Bond and FRN Issues.
Investments	Short term bank deposits. Bank bills. Bank certificates of deposit (CDs). Treasury bills. Local Authority stock or State Owned Enterprise (SOE). bonds and FRNs (senior). Corporate bonds (senior). Floating Rate Notes (senior). Promissory notes/Commercial paper (senior).
Interest rate risk management	Forward rate agreements (“FRAs”) on: – Bank bills – Government bonds Interest rate swaps including: – Forward start swaps (start date <24 months) – Amortising swaps (whereby notional principal amount reduces) – Swap extensions and shortenings. Interest rate options on: – Bank bills (purchased caps and one for one collars) – Government bonds – Interest rate swaptions (purchased only).

Any other financial instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction being approved. All investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- Structured debt where issuing entities are not a primary borrower/issuer.
- Sub-ordinated debt, Junior debt, Perpetual Notes and Hybrid Notes such as convertibles.

5.1.3 Interest Rate Risk Control Limits

Net Debt/Borrowings

The following risk control limits will only be activated once 12 month forecast net debt exceeds $25 million.

The Council debt/borrowings should be within the following fixed/floating interest rate risk control limit:

Master Fixed/Floating Risk Control Limit

Minimum Fixed Rate	50%
Maximum Fixed Rate	95%

"Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

"Floating Rate" is defined as an interest rate repricing within 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the Chief Financial Officer, or equivalent). Net debt is the amount of total debt net of liquid financial assets/investments. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the policy minimums and maximums.

The fixed rate amount at any point in time should be within the following maturity bands:

Fixed Rate Maturity Profile Limit		
Period	**Minimum Cover**	**Maximum Cover**
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	60%

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months.
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, one side of the collar cannot be closed out by itself. Both must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate "in-the-money".
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 1.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.

Financial Investment Portfolio

Financial investments should be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programmes as outlined within the Community Plan. Financial investments will match off against external debt in terms of interest rate risk and duration (gap risk) with the balance being defined as the Net Financial Investment Portfolio (NFIP).

Treasury Management Policy

The following interest rate re-pricing percentages are calculated on the projected 12 month rolling Net Financial Investment Portfolio (NFIP) total. This allows for adjustments in advance of materially changing forecasts. When cash flow projections are changed, the interest rate re-pricing risk profile may have to be adjusted to comply with the policy limits.

Interest Rate Re-Pricing		
Period	Minimum Limit	Maximum Limit
0 to 1 year	40% of NFIP	100% of NFIP
1 to 3 years	0% of NFIP	60% of NFIP
3 to 5 years	0% of NFIP	40% of NFIP
5 to 10 years *	0% of NFIP	20% of NFIP

- To ensure maximum liquidity, should any liquid bond not be available beyond five years then interest rate positioning beyond five years may be made with acceptable financial instruments such as Investor Swaps.
- The re-pricing risk mix can be changed, within the above limits through sale/purchase of fixed income investments and/or using approved financial instruments such as swaps.

Special Funds/Reserve Funds

Given that the Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special / reserve funds. Where such funds are deemed necessary they should be used for internal borrowing purposes when external borrowing is required. This will negate counterparty credit risk and any interest rate gap risk that occurs when the Council borrows at a higher rate compared to the investment rate achieved by special/reserve funds:

- Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, the Council will manage these funds using internal borrowing facilities. Accounting entries representing interest accrual allocations will be made using the Council's average weighted cost of external funds for that period.

Foreign Currency

- Northland Regional Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services and plant and equipment.
- Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts can be used by Northland Regional Council.
- The Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

5.2 Liquidity Risk/Funding Risk

5.2.1 Risk Recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time, at the same, or with more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

The management of the Council's funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level;
- The Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons;
- A large individual lender to the Council experiences their own financial/exposure difficulties resulting in the Council not being able to manage their debt portfolio as optimally as desired;

- New Zealand investment community experiences a substantial "over supply" of Council investment assets;

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occurs, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

Liquidity/Funding Risk Control Limits

- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.
- Term debt and committed debt facilities together with liquid investments, must be maintained at an amount that averages 120% of existing external debt.
- The CEO has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be reported and ratified by the Council at the earliest opportunity.
- The maturity profile of the total committed funding in respect to all loans and committed facilities, is to be controlled by the following system:

Period	Minimum	Maximum
0 to 3 years	10%	60%
3 to 5 years	20%	60%
5 years plus	0%*	60%

* Should the Council's net debt exceed $50 million, this minimum will rise to 15%. A maturity schedule outside these limits will require specific Council approval.

5.3 Counterparty Credit Risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's or Moody's) being A- and above, or short term rating of A2 or above; with the exception of New Zealand Local Authorities, who may be unrated.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

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Treasury Management Policy

The following matrix guide will determine limits.

Counterparty / Issuer	Minimum long term / short term credit rating – stated and possible	Investments maximum per counter-party ($m)	Interest rate risk management instrument maximum per counterparty ($m)	Total maximum per counter-party ($m)
NZ Government	N/A	Unlimited	None	Unlimited
NZD Registered Supranationals	AAA	20.0	None	20.0
State Owned Enterprises [name]	A- / A2	5.0	None	5.0
NZ Registered Bank [name]	A- / A2	20.0	10.0	30.0
Corporate Bonds/ CP [names] *	A- / A2	2.0	None	2.0
Local Government Stock/ Bonds/ FRN/ CP [name] **	A- / A2 (if rated) Unrated	20.0 5.0	None None	20.0 5.0

* Subject to a maximum exposure, no greater than 20% of the NFIP being invested in corporate debt securities at any one point in time.

** Subject to a maximum exposure, no greater than 60% of the NFIP being invested in Local Government debt at any one point in time.

This summary list will be expanded on a counterparty named basis which will be authorised by the CEO.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. Bank Deposits) – Transaction Notional x Weighting 100% (unless a legal right of set-off over corresponding borrowings exit, whereupon a 0% weighting may apply).
- Interest Rate Risk Management (e.g. swaps, FRAs) – Transaction Notional x Maturity (years) x 3%.
- Foreign Exchange – Transactional principal amount x the square root of the Maturity (years) x 15%.

Each transaction should be entered into a reporting spreadsheet and a quarterly report prepared to show assessed counterparty actual exposure versus limits.

Individual counterparty limits are kept on a register by management and updated on a day-to-day basis, with specific approvals made by the Chief Financial Officer, or equivalent. Credit ratings should be reviewed by the FSAIA on an ongoing basis and in the event of material credit downgrades; this should be immediately reported to the Chief Financial Officer, or equivalent and the CEO, and assessed against exposure limits. Counterparties exceeding limits should be reported to the Council.

Risk Management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of counterparties as possible. Where possible, transaction notional sizes and maturities should also be well spread. The approval process to allow the use of individual financial instruments must take into account the liquidity of the market the instrument is traded in and repriced from.

6.0 Measuring Treasury Performance

In order to determine the success of the Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to the Council or an appropriate sub-committee of the Council on a quarterly basis.

6.1 Operational Performance

All treasury limits must be complied with including (but not limited to) counterparty credit limits, dealing limits and exposure limits.

All treasury deadlines are to be met, including reporting deadlines.

6.2 Management of Debt, Investments and Interest Rate Risk

The actual funding cost for the Council (taking into consideration costs of entering into interest rate risk management transactions) should be below the budgeted interest cost and investment returns above budgeted interest rate income.

7.0 Exceptions to this Policy

This Treasury Management Policy will apply to all investment activity undertaken from 1 July 2009. In accordance with the Treasury Management Policy adopted 30 June 2008, the Council may hold legacy investments which may not conform with the revised policy. All non-conforming legacy investments will be transitioned in an orderly fashion, while taking into consideration risk factors and the maturity dates and the cost of (or losses on) redemption. All non-complying investments will be reported to the Council on a regular basis.

In the event the Council receives investments or equity which may be vested or previously held by the Council subsidiaries or associates, which do not conform to the Treasury Management Policy, with the approval of the Council, the investments will be transitioned to meet policy conditions over an orderly period. Consideration will be given to market conditions, risk/return considerations and the maturity dates and the cost of (or loses on) redemption.

Rating Policies

(including rates relief, postponement and Māori freehold land)

Introduction

Rates are assessed under the Local Government (Rating) Act 2002.

Where rates are based on value, the values assessed by Quotable Value New Zealand will apply.

The region's three district councils collect regional rates. The rating information database for each District is maintained by the relevant district council.

Rating Philosophy and Objectives

The Northland Regional Council reviews its rating policies annually and has targeted and differentiated rates, in order to better direct rate funding to those activities suited to either fixed and/or differentiated charges.

The revenue and financing policy sets out the sources of funding applied to activities undertaken by the Council. Where the Council considers there to be an advantage in funding the activity separately from a general funding source, such as general rates, the Council may apply targeted rates. In general terms, the Council may consider applying a targeted rate to better align the rating basis to the activity to be funded or where the distribution of benefits of providing particular activities is attributable to a subset of a community. The application of targeted rates promotes equity, transparency and accountability of funding decisions.

Targeted General Rates

Targeted general rates are set under section 13 and section 16 of the Local Government (Rating) Act 2002 on each rating unit in the Kaipara District and each separately used or inhabited parts of rating units in the Far North and Whāngārei Districts of the Northland region.

The Northland Regional Council levies two targeted general rates, these being the targeted council services rate and the targeted land management rate. Targeted general rates are paid on all rateable properties in the Northland region.

The rates are explained as follows:

a) Targeted Council Services Rate

The Council will fund activities which are carried out pursuant to the Resource Management Act 1991, the Local Government Act 2002, the Maritime Transport Act and Maritime Bylaws and any other activities which are not covered by any other funding source, by a targeted council services rate. The rates revenue is calculated to recover the balance of gross expenditure on expenditure to be funded from this rate, after allowance has been made for the other sources of revenue which include, targeted rates, user fees and charges, grants and subsidies and investment revenue.

The Targeted Council Services Rate will be set differentiated by location, based on the capital value, determined by the certificate of projected valuation of each constituent district in the Northland region. An additional fixed charge will be levied per separately used and inhabited parts (SUIP) of rating units across the Whāngārei constituency to provide revenue to fund the ongoing maintenance needs of the Hātea River channel. This rating policy recognises that a differentiated fixed charge on separately used or inhabited parts of each rating unit (property) links better to democracy and corporate services, regional information and engagement, including education and public advice, resource management planning, transport planning, the public good elements of issuing resource consents, maritime operations and environmental monitoring where the link to land value is weak.

b) Targeted Land Management Rate

The Council will fund those Council activities that are carried out pursuant to the Biosecurity Act 1993, the Soil Conservation and Rivers Control Act and the Civil Defence Emergency Management Act 2002 and implementation of the Resource Management Act, by a land value based targeted rate. General rates revenue is calculated to recover the balance of gross expenditure on expenditure to be funded from this rate, after allowance has been made for the other sources of revenue which include, targeted rates, user fees and charges, grants and subsidies and investment revenue.

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

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value (see page 29). The Council does not apply a differential on this rate.

Targeted Rates

1. **Targeted Rate – Northland Region Recreation Facilities**

   The Council will levy a targeted and differentiated recreational facilities rate of $28.13 (including GST) to each separately used or inhabited part of rating units in the Whāngārei District and $5.63 (including GST) separately used or inhabited part of rating units in the Far North District constituency and $5.63 (including GST) per rating unit in the Kaipara District constituency. These are to be used to develop the intended regional events centre.

   For administrative efficiency, the regional recreational facilities rate and the general rate will be shown as a single amount on the face of the joint regional and district rates assessments issued by the Kaipara District Council and Far North District Council, with the amounts and descriptions of the separate rates shown clearly on the reverse of all assessments.

2. **Targeted Rate – Regional Infrastructure**

   The Council will fund activities relating to the development and/or completion of regional infrastructure projects, beginning with the Marsden Point Rail Link project, from a land based targeted rate.

   This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value (see page 29). The Council does not apply a differential on this rate.

3. **Targeted Rate – Rescue Helicopter Service**

   The Council will levy a targeted rate to provide funding to the Northland Rescue Helicopter Service. The rate is a fixed rate set on a uniform basis across the region.

   The rescue helicopter rate will help provide funding certainty to the Northland Emergency Services Trust who administer the Northland Rescue Helicopter. The Rescue Helicopter Service provides emergency services to the benefit of all Northlanders.

   The rescue helicopter service rate is to be levied as a proposed fixed charge and is to be levied on a uniform basis on each rating unit in the Kaipara District and each separately used or inhabited parts of rating units in the Far North and Whāngārei Districts of the Northland region.

   The application of a targeted rate set on a uniform basis recognises Rescue Helicopter Services has no relationship to land and property values and the service may be accessed equally by all people in Northland.

4. **Targeted Rate – Transport Rate (Whāngārei District)**

   The Council will fund the Whāngārei Bus Passenger Transport Services by setting a targeted rate, set as a fixed charge, levied on each separately used or inhabited parts (SUIP) of rating units in the Whāngārei District.

   The application of a fixed charge levied on each separately used or inhabited parts of rating units in the Whāngārei District recognises the use of bus services is independent of land and property value. The Council recognises the bus service is only provided in urban areas, however the Council considers there to be wider public benefit through reduced roading and parking congestion and reduced vehicle emissions.

5. **Targeted Rate – Regional Growth Programme Rate**

   It is intended, from 1 July 2010, to fund the Regional Growth Programme by way of a new targeted rate based on land value. This rate is subject to further public consultation to take place during the 2010-2011 Annual Plan process.

Rating Policies

This rate is levied on the land value of each rating unit or separately used and inhabited part (SUIP) of a rating unit in the region. The rate is set as a cents in the dollar, per dollar of the actual rateable land value. This varies by district, as it is set and allocated on the basis of projected land value (see page 29). The Council does not apply a differential on this rate.

6. **Targeted Rate – River Management Schemes**

It is intended to fund the implementation of flood risk reduction plans in Northland by levying targeted rates on those properties that benefit from the works.

The Northland Regional Council is working on the development of flood risk reduction river management plans for 23 rivers in Northland that carry the highest level of risk. The Council will then undertake a public process, including consultation with the relevant district councils and affected communities, over the prioritisation and implementation of the completed plans.

It is anticipated that specific catchment works detailed in the completed river management plans will be funded from a further targeted rate levied on those properties that benefit from the works.

The following targeted river management rates have been set in previously financial years and will continue to levied:

a. **Targeted Rate – Awanui River Management Rate**

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

– Urban rate classes UA (floodplain location) and UF (higher ground) differentiated by location (hill/flat land);

– Rural rate classes A to F, differentiated by location as defined in the map of the Awanui River Flood Rating District defined in the Awanui River Flood Management Plan;

– Commercial differential, based on the land uses, excluding farmland, as defined by the Far North District Council, a factor of three times on the rating classes UA, A and B;

– Indirect Benefit, a uniform rate for all rating units in the catchment rating area.

b. **Targeted Rate - Kaihu River Management Rate**

The Council will fund channel maintenance work carried out in accordance with the Kaihu River Flood Management Plan by way of a targeted and differentiated rate based on the level of benefit to land and rating units falling within the Kaihu River Management area. The rate is set differentially as follows:

(i) Class A, land on the floodplain and side valleys downstream of the Rotu Bottleneck, rate is applied per hectare of land;

(ii) Class B, land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck, rate is applied per hectare of land;

(iii) Catchment rate, balance of land within the Kaihu River rating area not falling within class A and class b, rate is applied per hectare of land;

(iv) Urban contribution, a contribution from Kaipara District Council instead of a separate rate per property.

c. **Targeted Rate – Kaeo River Management Rate**

The Council will fund ongoing maintenance of river and stream channels from Taupo Bay through to Te Ngaire, including the Kaeo and Pupuke Rivers and other smaller streams draining to the Whāngāroa Harbour through a fixed rate. The fixed rate is to set on a uniform basis across all rateable properties in the former Whāngāroa Ward. The rate will apply to all properties falling between the Far North District rating roll numbers 100 to 199.

Rates Collection and Rates Postponement and Remission Policies

Rates collection

The Northland Regional Council's rating resolutions will be consistent with the collection agency agreement reached with all Northland territorial authorities to collect the regional rate, in order to minimise the marginal costs of collection. The dates for payment of installments of rates shall be as resolved by the Far North District Council, the Kaipara District Council and the Whāngārei District Council.

Penalties

The Council resolved in 2001 to harmonise its rating policies with those of the Far North District Council so that the rates on any property would be consistently applied. As a result, the Northland Regional Council applies the principle that ratepayers should be treated the same way by both councils in each part of the constituent districts of the Northland region.

Policies for rates relief and postponement

The rates remission and postponement policy of the Northland Regional Council is that of the regions' three district councils who collect the rates on the Council's behalf. Whilst these policies differ from council to council, it would be administratively inefficient to adopt uniform policies across the region and then require each district Council to apply two sets of policies. Specific details in relation to each remission and postponement policy can be obtained by reference to the respective district Council. The intended rates relief policies for the constituent districts of the Northland region that will apply to the regional rates levied in those districts are set out in the following sections of this Rating Policy document.

Far North District Constituency

Introduction

The Local Government Act 2002 and Local Government (Rating) Act 2002 require that if a council wishes to provide for the remission and/or postponement of rates, they must first introduce policies to provide for this through the Community Plan. The Act further provides that amendments to these policies can only occur by way of an amendment to the current Community Plan.

The Local Government Act 2002 also provides that councils must adopt a policy for the remission and postponement of rates on Māori freehold land.

This section of the plan sets out the remission and postponement policies that the Far North District Council has adopted for the period of this plan.

Background

Section 102 of the Local Government Act 2002 requires that the Council adopt a number of funding and financial policies. These include the following:

> **108 – a policy on the remission and postponement of rates on Māori freehold land;**
>
> **109 – a rates remission policy;**
>
> **110 – a rates postponement policy.**

The Council can only grant remissions and postponement of rates in accordance with policies consulted upon and adopted as part of the Community Plan.

The existing policies were first introduced in the 2004 Community Plan, and with exceptions outlined below, the Council intends to retain these policies in the 2009-2019 Community Plan.

Proposed Changes

Policy for the remission of rates

In its Draft LTCCP, Council sought submissions on two potential changes to this policy, firstly in respect of the charging of uniform charges on contiguous properties and secondly in respect of a new policy to provide rating relief to ratepayers who provide coastal access across their land.

Rating Policies – Far North District Constituency

In both instances, Council has agreed to adopt these proposed changes as outlined below.

Remission of Charges on Contiguous Properties (Policy # 04/06)

The Council has recognised that the New Zealand economy is suffering as a result of the influences of the world wide recession. Council wishes to ensure that it encourages, as much as it can, the development of the Far North. For this reason it has agreed to extend the period for which it grants the remission of particular charges on subdivisions or other similar developments for a term of up to six years rather than the current three year limit.

The particular charges that this extension will relate to are those that fund general or community activities such as the Uniform Annual General Charge, Ward Charges etc. It will not apply to charges that fund utility services such as wastewater and water. The reason for the restriction on utility charges is that these services enhance the development potential of the land, and in the case of wastewater, actually allow the developments to occur.

Remission of Rates in Respect of the Provision of Public Access to the Coast (Policy R09/13).

The purpose of this policy is to recognise the importance of access to the coast for residents and visitors to the district. Council acknowledges that much coastline has restricted access and wishes to encourage land owners to provide additional access where possible. This policy option has been designed to provide a limited form of rating relief to recognise the public benefit to be gained from improved access to the coast.

Policy for the Postponement of rates

There are no changes proposed for this policy for the 2009-2019 LTCCP.

Policy for the Remission of Rates (Policy # R06)

Background

The Local Government (Rating) Act 2002 section 85 sets out that a Council may remit rates, including penalties, only if it has adopted a remission policy under section 109 of the Local Government Act 2002.

The policy set out below has been prepared in accordance with the Act. It consists of a number of policy statements each of which deal with specific rate remission requirements.

Definitions

For the purposes of this policy, the following definitions apply:

Occupier – a person, persons, organisation or business entity that is using a rating unit under a formal agreement for a term of not less than ten (10) years.

Ratepayer – under the Local Government (Rating) Act the ratepayer is either the owner of the rating unit or a lessee under a registered lease of not less than 10 years where the lease provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

Policy Statements

Each set of policy statements deals with a different set of remission criteria.

They have all been prepared in the following format. Firstly, a brief background will explain the reason for the policy. This will be followed by a description of the objectives to be met by the policy then a statement of the conditions and criteria that will be used to determine applications in respect of each policy statement.

Policy Statements have been developed to meet the following requirements:

Remissions of Penalties (Policy # R04/01)

Remissions of Additional Penalties (Policy # R04/02)

Remission of Rates on Land Owned or Used by Charitable or Community Organisations (Policy # R04/04)

Remission of Charges on Properties only partly within District (Policy # R04/05)

Remission of Charges on Contiguous Properties (Policy # 04/06)

Remission of Postponed Rates (Policy R04/09)

Remission of Rates on Land that has made Lump Sum Contributions (Policy R04/10)

Remission of Rates on Land Subject to Protection for Outstanding landscape, Cultural, Historic or Ecological Purposes (Policy # R04/11)

Remission of Sewerage Charges on schemes funded by Government Subsidy Schemes (Policy # 06/12)

Remission of Rates in respect of the Provision of Public Access to the Coast (Policy R09/13)

Applications for Remissions in Excess of Those Provided for in the Policies set out below:

Any application for a remission of rates in excess of that allowed under these policies must be made in writing to the Council. It must set out in detail the reasons why the application is being made outside of the policies established under the Local Government (Rating) Act 2002.

The Council is under no obligation to approve any applications that do not comply with the established policies and the Council's decision on the matter is final.

Remissions of Penalties (Policy # R04/01)

Background

From time to time the Council receives requests for remission of rates and penalties on the grounds of financial hardship. The Council recognises the economic hardship faced by some ratepayers and has therefore adopted criteria for considering requests for remission of rates penalties.

Policy Objectives

– To ensure the fair and equitable collection of rates from all sectors of the community,

– To provide the ability to remit penalties on rates where reasonable grounds exist.

Conditions and Criteria

The penalties on rates may be remitted upon written application from the ratepayer, subject to the following conditions:

1. There is evidence of a previous good record of payment, including all installments of rates in the past two years paid on time, a reasonable reason for remission has been supplied, and an honest attempt has been made to have payment delivered on time; or
2. The rating unit has a new owner who has been given insufficient notice of invoice due date; or
3. If a request is made on compassionate grounds and the granting of a remission would extend the Council's "goodwill"; or
4. If there is no cost to the Council, i.e. where, as an action of the Council's revenue recovery process, the remission of penalty results in immediate full payment of arrears.

Remissions of Additional Penalties (Policy # R04/02)

Background

The Council has resolved to make additional penalties of 10% on all rates arrears outstanding at the commencement of each new financial year and at six monthly intervals thereafter.

These additional charges may act as a disincentive to ratepayers agreeing to make formal arrangements for payment of arrears, particularly when they are on limited income and/or facing business downturn.

This policy statement provides that where a ratepayer enters into a Rates Easy Pay agreement to pay outstanding arrears over an agreed period of time, no additional penalties will be charged to the ratepayer subject to their keeping to the arrangement.

Rating Policies – Far North District Constituency

Policy Objectives

– The fair and equitable collection of rates from all sectors of the community.

– To improve the payment of rates by encouraging ratepayers to enter into formal agreements for the payment of rate arrears.

Conditions and Criteria

The additional penalties on a rating unit may be remitted subject to the following conditions:

1. The ratepayer/s must enter into a **Rates Easy Pay** agreement to pay the outstanding arrears on the rate account over a period to be negotiated with the Council, but of not more than two years;
2. The current rates must be paid not later than the penalty date of each installment;
3. In the event that the agreement is not maintained, the Council reserves the right to levy future additional charges.

Remission of Rates on Land Owned or Used by Charitable or Community Organisations (Policy # R04/04)

Background

The previous rating legislation provided that the Council could grant a discretionary remission of rates to certain community and charitable organisations. These provision are no longer contained within the rating legislation, however the Council still wishes to continue to provide these benefits to certain organisations. This policy statement addresses these remissions and refers to particular organisations or classes of organisations that operate for the community good.

Any remission of rates under this policy statement will not apply to rates for the supply of services such as water or sewerage etc. It is of note that the Local Government (Rating) Act 2002 provides for a 100% non rateability of land owned or used by certain categories of charitable and community organisations. In addition, a 50% non-rateability is provided in respect of land owned or used by organisations for sports or any branch of the arts except where these organisations operate a club licence under the Sale of Liquor Act.

For more details on the rateability of this type of land refer to the Local Government (Rating) Act 2002, 1st schedule, Parts 1 and 2.

Policy Objectives

– The fair and equitable collection of rates from all sectors of the community.

– To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.

Conditions and Criteria

The Council may agree to remit up to 100% of the rates payable on land owned or used by charitable or community organisations subject to the following conditions:

1. All applications must be made in writing and provide such financial and other information as the Council may require from time to time.
2. A 100% remission of rates will be granted on Māori Reserves created under the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).
3. Land owned or used by the following organisations will receive a 50% remission of rates other than service charges:
   a. Royal NZ Plunket Society;
   b. Youth Hostel Association of New Zealand Inc;
   c. Order of St John;
   d. New Zealand Scouts Association.
4. From time to time, the Council may decide that the following land may receive a 50% remission of rates other than targeted rates for water, sewerage or other utilities and where appropriate, such land will be assessed rates on the general differential:

a. Land owned or used by such other society or association of persons, whether incorporated or not, whose object or principal object is to promote any purpose of recreation, health, education, or instruction for the benefit of residents or any group or groups of residents of the district;

b. Land that is owned or used by, or in trust of any society or association or persons, to run a camping ground for the purpose of recreation, health, education or instruction, for the benefit of residents of the district,

5. Land owned or used by, or in trust for, any society or association of persons, whether incorporated or not, which is used principally to provide free family counselling, assessment and counselling for people with alcohol and drug related problems may receive up to a 100% remission of rates, other than targeted rates for water, sewerage or other utilities and where appropriate, such land will be assessed rates on the general differential.

6. No remission will be given on any land in respect of which a licence under the Sale of Liquor Act is held.

7. No remission will be given on any land where any member of the society, association, administering body, or governing body receiving any private pecuniary profit from any of the activities carried out on the land.

Remission of Charges on Properties only partly within District (Policy # R04/05)

Background

There are a small number of rating units that are on the boundary between the Far North District and Whāngārei District that incur a Uniform Annual Charge from both Councils.

The previous legislation provided that in these circumstances a pro-rata UAGC may be assessed in respect of the portion of the rating unit that falls within the Far North District.

This provision is not repeated in the new legislation therefore this policy statement has been prepared to achieve a similar effect.

For example, this policy provides that if a property is 75% within the Far North District and 25% in the Whāngārei District that it will only bear 75% of the Far North Uniform Annual General Charge.

Policy Objectives

– The fair and equitable rating of all sectors of the community.

– To provide a fair method of assessing the charges on rating units that are partly within the boundaries of the Far North District.

Policy Statements

This policy will only apply to rating units that are situated across the boundaries of the Far North District and an adjoining district.

Conditions and Criteria

1. Where any property is situated only partially within the district any Uniform Annual General Charge in respect of that rating unit, will be reduced to such proportion of the whole charge as the area of that part of the property which is situated within the Far North District bears to the total area of the property.

Remission of Charges on Contiguous Properties (Policy # R04/06)

Background

This policy statement has been developed to provide for the remission of rates in situations where two or more uniform annual general charges or other selected targeted charges, are assessed on contiguous, separately owned rating units which are being used jointly as a single property or business. In addition, the policy also provides for a limited remission of uniform charges and targeted rates to the original developer of multi lot subdivisions, multi unit commercial developments or multi apartment residential complexes for the periods described below.

Rating Policies – Far North District Constituency

The circumstances where an application for a remission of charges will be considered are:

- A residential dwelling and associated garden and ancillary buildings where the property occupies a maximum of two rating units and those rating units are used jointly as a single property,
- A farm that consists of a number of separate rating units that are either contiguous or are located within a 2 kilometre radius;
- A commercial, retail or industrial business that operates from more than one rating unit where those rating units are contiguous and are used jointly as a single property.
- A subdivision for the period that the individual lots continued to be in the ownership of the developer. This provision has a maximum term of three years in respect of all charges plus an additional term of three years in respect of charges excluding those that are set to fund utility services such as wastewater and water supplies.
- A commercial development consisting of two or more separate rating units, for the period that the individual units remain vacant and continued to be in the ownership of the developer. This provision has a maximum term of three years in respect of all charges plus an additional term of three years in respect of charges excluding those that are set to fund utility services such as wastewater and water supplies.
- A residential development consisting of two or more separate rating units, for the period that the individual units remain vacant and continued to be in the ownership of the developer. This provision has a maximum term of three years in respect of all charges plus an additional term of three years in respect of charges excluding those that are set to fund utility services such as wastewater, water supplies.

For the sake of clarity, the extension of the term of this policy is not retrospective. It will not apply to rating units that are currently receiving the remission under previous versions of this policy. It will not apply to rating units that previously qualified where the term of the original approval has expired.

Policy Objectives

- To enable the Council to act fairly and equitably with respect to the imposition of uniform charges on two or more separate rating units that are contiguous, separately owned and used jointly for a single residential or farming use.
- To deal equitably with the imposition of uniform charges on two or more separate rating units that have resulted from a subdivision to facilitate the development of the District.

Conditions and Criteria

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous, or in the case of a farm, must be situated within a radius of 2 kilometres.
2. The rating units must:
   a) In the case of a residential property, be owned by the same ratepayer who uses the rating units jointly as a single residential property.
      i) It should be noted that lifestyle properties do not comply with this policy,
      ii) There must be some significant development that combines the properties in to one. A vacant section adjoining a residential lot does not comply.
      iii) The individual areas of the rating units concerned must not exceed the size of a typical residential lot.

   b) In the case of a farm, be owned by the same owner, or be leased for a term of not less than ten (10) years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.

c) In the case of a subdivision, commercial or residential development, be owned by the original developer who is holding the individual rating units pending their sale or leasing to subsequent purchasers or lessees.

   i) It should be noted that this remission is limited for a term of three (3) years for all charges and subsequently for a further three (3) years in respect of all charges other than those that are set for the funding of utility services such as wastewater and water supplies.

   ii) It should be further noted that the remission under this clause does not extend to subsequent purchasers.

   iii) The term of this provision will be calculated from 1 July in the year that the rates were first remitted.

3. The Council may, on written application from a ratepayer of such rating units, reduce or cancel any separate uniform annual general charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.

4. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.

5. The Council may also consider reducing or cancelling any targeted charge on such rating units if it considers it to be reasonable in the circumstances to do so.

6. The Council reserves the right to determine that any specific targeted charge will be excluded from this policy.

Remission of Postponed Rates (Policy R04/09)

Background

The Council has adopted a number of policy statements that grant a postponement of rates to ratepayers under certain circumstances. A number of these policies contain a provision that allow the postponed rates to be written off or remitted after a predetermined period, subject to the terms and conditions of the policy being complied with.

This policy statement provides the power for those postponements to be remitted in accordance with the postponement policies.

Policy Objective

– To remit postponed rates that have reached the predetermined age or term as provided for in the rates postponement policies.

Conditions and Criteria

1. The conditions that gave rise to the postponement of the rates must have been fully complied with over the term of the postponement period.

2. Subject to the conditions and criteria being complied with as set out in (1) above, Council will remit the applicable postponed rates without any further applications being required from the ratepayer.

3. This policy statement will only apply to those rate postponement policy statements that provide for the rates to be remitted after a predetermined period of time.

Rating Policies – Far North District Constituency

Remission of Rates on Land Subject to Protection for Outstanding landscape, Cultural, Historic or Ecological Purposes (Policy # R04/11)

Background

The Far North District Council recognises that certain rateable land within the district, both general and Māori freehold land, is protected for outstanding landscape, cultural, heritage or ecological purposes.

In its District Plan, the Far North District Council states "The Council may postpone or remit rates where an area is afforded permanent legal protection through a covenant or reserves status".

Where the land is subject to permanent protection, Council will consider applications for a remission of rates on the land as set out below.

Where the protection is for a finite period, but for a term of not less than ten years, Council has introduced a policy to provide for a postponement of rates for the period that the protection is in place.

Policy Objectives

– To provide for the fair and equitable collection of rates from all sectors of the community.

– To recognise and/or reward the efforts of landowners that have preserved for future generations, lands that have particular outstanding landscape, cultural, historic or ecological values.

Policy Statement

The Far North District Council will consider remitting the rates on land that is subject to one of the protection mechanisms set out in the conditions below.

This policy statement applies to land that is subject to permanent protection under an agreed mechanism and is not used. Where any part of the area that is protected is in use, that part will not receive any rate relief.

Where the entire rating unit is the subject of the application, the remission of rates will apply to all rates levied on the property.

Where part of the rating unit is being used, the used and unused parts will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government Rating Act 2002. In these instances, the remission of rates will only apply to the unused part and will apply only to the land value based rates.

It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of UAGC and other charges will be assessed against the part of the rating unit that is being used

Any remissions on the land will be cancelled immediately in the event that the land ceases to be protected under the agreement.

Conditions and Criteria

Council will consider remitting the rates on the subject land upon written application from the ratepayer, subject to the following conditions:

1. No person must actually be using the land, or the part of land that is the subject of the application, as set out below:

   For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others:

   (1) Leases the land; or

   (2) Does one or more of the following things on the land for profit or other benefit:

      a. Resides on the land;

      b. Depastures or maintains livestock on the land;

      c. Stores anything on the land;

      d. Uses the land in any other way.

   Notes: Notwithstanding the above, work undertaken to preserve or enhance the features covenanted on the land, including weed control, will not impact the "unused" status of the land.

   The removal of traditional medicinal tree and plant material by Iwi for personal use will not constitute actual use of the land).

2. The land must be subject to a formal protection agreement in perpetuity, as set out below and in a form acceptable to Council:
   a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
   b. A conservation covenant under section 77 of the Reserves Act 1977; or
   c. A declaration of protected private land under section 76 of the Reserves Act 1977; or
   d. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
   e. A covenant for conservation purposes under section 27 of the Conservation Act 1987; or
   f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
   g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993).
3. The part of the land for which remission of rates is sought must only be for that area protected by a legal covenant, and must have a nil or minimal value of improvements.
4. The application must be supported by a written assessment of the outstanding landscape, historic, cultural or ecological values of the land prepared by a suitably qualified person or organisation, and a Management Plan detailing how the values are to be maintained, restored and/or enhanced.
5. Council, their duly authorised officers or agents, be authorised to enter and inspect the land from time to time to confirm compliance with the criteria or to request such information as is reasonably necessary to assess the application of the policy.
6. Any remission under this policy will come in to effect on 1 July in the year following the approval of the application.

Remission of Rates in Respect of the Provision of Public Access to the Coast

Background

The Council recognises the importance of the coast to residents and visitors to the Far North. From time to time Council includes a condition in a Resource Consent requiring a land owner to provide public access to the coast.

Council recognises that such a requirement may disadvantage the land owner and therefore will consider applications for rating relief in such circumstances. Any remission under this provision will only apply to the General Rate with the quantum being agreed between the land owner and Council.

As a guide the level of the remission will relate to the area of the land used to provide the access and the total area of the property concerned. Where possible, the access area will be separately valued by Council's valuation service provider and that valuation will form the basis of the remission.

Policy Objectives

– To improve public access to the coast.

Policy Statement

The Far North District Council will provide a remission of rates where the conditions of a Resource Consent require the applicant or land owner to provide public access to the coast across private land.

The amount of the remission will be negotiated on a case by case basis and will depend on the area of land involved, its valuation and any costs that the owner incurs in providing the access.

Conditions and Criteria

This provision will only apply where the conditions of a Resource Consent require the applicant or land owner to provide public access to the coast across private land.

Rating Policies – Far North District Constituency

It does not include the land that is provided in satisfaction of esplanade requirements or other access strips in accordance with rules contained within the Council's Operative District Plan or under the Resource Management Act requirements.

Prior to the granting of any rating relief, the Land Owner and the Council will enter into an agreement that will set out, amongst other things:

- The details of the Resource Consent Conditions;
- The location of the access;
- The times that the access will be available;
- Any requirements for the maintenance of paths, fences or other structures on the access;
- The period or term over which access will be provided.

Subject to a satisfactory agreement being reached, the land owner and Council will jointly agree on the level of rates remission to be granted.

Any remission will cease from the date that the agreement for public access is cancelled or withdrawn.

Policy for the Postponement of Rates (Policy # P04)

Background

The Local Government (Rating) Act 2002, section 87, sets out that a Council must postpone rates, including penalties, if it has adopted a postponement policy under section 110 of the Local Government Act 2002 and the Council is satisfied that the conditions and criteria set out in the policy, are met.

A new provision set out in the Local Government (Rating) Act 2002 provides that a postponement fee based on the cost of funds, together with administrative costs, can be charged to the ratepayer concerned. This fee becomes part of the rate and is added to the postponed rates.

If a postponement fee is not charged, the Council is required to show the cost of the postponement in their accounts as paid on behalf of the ratepayer.

The Council's policy is that, unless otherwise proscribed by legislation, it will charge a postponement fee which will be added to the postponed rates.

The policy set out below has been prepared in accordance with the Act. It consists of a number of policy statements each of which deals with specific rate postponement requirements.

Definitions

For the purposes of this policy the following definitions apply:

Occupier – a person, persons, organisation or business entity that is using a rating unit under a formal agreement for a term of not less than ten (10) years.

Ratepayer – under the Local Government (Rating) Act the ratepayer is either the owner of the rating unit or a lessee under a registered lease of not less than 10 years where the lease provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

Landlocked – For the purposes of this Policy, the definition of landlocked land is that set out in the Property Law Act 1952: – "Landlocked" means land to which there is no reasonable access. Reasonable access includes access from the sea and practical access across adjoining land not owned by the owner of the land concerned.

Person Actually Using Land – For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others: –

1. Leases the land; or
2. Does one or more of the following things on the land for profit or other benefit:
   a. Resides on the land;
   b. Depastures or maintains livestock on the land;
   c. Stores anything on the land;
   d. Uses the land in any other way.

Farmland Postponement Value – a value attributed to land by the Council's valuation service provider which is based on the value of land as farmland:

1. So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial or other non-farming use; and
2. So as to preserve uniformity and equitable relativity with comparable parcels of farmland the valuations of which do not contain any such potential value.

Policy Statements

Each set of policy statements deals with a different set of postponement criteria.

They have all been prepared in the following format. Firstly, a brief background will explain the reason for the policy. This will be followed by a description of the objectives to be met by the policy, a statement of the grounds upon which the postponement will be terminated and finally, a statement of the conditions and criteria that will be used to determine applications in respect of each policy statement. Other matters may be included, where appropriate in particular policy statements.

Policy Statements have been developed to meet the following requirements:

– Postponement of Rates on Land Subject to Protection for Outstanding landscape, Cultural, Historic or Ecological Purposes, (Policy # P04/01).

– Postponement of Rates on Unusable Land (Policy # P04/02).

– Postponement of rates on Landlocked General Title Land (Policy # P04/03).

– Transitional Policy for the Postponement of Rates on Farmland (Policy # P06/04).

– Postponement of Rates on Residential Land (Policy # P04/05).

Conditions and Criteria Applicable to all Postponement Policy Statements

1. All applications must be made in writing and signed by the owner(s) or trustees of the land.
2. The owner must agree to a statutory land charge being entered on the Certificate of Title.
3. As provided for in the legislation, a postponement fee will be calculated and added to the postponed rates.
4. In the event that a rating unit ceases to qualify for a postponement of rates but, in terms of the relevant policy statement, is not required to repay any accumulated postponed rates held against the rating unit, the policy will continue to apply in respect of any fees and charges that continue to be applied pursuant to the policy.

   For the sake of clarity, this provision has been included to ensure that the ratepayer is not required to commence paying any fees and charges that may be applied each year and it provides that these can continue to be postponed until the later of either:

   – *The total postponed rates are repayable by the ratepayer, or*

   – *The total postponed rates are remitted in accordance with the provisions of the policy.*

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Postponement of Rates on Land subject to Protection for Outstanding landscape, Cultural, Historic or Ecological Purposes (Policy # P04/01)

Background

The Far North District Council recognises that certain rateable land within the district, both general and Māori freehold land, is protected for outstanding landscape, cultural, historical or ecological purposes.

In its District Plan, the Far North District Council states "The Council may postpone or remit rates where an area is afforded permanent legal protection through a covenant or reserves status".

Where the land is subject to permanent protection, the Council will consider applications for a remission of rates on the land as set out in the Remissions Policy.

Where the protection is for a finite period, but for a term of not less than 10 years, the Council has introduced a policy to provide for a postponement of rates for the period that the protection is in place.

This policy statement applies to land that is subject to a finite term of protection, but for a term of not less than 10 years.

This policy provides that the Council will postpone, for a period of 10 years, rates, and then remit those rates, on land that complies with the criteria set out in this policy.

This policy applies to land that is subject to protection under an agreed mechanism and is not used. Where any part of the area that is protected is in use, that part will not receive any rate relief.

Where the entire rating unit is the subject of the application, the postponement of rates will apply to all rates assessed on the property.

Where part of the rating unit is being used, the used and unused parts will be separately valued and assessed as separate parts pursuant to section 45 (3) of the Local Government Rating Act 2002. In these instances, the postponement of rates will only apply to the unused part and will apply only to the land value based rates.

It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of UAGC and other charges will be assessed against the part of the rating unit that is being used. The rates postponement will cease to apply and the postponed rates will be repayable if the covenant conditions, and/or the Management Plan objectives are not upheld.

Policy Objectives

– To provide for the fair and equitable collection of rates from all sectors of the community.

– To recognise and/or reward the efforts of landowners that have preserved for future generations, lands that have particular outstanding landscape, historical, ecological or cultural values.

Conditions and Criteria

The rates on the subject land will be postponed upon written application from the ratepayer, subject to the following conditions:

1. No person must actually be using the land, or the part of land that is the subject of the application, as set out below:

   For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others.

2. Leases the land; or

3. Does one or more of the following things on the land for profit or other benefit:

   a. Resides on the land;

   b. Depastures or maintains livestock on the land;

   c. Stores anything on the land;

   d. Uses the land in any other way.

   Notes: *Notwithstanding the above, work undertaken to preserve or enhance the features covenanted on the land, including weed control, will not impact the "unused" status of the land.*

The removal of traditional medicinal tree and plant material by Tangata Whenua for personal use will not constitute actual use of the land).

4. The land must be subject to a formal protection agreement, as set out below and in a form acceptable to the Council, for a finite period of not less than ten (10) years:
   a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
   b. A conservation covenant under section 77 of the Reserves Act 1977; or
   c. A declaration of protected private land under section 76 of the Reserves Act 1977; or
   d. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
   e. A covenant for conservation purposes under section 27 of the Conservation Act 1987; or
   f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
   g. A Māori reservation for outstanding landscape, historic, cultural, or ecological purposes under [sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993)] (this includes covenants registered with Nga Whenua Rahui).
5. The part of the land for which postponement of rates is sought must only be that area protected by a legal covenant, and must have a nil or minimal value of improvements.
6. The application must be supported by a written assessment of the outstanding landscape, historic, cultural or ecological value of the land, prepared by a suitably qualified person or organisation, and a Management Plan detailing how the values are to be maintained, restored and/or enhanced (the Council may be able to assist with this process).
7. That the Council, their duly authorised officers or agents, be authorised to enter and inspect the land from time to time to confirm compliance with the criteria or to request such information as is reasonably necessary to assess the compliance with the policy,
8. Any postponement under this policy will come in to effect on 1 July in the year following the approval of the application.

Termination and Repayment of Postponed Rates

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the land continues to comply with the criteria.
2. The Council will not seek repayment of postponed rates where future postponement is revoked due to the Council changing its criteria for postponement.
3. At the conclusion of the 10 year term, the rates for the first year of the covenant period will be remitted together with all charges for that year. In subsequent years an additional year of the postponed rates will be remitted so that at any time there is a maximum of 10 years of postponed rates held against that rate account.
4. If, at the conclusion of the 10 year term, the owner does not renew the covenant or other agreement for a further term, the postponement will cease to apply to the land in respect of future rates. Any rates that are postponed against the land at that time will not become payable unless the land ceases to comply with the criteria as set out in 5 below.
5. If the land ceases to comply with the criteria set out in the covenant or other agreement, due to a change in use or action by the ratepayer(s), all postponed rates that have not been otherwise remitted, will become immediately due and payable.

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Postponement of Rates on Unusable Land (Policy # P04/02)

Background

From time to time, the Council is approached by the owners of land that has become unusable either for a long period of time, or in perpetuity, as a result of a natural calamity such as erosion, inundation etc.

These owners seek the Council's assistance by way of rating relief for the period that their land remains unusable as a result of the calamity.

Policy Objective

– To provide rating relief to the owners of properties that have become unusable as a result of a natural calamity and where the loss of the property will result in financial hardship to the owner.

Conditions and Criteria

1. All applications must be made in writing and signed by the owner(s) of the land.
2. The application must set out in detail the grounds for the application. This must describe the nature of the natural calamity that has caused the land to be unusable and must give an estimate of the time that it is expected that the land will remain in that state.
3. The application must outline the steps that the owner has taken or will take to return the land to a usable state, or if that is not possible, it must state why.
4. The application must be supported by a report from a Registered Engineer or other similarly qualified expert setting out the reasons why the land has become unusable.
5. The applicant will be required to sign an agreement that the rates will be immediately repayable if the land is made usable during the period of the postponement.
6. The owner must agree to a statutory land charge being entered on the Certificate of Title.
7. The maximum term for the postponement of rates will be five years. At the end of that period, if the land remains unusable a new application will be required.
8. If a second or subsequent application is approved, rates that have been postponed for a period of five years will be remitted.
9. As provided for in the legislation, a postponement fee will be added to the postponed rates.

Termination and Repayment of Postponed Rates

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the land continues to comply with the criteria.
2. Any rates postponed and not remitted under this policy, will become payable as soon as the land becomes usable or at the end of the postponement period, unless renewed.

Postponement of Rates on Landlocked General Title Land (Policy # P04/03)

Background

From time to time, the Council is approached by the owners of general title land that is landlocked by either general title or Māori title freehold land.

These ratepayers claim that they cannot gain access to their land and they are not in a position to remedy this through actions under section 129B of the Property Law Act 1952.

This policy does not include any land that has access from the sea nor any land that has practical access across adjoining land.

This policy has been prepared to cover the exceptional circumstances and will only be applied after all other avenues for access have been explored by the owner.

Policy Objective

– To enable the Council to act fairly and equitably with respect to the rating of landlocked General Title Land, in the same manner as has been provided for Māori freehold title land.

Conditions and Criteria:

1. The application must be made in writing and signed by the owner(s) of the land.
2. The land must be landlocked in the manner as defined above.
3. The application must include a statutory declaration that the land is not being actually used by any person, see definition of "Person Actually Using Land" above and that there is no practical access across adjoining land.
4. The owner must provide evidence that they have taken all steps to obtain access and must show why the provisions of section 129B of the Property Law Act is not available to them.
5. The maximum term for the postponement of rates will be five years. At the end of that period, if the land remains landlocked a new application will be required.
6. If a second or subsequent application is approved, rates that have been postponed for a period of five years will be remitted.
7. The owner must agree to advise the Council if the status of the land changes, if access is obtained, of if any person commences to use the land.
8. The applicant will be required to sign an agreement that the rates will be immediately repayable if the land ceases to be landlocked during the period of the postponement.
9. The owner must agree to a statutory land charge being entered on the Certificate of Title.
10. As provided for in the legislation, a postponement fee will be added to the postponed rates.

Termination and Repayment of Postponed Rates

1. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the land continues to comply with the criteria.
2. Any rates postponed and not remitted under this policy will be immediately repayable if the land ceases to be landlocked during the period of the postponement.

Transitional Policy for the Postponement of Rates on Farmland (Policy # P06/04)

Background

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to section 22 of the Rating Valuations Act.

That section of the Act, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial or other non-farming development.

A number of properties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides the Council with the ability to continue to provide rating relief to certain properties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

THIS POLICY IS A TRANSITIONAL POLICY THAT WILL REMAIN IN FORCE UNTIL THE COUNCIL SO DECIDES OR UNTIL THE LAST AFFECTED PROPERTY NO LONGER QUALIFIES, WHICHEVER IS THE SOONER. NO FURTHER APPLICATIONS WILL BE CONSIDERED UNDER THIS POLICY.

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Policy Objectives

– To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy where Council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

Effect of Rates Postponement Values

The postponed portion of the rates for any rating period shall be the amount equal to the difference between the amount of the rates for that period calculated according to the postponement value of the rating unit and the amount of the rates that would be payable for that period if the rates were calculated on the basis of its actual value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the Council in respect of the rating unit.

Any rates so postponed will, so long as the property continues to qualify for rates postponement, be remitted at the expiration of 10 years from the date at which the postponement was granted.

Each year, a postponement fee will be added to the outstanding balance and will become part of the rates postponed on the rating unit pursuant to section 88(3) of the Local Government Rating Act 2002.

Conditions and Criteria

1. This Postponement of Rates on Farmland (Policy # P04/04) policy is cancelled as from 30 June 2006, except for properties that qualified for and were receiving a postponement of rates at that date subject to the properties continuing to meet the revised conditions set out below.
2. No new applications can be made.
3. For the purposes of this transitional policy the definition of qualifying farmland has been revised as follows:
   a) Farmland means land which is used principally or exclusively for agricultural, horticultural or pastoral purposes but excludes land that is used for forestry, life style or farm park type purposes.
   b) The farming operation must provide the principal source of revenue for the owner of the land who must be the actual operator of the farm.
   c) The area of the land that is the subject of the application must be not less than 50 hectares.
4. It will be the responsibility of the owner to provide sufficient evidence to prove that the land meets these provisions. The Council retains absolute discretion to finally determine and grant a rates postponement.
5. The properties that are the subject of this policy will be identified and the rates postponement values determined by the Council’s Valuation Service Provider and will
   – exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will
   – preserve uniformity and equitable relativity with comparable parcels of farmland the valuations of which do not contain any such potential value.
6. No objection to the amount of any rates postponement value determined under this policy will be accepted by the Council (other than where that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial or other non-farming use)
7. The owner must agree to a statutory land charge being entered on the Certificate of Title of the farmland before receiving a postponement of rates.

Postponement of Rates on Residential Land (Policy # P04/05)

Background

The Local Government (Rating) Act 2002 and the Local Government Act 2002 changed the law on a council's powers to postpone the payments of rates for residential ratepayers. Previously, those rates could only be postponed if the ratepayer proved hardship.

Under the new legislation, a council can adopt whatever postponement policy it chooses so long as it does so through its Community Plan. The legislation includes full powers for a council to recover from individual ratepayers the costs of postponing rates – the financial costs (including but not restricted to the interest the council will have to pay on money borrowed to make up the cash flow shortfall) and the administrative costs of postponement.

Effectively this allows a local authority to be indifferent to whether or not a ratepayer wants payment of rates postponed so long as it is satisfied that any risk of ultimate non-payment can be managed.

For a council wishing to adopt a policy under the new legislation there are four separate matters to consider. These are:

- The objectives (target group / purpose)
- Conditions and criteria
- Duration
- Repayment

Objectives – Target Group / Purpose

Generally, rates bear down most heavily on those ratepayers who are in the low income bracket and who also have the least scope to increase their income. The most obvious group is the so-called "asset rich/income poor" elderly, who may own a debt free home but have difficulty meeting fixed outgoings, especially rates – approximately 65% of older people are mainly dependent on New Zealand superannuation with little or no other income. The next most obvious group is those ratepayers who are beneficiaries or otherwise on low incomes.

For both these groups, rates, especially when they are increasing to meet the cost of investing in areas such as infrastructure renewal or upgrade, may impose a very heavy burden on their disposable income. People in these groups may be significantly better off in terms of quality of life if they can indefinitely postpone the obligation to pay (until they sell the property or die) or, for younger ratepayers for a period whilst they are coping with heavy costs – perhaps establishing a business or, as a single parent, bringing up children. For a council, postponement can provide a means of relieving cash flow pressure on those groups with consequent benefits including, for councils, reducing a source of community resistance to significant rates-based infrastructure funding.

The main issue for a council adopting an indefinite postponement policy is the risk that, when the postponement period ends, accrued rates and charges will exceed the value of the property. As a general statement, the older a ratepayer is at the beginning of the postponement period, the lower the risk.

Both the nature of the problem and the requirements for managing risk suggest a two-part policy. People aged 65 years and over are the largest group under pressure from the obligation to pay rates from limited income. They are also lower risk than younger ratepayers as their life expectancy is shorter. **The policy objective could be defined as giving ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and the Council being satisfied that the risk of loss in any case is minimal.**

For cases where one or more owners (including people occupying a family trust owned property) is aged 65 or older postponement would be available until either sale or the death of whoever was named in the application as occupier(s). The intention is that postponement should be available until the sale of the property or the death of the individual or survivor of the couple named in the application as the occupier(s).

For cases where all the owners are younger than 65 years at the time of application, any postponement would be available for a maximum of 15 years. In these circumstances the intention is to provide a temporary benefit on the grounds of particular hardship. To qualify, the applicant must acknowledge that, at the end of the postponed period, repayment in full will be required and that the applicant must accept a responsibility to do, at that time, whatever is required to make full repayment and resume paying normal rates.

In each case the impact of postponement will be tested by Council as part of its confirmation of eligibility. This will be done by running the details of the

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property concerned through an actuarial model designed to calculate the total rates and accrued charges outstanding at the end of the postponement period and the expected value of the property, in each case using assumptions (inflation, interest rates, rates, life expectancy) developed by the actuary. If it appears that the total of accrued rates and charges could exceed 80% of the expected value of the property, the Council will offer partial rather than full postponement, set at a level that will keep the forecast final total within the 80% limit.

The next question is whether (or to what extent) people whose property is subject to a mortgage should be eligible. Technically, this need not concern a Council as postponed rates have priority over mortgages. In practice, it would not be sensible for a Council to treat the interest of mortgagees in a cavalier manner. It is intended to deal with these by advising applicants that they should seek their mortgagee's approval before proceeding with an application.

Māori Freehold Land

At present, the law does not allow councils to register a charge on Māori freehold land. Accordingly, Māori freehold land is not eligible for the postponement of rates under this policy statement unless and until the law is changed so that councils can register a statutory land charge and can enforce such a charge.

Policy Objective

– To give ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and the Council being satisfied that the risk of loss in any case is minimal.

Conditions and Criteria:

1. Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (whether as a principal residence or as a holiday home). This includes, in the case of a family trust owned property, use by a named individual or couple. People occupying a unit in a retirement village under an occupation licence will be able to apply for postponement of the rates payable by the retirement village on their unit with the agreement of the owner of the retirement village.
2. If a property is in a known hazard zone, the Council has the right to decline to offer rates postponement to the property.
3. The Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast, on a case by case basis, expected equity, when repayment falls due. If that is likely to be less than 20%, the Council will offer partial postponement, set at a level expected to result in final equity of not less than 20%.
4. The property must be insured at the time the application is granted and must be kept insured and evidence of this produced annually.
5. To assist ratepayers who are currently uninsured, the Council is arranging for the development of a group insurance policy to provide all risks cover, with an excess of $10,000. This will achieve cover against catastrophic loss at minimum cost. The premium will be treated as part of the postponement fee and thus come within the postponement arrangements. Once the policy is available, all ratepayers whose rates are postponed under this policy will be required either to have their own insurance, and produce evidence of that to the Council on an annual basis, or to have their properties insured under the group insurance policy.
6. Any postponed rates (under this policy) will be postponed until:
   a) The death of the ratepayer(s) or named individual or couple, (in this case the Council will allow up to 12 months for payment so that there is ample time available to settle the estate or, in the case of a trust owned property, make arrangements for repayment); or
   b) Until the ratepayer(s) or named individual or couple ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's district, the Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied

that there is adequate security in the new property for eventual repayment); or

c) In the case of ratepayers under the age of 65 at the time of application, until a date specified by the Council.

7. The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year to year.

8. The financial cost will be the interest the Council will incur at the rate of the Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include the Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs, a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of independent advice).

   The purpose of the reserve fund levy is to protect the Council and the applicants against the possibility that, in some instances, the proceeds of the sale of a property may not be sufficient to repay accrued rates and charges. Neither the applicants nor the estate will be required to repay any part of a shortfall; instead this will be paid from the reserve fund.

9. To protect the Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained independent person. A certificate confirming this will be required before postponement is granted.

10. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

11. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Termination and Repayment of Postponed Rates

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme to continued postponement of all future rates.

The Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in the Council's rating information database. This will require the ratepayer(s) for that property to pay all future rates but will not require any payment in respect of rates postponed up to that time. These will remain due for payment on death or sale.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

Remission and Postponement of Rates on Māori Freehold Land (Policy # ML04)

Background

Sections 108 and 109 of the Local Government Act 2002 require that all councils introduce policies for the remission and postponement of rates on Māori freehold land.

In compliance with the Act and in recognition that the nature of Māori land is different to General Land the Far North District Council has formulated a policy "The Remission and Postponement of Rates on Māori Freehold Land" to deal with these issues.

Definitions

Māori freehold land – as set out in Te Ture Whenua Act/ Māori Land Act 1993 Part VI section 129(2)(a) means "Land, the beneficial ownership of which has been determined by the Māori Land Court by freehold order, shall have the status of Māori freehold land".

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Policy Goals

To introduce policies that promote the collection of rates from Māori freehold land in order that a fair and equitable collection of rates from all sectors of the community can be achieved.

To recognise that certain unoccupied Māori freehold land may have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.

Principles

The principles used in establishing this policy are:

– That as defined in section 91 of the Local Government (Rating) Act Māori freehold land is liable for rates in the same manner as if it were general land.

– That pursuant to sections 108 and 109 Council is required to adopt a policy for the remission and postponement of rates on Māori freehold land.

– That the Council and the community benefit through the improved collection of rates that are collectable and the removal from the rating debt of that debt which is considered non collectable.

– That applications for remission and/or postponement of rates meet the criteria set by the Council or the Act.

– That the policy does not provide for the permanent remission or postponement of rates on the lands concerned.

– That Council's GST liability in respect of rate arrears is minimised as a result of the mandatory requirement for councils to account for GST on a payments basis.

– That all land that receives the benefit of this policy be included in a Register, the "Māori Land Rates Relief Register" (The Register) and the total amount of the remissions and/or postponements will be separately disclosed in each year's Annual Plan and Annual Report.

Policy Statements

This policy deals with three distinct situations. Policy statement one deals with unoccupied Māori freehold land, policy statement two deals with a situation where unoccupied or previously occupied land may become occupied by a new occupier and policy statement three deals with the postponement of rates on Māori freehold land used for forestry purposes.

General Conditions

– Burden of proof of eligibility is on the owner/s of the property and as confirmed against relevant information, held in Council records.

– Where land is in multiple ownership, a signed statement authorising an individual to act for one or more owners must be enclosed.

– Properties will remain on the Register for a maximum term of three years after which time the owners will be required to make a fresh application for consideration by the Council.

– In the event of the land or any portion of the land being sold within that three year period, a claw back provision applies to enable the Council to recover the rates remitted for the applicable period. This claw back may, at the Council's sole discretion, relate to the whole property or only to that portion of the land that has been sold.

– The Council or duly designated officers are given approval to undertake periodic inspection of land to confirm unoccupied status.

– The Council reserves the right to seek further information e.g. Memorial Schedule of Owners, if Council deems it necessary.

Remission of Rates on Unoccupied Māori Freehold Land (Policy ML04/01)

Background

The Far North District contains large tracts of Māori freehold land which is unoccupied and unimproved. This land creates a significant rating burden on the Māori owners who often do not have the means nor, in some cases, the desire to make economic use of the land. Often this is due to the nature of the ownership or, because the land has some special significance which would make it undesirable to develop or reside on, or is isolated and marginal in quality.

Policy Objectives

- To recognise and take account of the presence of wahi tapu sites of cultural significance or other cultural values that may affect the use of the land for other purposes.
- To avoid further alienation of Māori freehold land as a result of pressures that may be brought by the imposition of rates on unoccupied lands.
- To recognise matters related to the physical accessibility of the land.
- To recognise land that the owners have set aside for non-use because of recognised natural features.
- To recognise situations where there is no person using or gaining an economic or financial benefit from the land.
- To provide the ability to grant remission for the portions of land not occupied.

In general, reasons for placement on the Register and receiving a remission of rates, would include some or all of the following:

- Unoccupied and Unimproved – The land is unoccupied and has no or minimal improvements.
- The Land is Land Locked – much Māori Land is land locked, i.e. does not have legal access to the Council or National Roading Network.
- Fragmented Ownership – Ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. Attempts to contact a majority representation are often painstaking and difficult.
- The land has Particular Conservation Value – Because of their remoteness and inaccessibility, much Māori Land has a high conservation value, which Council or the community may wish to preserve.
- Unsecured Legal Title - Many land titles have not been surveyed. Therefore they cannot be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
- Isolation and Marginal in Quality – The lands are geographically isolated and are of marginal quality.
- No Management Structures – Lands have no management or operating structures in place to administer matters.
- Rating Problems – Because of the above factors there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

Conditions and Criteria

The Far North District Council may, upon receipt of an application in writing from the owners, or authorised agents of the owners, or Council itself acting for the owners of multiply owned Māori land, agree to remit the rates on such unoccupied land for a period not exceeding three years subject to that land complying with the criteria set out below.

1. The land must be Māori freehold Land (as defined in Te Ture Whenua Act 1993 Part VI section 129 as set out above).
2. It must have particular historical, ancestral or cultural significance which marks the land as requiring special treatment for rating purposes.

Rating Policies – Far North District Constituency

3. It must not be used by any person – for the purposes of this policy land will be defined as "used" if any person, alone or with others carries out any of the following activities on the land as set out in section 96 of the Local Government (Rating) Act 2002:
   a) leases the land; or does one or more of the following things on the land for profit or other benefit;
   b) resides on the land;
   c) depastures or maintains livestock on the land;
   d) stores anything on the land;
   e) uses of the land in any other way.
4. The Council will have the sole judgement on whether or not to grant the application and may seek such additional information as they may require before making their final decision.
5. If the status of the land changes so that it no longer complies with the criteria, the Council will immediately remove the land from The Register.
6. The Council expects that any rating relief will be temporary; each application will be limited to a term of three years, however the Council may consider renewing the rate relief upon the receipt of further applications from the owners. The owners shall endeavour to bring the land back into the rating base as soon as practicable.
7. In the event that subsequent applications for rating relief are made by only one or a minority of owners, the Council may require that these are signed or supported by such greater proportion of owners as may be required from time to time. (The purpose of this requirement is to ensure that all the owners of the land are aware that the Council is providing rate relief and to encourage economic use of the land.)

Remission of Rates on Māori Freehold Land Used For the Purposes of Papakainga or Other Housing Purposes Subject to Occupation Licences or Other Informal Arrangements (Policy #MI04/2)

Background

The Far North District Council recognises that occupation licenses or other informal arrangements only provide an interim or temporary right to occupy part or all of an area of Māori freehold land. This right is only available to the licensee or informal occupier and does not create an interest that can be transferred or bequeathed as part of an estate.

This form of occupation is different to an occupation order, which provides a permanent right to occupy an area of land, and can be passed on to future generations.

Occupation licences are generally used to define a specific area of Māori freehold land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori freehold land for a period of time, however has no formal agreement and no rights to permanent occupation.

The occupier of land that is the subject of an occupation license or informal agreement is generally not required to pay any rental to the owners of the land, ie it is not a commercial arrangement.

There is a willingness of occupiers of land that is the subject of these types of arrangements to pay rates in respect of the area of land that they occupy. There is, however a concern that these “parts” may become liable for the UAGC and other non-service related charges assessed on the basis of a separately used or inhabited part of a rating unit.

This policy statement has been prepared to address these issues. It recognises that papakainga and similar housing on Māori Freehold land are generally occupied by members of owners families and no rentals are payable.

The policy is consistent in effect to the treatment of multiple housing on general title land where the separate parts are occupied on a rent-free basis by members of the owner's family.

To assist the occupiers pay the rates of the parts of a rating unit that are the subject of occupation licenses, the Council will issue a separate rate assessment for each part as set out in section 45 (3) and (4) of the Local Government (Rating) Act 2002.

Policy Objectives

– To put in place processes to allow the residents of occupation licences or other informal arrangements to pay their portion of the rates in respect of the land that they occupy, thus reducing the overall rate debt on Māori freehold land.

– To assist Māori to establish papakainga or other housing on Māori freehold land.

– To assist Māori to establish a economic base for future development.

Conditions and Criteria

The Far North District Council recognises that the imposition of multiple UAGCs or other non-service related charges might act as a disincentive to Māori seeking to occupy Māori freehold land for housing purposes.

The Council will consider applications for the remission of multiple UAGCs and other charges, with the exception of those that are set for the provision of utilities such as water, sewerage etc., in respect of separately used or inhabited parts of a rating unit where these are the covered by occupation licenses, or other informal arrangements subject to the conditions and criteria set out below:

1. The land must be Māori freehold Land. (As defined in Te Ture Whenua Act 1993 Part VI section 129 as set out above),
2. The part of the land concerned must be the subject of an occupation license or other informal arrangement for the purposes of providing residential housing for the occupier on a rent free basis,
3. The area of land covered by each arrangement must have a separate valuation issued by the Council's valuation service providers.
4. The application must be in writing signed by the owners and the occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the arrangement.
5. Any remissions will not include rates set for the provision water, sewerage or other services to the separate division of the rating unit.
6. The remission of the UAGC and other charges will remain on the land so long as the arrangement is in force subject to the occupation complying with the conditions and criteria set out above.

(Policy statement added 1 July 2005)

Postponement of Rates on Māori Freehold Land (Policy ML04/03)

Background

The Far North District Council recognises that significant rate arrears can act as a disincentive to any new occupation of the Māori freehold land, where a new occupier could become responsible for the payment of any existing arrears of rates on the land.

It has therefore introduced policies that provide for the postponement of rates in respect of Māori freehold land that is to be used by a new person or persons and the person or persons agree to pay the future rates for such period that they continue to use the land.

This policy provides for the remission of outstanding penalties and the postponement of rate arrears outstanding at the time that the agreement comes into force.

It further provides that in the event that the rates continue to be paid, the postponed rates will be remitted six years after the date upon which they were charged to the land.

Rating Policies – Far North District Constituency

Policy Objective

– To facilitate the development and use of the land for economic use where the Council considers utilisation would be uneconomic if full rates were payable.

Conditions and Criteria

The Far North District Council will agree to postpone the arrears of rates on Māori freehold land subject to the land being continuously used by a new person or persons as defined by section 96 of the Local Government (Rating) Act 2002 and that person or persons agreeing to pay the current and future rates whilst they are using the land, subject to the criteria set out below.

1. The land must be Māori freehold land (as defined in Te Ture Whenua Act 1993 Part VI section 129 as set out above).
2. The application must be in writing signed by the owner/s, or their agent or by the person or persons proposing to use the land.
3. The person or persons proposing to use the land must be a new user or users.
4. The new person or persons using the land must enter in to an agreement in writing to keep the current and future rates up to date whilst they are using the land.
5. All previous installments of the current year's rates must be paid in full within one month of the agreement date or in part payments, by the 30 June of the current year.
6. The Council will have the sole judgement on whether or not to grant the application and may seek such additional information as they may require before making their final decision.
7. An application will only be considered in respect of a new user or users of the land.
8. Pursuant to section 88 of the Act, a postponement fee will be added to the postponed rates.

Termination and Repayment of Postponed Rates

1. Postponed rates will remain as a charge on the property for period of six years from the date on which the rate was assessed, after which time they will be remitted.
2. If the current and future rates are not paid within one month of the due dates the Council reserves the right to reapply the postponed rates to the land.

Rates Deferment to Assist Forestry Development on Māori Land (Policy # ML04/04)

Background

The Far North District Council recognises that there is a need to encourage forestry development on Māori freehold land for the benefit of the owners of the land. While forestry development is a commercial venture undertaken to produce a profit, in the particular case of Māori land, in many cases, the owners do not have the capital to undertake the project. The raising of finance against the land is difficult as lending institutions have problems in obtaining security and charging of the land.

The benefits to the community if development is encouraged are that the owners can receive a direct benefit if the venture is profitable, employment opportunities may be increased, and rates, that may otherwise have been uncollectible, are received by the Council.

Policy Objective

– To provide an encouragement for the development of forestry on Māori freehold land to provide an economic base for the owners, and to assist with the subsequent payment of rates.

Conditions and Criteria

Under this policy, the Far North District Council will postpone rates on Māori freehold land where there is an approved forestry development plan to such time or times that projected revenue is available to meet those rates subject to the following conditions:

1. Applications for rates postponement should be addressed to the Council with documentation meeting the criteria set out in this policy.
2. The land must be Māori freehold land as defined by section 129 of the Te Ture Whenua Māori/Māori Land Act 1993.
3. The land or portion of the land for which postponement is sought must be, in the opinion of the Council, suitable for the development and not being used for any other purpose.
4. There must be a development plan on which the Council can assess the venture. Factors that the Council will consider will be:
    a) That professional advice has been obtained;
    b) That there is a suitable management structure;
    c) That appropriate financial arrangements have been made;
    d) That suitable monitoring and reporting systems have or will be established;
    e) That suitable financial projections and cash flows have been provided;
    f) That provision has been made for the eventual payment of all the postponed rates;
    g) Finally that there is a high probability of success of the project.
5. Regular annual report and financial statement on the development must be submitted to the Council.
6. Security to the satisfaction of the Council must be provided for the postponed rates.
7. All costs in making application for postponement, including the cost of providing security, will be borne by the applicants.
8. That the Council, their duly authorised officers or agents, be authorised to enter and inspect the land or to request such information as is reasonably necessary to assess the application of the policy.
9. Pursuant to section 88 of the Act, a postponement fee will be added to the postponed rates.
10. The degree and period of rates postponement, whether in full or part, will be decided by the Council.

Termination and Repayment of Postponed Rates

1. The date on which any or all postponed rates will become repayable will be agreed between the Council and the applicant and will be required to be set out in the development plan that was provided in support of the application.
2. Postponed rates will be deemed due and payable and will be required to be paid within one month of that date.
3. If default is made on payment of the rates due, the Council may enforce their security.

Kaipara District Constituency

The Government enacted the Local Government (Rating) Act 2002 which replaces the Rating Powers Act 1988. The following rating policies will apply to the Northland Regional Council rates levied and collected by the Kaipara District Council:

Early Payment of Rates (KDC policy 2)

In accordance with sections 54 and 56 of the Local Government (Rating) Act 2002, which empowers Councils to accept early payment of rates, the Council will accept payment in full of all rates assessed in the current or future year on or before the due date for the first installment of the year. Early payment of rates will attract neither a discount, nor interest on the sum paid.

Installments (KDC policy 3)

Rates are payable in six installments. The due dates (which are also the penalty dates) are as follows:

Installment No.	Due Date
One	20 August
Two	20 October
Three	20 December
Four	20 February
Five	20 April
Six	20 June

Penalties (KDC policy 5)

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% will be added by the Council to each installment or part thereof which is unpaid after the due date for payment. Previous years' rates which remain unpaid will have a further 10% added on 10 July each year, and again on 10 January each year.

Postponement for Financial Hardship (KDC policy 7)

Objective

– The objective of this policy is to assist rate payers (including Māori freehold land ratepayers) experiencing financial hardship which affects their ability to pay rates.

Conditions and Criteria

1. Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration for rates postponement for financial hardship.
2. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for financial hardship. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The person entered on the Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).
3. The ratepayer (or authorised agent) must make an application to the Council on the prescribed form (copies can be obtained from the Council Offices, at either Dargaville or Kaiwaka).
4. The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section. The Council will delegate authority to approve applications for rates postponement to the Chief Executive.
5. Before approving an application the Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

6. The Council reserves the full right to have the question of hardship addressed by any outside agency with relevant expertise e.g. budget advisors or the like.
7. Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
8. Any postponed rates will be postponed until:
   – the death of the ratepayer(s); or
   – until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
   – until the ratepayer(s) ceases to use the property as his/her residence; or
   – until a date specified by the Council.
9. The Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs and may vary from year-to-year.
10. The Council reserves the full right to levy additional penalties on a half-yearly basis, on the amount postponed.
11. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.
12. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
13. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

Rates Remission – Extreme Financial Hardship (KDC policy 8)

Objective

– The objective of this policy is to assist ratepayers experiencing extreme financial hardship which affects their ability to pay rates.

Conditions and Criteria

Remission may be given in cases of extreme financial hardship.

1. Extreme financial hardship occurs when the ratepayer has no assets except a low value property which will not realise sufficient funds to pay at least 50% of the outstanding rates, and where the ratepayer relies on supplementary benefits and food banks for day-to-day living. Written confirmation must also be provided from the ratepayer's budget advisor.
2. Only rating units used solely for residential purposes (as defined by the Council) will be eligible for consideration for rates remission for extreme financial hardship.
3. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates remission for extreme hardship. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application.
4. The ratepayer (or authorised agent) must make a statutory declaration to the Council as to their financial circumstances.
5. The Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first 5 paragraphs under this section. The Council will delegate authority to approve applications for rates remission to the Chief Executive.

Rating Policies – Kaipara District Constituency

Rates Remission – Multiple Owned Māori Freehold Land (KDC policy 10)

Objective

– To recognise the impediment to productive use of the land by not providing remission relief, albeit that very strict qualifying criteria applying to remission, in particular to the payment of all future rates and to recognise the requirements of Schedule 11 of the Local Government Act 2002.

Conditions and Criteria

Council will write off arrears of rates and penalty subject to the following conditions:

1. The land is multiply owned Māori freehold land.
2. The land has been unoccupied for the period for which the write-off is requested.
3. The occupier for the period for which the write-off was requested is unknown or cannot be located.
4. The occupier will contract to the Council to keep all future rates paid in full.

Rates Remission – Community, Sporting and other organisations (KDC policy 11)

Objective

– To assist in facilitating the provision of non-commercial (business) community services, and non-commercial (business) recreational opportunities for the residents of Kaipara District.

Conditions and Criteria

Basis of Remission	Full remission or 50% Remission
Public Halls, Libraries, Museums	Full
Wildlife Management Reserve	50%
Sports Clubs	50%
Community Health	Full
Recreation, Health, Education	50%
A & P Society	50%
The Arts	50%

Specific Criteria

Public Halls, Libraries, Museums – Land owned or occupied by, or in trust for, any society or association of persons, whether incorporated or not, and used for the purpose of a public hall, library, athenaeum, museum, art gallery or other similar institution, or not being Māori land within the meaning of the Māori Affairs Act 1958, is land on which a Māori meeting house is erected.

Wildlife Management Reserve – Any lands of the Crown that comprise a wildlife management reserve, wildlife refuge or wildlife sanctuary within the meaning of the Wildlife Act 1953.

Sports Clubs – Land owned or occupied by, or in trust for, any society or association of persons, whether incorporated or not, and used principally for games or sports other than horse racing, trotting, and dog racing.

Community Health – Land owned or occupied by, or in trust for, any society or association or persons, whether incorporated or not, the object or principal object of which is to conduct crèches or to conserve the health or wellbeing of the community or to tend the sick or injured,

Recreation, Health, Education – Land classified under the Reserves Act 1977 as an historic reserve, a nature reserve, a recreation reserve, a scenic reserve, a scientific reserve, Government purpose reserve, or any other type of reserve within the meaning of the Reserves Act 1977, any land being managed pursuant to sections 61 and 62 of the Conservation Act 1987.

A & P Society – Land owned or occupied by, or in trust for or under the control of, a society incorporated under the Agricultural and Pastoral Societies Act 1908 and used by that society as a showground or place of meeting.

The Arts – Land owned or occupied by or in trust for any society or association of persons, whether incorporated or not, and used for the purpose of any branch of the arts, being land that is not used for the private pecuniary profit of any members of the society or association.

Rates Remission – Penalties (KDC policy 12)

Objective

– To provide incentive to those property owners with rates arrears, to eliminate those arrears.

Conditions and Criteria

The Council will grant delegated authority to the management team to waive all accumulative 10% penalties applied on a six month basis in cases where the ratepayer is under budgetary control and/or has entered into an agreement with the Council for payment of rates where the budgetary control and/or agreement is being satisfactorily maintained.

Northland Regional Council Delegation Policy

1. That the Northland Regional Council appoints the Kaipara District Council as its lawful agent for the receipt, approval or dismissal of applications for rates relief under the policies in this part of the Northland Regional Council Rating Policies.
2. That the Northland Regional Council agrees to be bound by the decisions made on rates relief granted by the Kaipara District Council in respect of the policies which apply jointly to the district and regional rates in the Kaipara Constituency.
3. That this policy adopted in 2004 continues in effect on 1 July 2009.

Whāngārei District Constituency

Remission of Some Uniform Annual General Charges and Targeted Rates on Rating Units Which Are:

(a) separately used by one occupier for both business and residential purposes; or

(b) used for residential purposes and which include a separately inhabited part occupied by a dependant member of the family of the owner of the rating unit (WDC policy 1)

Objective

The policy is to provide for the possibility of rates remission where more than one uniform annual general charge and/or targeted rate for specified services is assessed on a rating unit because that rating unit comprises more than one separately used or inhabited part and where either:

(a) the rating unit is separately used by one occupier for both residential and business purposes; or

(b) the rating unit is used for residential purposes and includes a separately inhabited part occupied by a dependant member of the family of the owner of the rating unit.

Conditions and Criteria

The Council may remit the specified rates where the application meets the following criteria:

1. The rating units in (a) above must be occupied (either as owner or lessee) by the same person(s) and separately used by that/those person(s) for his/her or their business and residence; or -
2. The rating units in (b) above must be used as the owner's residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family who is dependent on the owner for financial support (e.g. a granny flat).
3. The owner(s) of the rating unit must complete and provide to the Council a statutory declaration stating that the conditions in either (1) or (2) above apply. Such a declaration will be effective for 3 years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first 3 year period.
4. The rates which may be remitted are as follows:

   (a) for rating units in both **(a)** and **(b)** above, any uniform annual general charge and/or uniform targeted rate for waste facilities and/or any other targeted rate assessed in respect of the rating unit, apart from the first of each; and

   (b) in addition, for rating units in (b) above, any uniform targeted rate for sewerage services assessed in respect of the rating unit, apart from the first.
5. The Support Services Manager or the Rates Manager will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the Council or a committee of the Council if considered appropriate to do so.

Remission of Some Uniform Annual General Charges and Targeted Rates on Rating Units Which Are Rating Units in Common Ownership but do not Meet the Criteria of section 20 (B): used jointly as a single unit (WDC policy 2)

Objective

– To allow the Council to remit any uniform annual general charge or any targeted rate on any rating unit created as a result of subdivision that falls outside the automatic exemption provisions of section 20. To assist property developers with their long term subdivision proposals if it is in the interest of the Council to do so.

Conditions and Criteria

The Council may remit the specified rates where the application meets the following criteria:

1. The rating units must have been created in accordance with the Council's subdivision development requirements.
2. The rating units must be vacant land.
3. The rating units must be in the name of the ratepayer actually subdividing the land.
4. The rates which may be remitted are any uniform annual general charge and/or uniform targeted rate for waste facilities and/or any other targeted rate.
5. The remissions will apply to only the second or subsequent rating units of any subdivision.
6. That the Support Services Manager or the Rates Manager will be given delegated authority to consider any application for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the Council or a committee of the Council if considered appropriate to do so.

Remission of Uniform Annual General Charges and Targeted Rates on Separately Used or Inhabited Parts of a Rating Unit (WDC policy 3)

Objectives

– To allow the Council to remit any uniform annual general charge or any targeted rate on any separately used or inhabited part of a rating unit where common or like occupancies occur or where the separately occupied portions are deemed to be operating as a single purpose unit.

– To allow the Council to remit any uniform annual general charge or any targeted rate on any separately used or inhabited part of a rating unit where special circumstances apply and it is considered fair and reasonable to do so.

Conditions and Criteria

The Council may remit the specified rates where the application meets the following criteria:

1. The Council is satisfied that the separately used or inhabited parts of a rating unit are considered to be a single purpose function.
2. In the case of (1) above remission will apply to all separately used or inhabited parts of the rating unit, apart from the first.
3. The Support Services Manager or the Rates Manager will be given delegated authority to consider applications for the remission of any rates in terms of this policy and to approve or decline them as appropriate. This delegated authority does not preclude any application for remission being referred to the Council or a committee of Council if considered appropriate to do so.

Rating Policies – Whāngārei District Constituency

Discount for Early Payment of Rates in Current Financial Year (WDC policy 4)

Objective

– The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

Conditions and Criteria

1. A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full:

   (i) on or before the due date for the first installment;

   or

   (ii) where an extended date for payment has been granted, on or before the extended date.

2. That the amount of the discount be set each year in accordance with that provided in the Council's Annual Plan.

3. That the Support Services Manager or Rates Manager be given delegated authority to resolve any matters pertaining to the discount provisions of Council policy.

Remission of Penalties (WDC policy 5)

Objective

– The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

The Council may remit the penalty rates where the application meets the following criteria:

1. Remission of penalties will be considered in any rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

3. The Council may remit small balances due to cash rounding or where the balance outstanding is considered uneconomical to pursue.

4. That the Support Services Manager or the Rates Manager be given delegated authority to resolve any matters pertaining to the remission of penalties in accordance with this policy.

Remission of Rates for Community, Sporting and Other Organisations (WDC policy 9)

Objectives

– To facilitate the ongoing provision of non-commercial (non-business) community services and/or recreational opportunities that meet the needs of Whāngārei residents.

– To facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Whāngārei residents.

– To assist the organisation's survival; and

– To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and Criteria

The Council may remit rates where the application meets the following criteria:

1. The policy will apply to land owned by the Council or owned and occupied by a charitable or non-profit organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.
4. The application for rate remission must be made to the Council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
5. Organisations making application should include the following documents in support of their application:
   (a) Statement of objectives;
   (b) Full financial accounts;
   (c) Information on activities and programmes;
   (d) Details of membership or clients.
6. The policy shall apply to such organisations as approved by the Manager Community Enterprises and the Support Services Manager as meeting the relevant criteria.
7. Remission will also be granted in respect of rates referred to in section 9 of the Local Government (Rating) Act 2002 (that is, targeted rates for sewage disposal or waste collection).

Remission will be 50% of property rates and 50% of service charges (as in 7 above). The exception will be public community halls who will receive 100% remission of rates and charges.

Rating Policies – Whāngārei District Constituency

Postponement of Rates – Extreme Financial Hardship (WDC policy 10)

Objective

– To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

Conditions and Criteria

The Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. As a general rule the ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within Whāngārei district for not less than two years.
3. The rating unit must be used solely for residential purposes.
4. The Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
5. The ratepayer must not own any other rating units or investment properties or other investment realisable assets.
6. The ratepayer must make application to the Council on the prescribed form.
7. Even if rates are postponed, as a general rule the ratepayer will be required to pay the first $500 of the rate account.
8. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
9. The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.
10. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

1. the death of the ratepayer(s); or
2. until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
3. until the ratepayer(s) ceases to use the property as his/her residence; or
4. until a date specified by the Council as determined by the Council in any particular case.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title.

The Support Services Manager will be given delegated authority to consider applications for rates postponement and approve or decline them as appropriate. This delegated authority does not preclude any application for postponement being referred to the Council or a committee of the Council if considered appropriate to do so.

Remission and Postponement of Rates on Multiple-Owned Māori Freehold Land (Set in accordance with section 102 (4)(f), section 108 and all matters contained in Schedule 11 of the Local Government Act 2002) (WDC policy 11)

Policy

A postponement or remission of all or part of rates may be granted in respect of multiple-owned Māori freehold land which is unoccupied or unproductive.

Objectives

– To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.

– Where part only of a block is occupied, to grant remission for the portion of land not occupied.

– To encourage owners or trustees to use or develop the land.

– Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.

– Any other matter in accordance with Schedule 11 of the Local Government Act 2002

Conditions or Criteria

1. The land must be multiple-owned and unoccupied Māori freehold land which does not produce any income.
2. A request for rates remission and/or postponement by the owners must include:
   a) Details of the land;
   b) Documentation that shows the ownership of the land;
   c) Reasons why remission is sought.
3. Where, after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
4. If circumstances change in respect of the land, the Council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.
5. The Support Services Manager and the Rates Manager have delegated authority to grant or refuse remissions under this policy.
6. Any appeals against the decision of the Support Services Manager or the Rates Manager will be referred to the Council for final determination.

Rating Policies – Whāngārei District Constituency

Postponement and Remission of Rates on Specific Farmland Properties (WDC policy 12)

Objective

– The objective of this policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

Conditions and Criteria

In this policy, 'farmland' means a property rated under the category of 'rural' in the Council's differential rating system.

The properties will be identified and the rates postponement values will be determined by the Council's Valuation Service Provider in conjunction with a general revaluation.

The rates postponement value of any land is to be determined:

(a) so as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use;

(b) so as to preserve uniformity and equitable relativity with comparable parcels of farmland the valuations of which do not contain any such potential value; and

(c) any determination of rates postponement values to any one or more rating units when such rating units are in the same ownership is conditional upon all such rating units to which rates postponement values are determined remaining in the same ownership so that if one or more of such rating units is sold then all postponed rates on that or those rating units which are sold and all postponed rates on that or those other rating units which are not sold shall become payable.

The Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to the Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.

No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.

Effect of Rates Postponement Values

The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the Council in respect of the rateable property.

Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

Rates Levied before Postponement Values Set

Where the Council has levied rates in respect of any property for any year before the rates postponement value has been determined, the Council may make and deliver to the owner an amended rate assessment for that year.

Additional Charges

No additional charges will apply on any rates postponed under the rates postponement values system.

When Postponed Rates Become Payable

All rates that have been postponed and have not been written off become due and payable immediately on:

(a) any one or more of the rating units which comprise farmland to which rates postponement values have been attributed ceasing to be farmland; or

(b) the interest of the owner of any one or more of the rating units under common ownership where rates postponement values have been determined on such land is transferred to or becomes vested in some person or other party other than:

 (1) the owner's spouse; or

 (2) the executor or administrator of the owner's estate.

For the avoidance of doubt, where rates postponement values have been determined in respect of land comprising one or more rating units in the same or common ownership and any one or more of those rating units either ceases to be farmland or is sold so as to cause rates that have been postponed and not written off to become due and payable then all postponed rates on all rating units in that common or same ownership whether they cease to be farmland or not or whether the interest of the owner in any one or more of those rating units is transferred to or becomes vested in some other person or not shall become payable.

Postponed Rates to be a charge on the Rating Unit

Where the Council has postponed the requirement to pay rates in respect of a rating unit, a charge will be registered on the rating unit under the Statutory Land Charges Registration Act 1928.

Postponement and/or Remission of Rates and Charges on Properties Affected by Natural Calamity (WDC policy 13)

Objective

The objective of the policy is to enable rate relief to be provided where the use that may be made of any land has been detrimentally affected by natural calamity.

Conditions and Criteria

1. All applications must be in writing and should be supported by documentary evidence as to the extent of the damage.
2. The Council may remit wholly, or in part, any rate or charge made and levied in respect of any land affected by natural calamity, where it considers it fair and reasonable to do so.
3. The Support Services Manager will be given delegated authority to consider applications for rate relief and to approve or decline them as appropriate. This delegated authority does not preclude any application for relief being referred to the Council, or a committee of the Council, if considered appropriate to do so.
4. If an application is approved, the Council may direct its Valuation Service Provider (if considered appropriate to do so) to inspect the rating unit and prepare a valuation that will take into account any factor that could affect the use of the land as a result of the natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature, then the Valuation Service Provider's decision will be final.

Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009

Introduction

A Statement of Proposal and the special consultative procedure is required pursuant to sections 83, 86 and 156 of the Local Government Act 2002 in order that several clauses of the **Navigation, Water Transport and Maritime Safety Bylaw Charges 2008**, adopted in June 2008, may be amended and the Bylaw Charges re-adopted.

Section 156 of the Act requires that a bylaw or an amendment to an existing bylaw be made pursuant to the special consultative procedure set out in section 83. That section requires both a Statement of Proposal, and a summary of the information to be prepared, with the summary to be circulated widely and publicly notified. The full Statement of Proposal was made available for public inspection at all offices of the Council during the submission period.

Section 86 requires that a draft of the full bylaw to be amended be included in the Statement of Proposal, setting out the reasons for the proposal and whether a bylaw is an appropriate mechanism pursuant to section 155.

Reasons for the Proposal

It was proposed to increase the fees in Clause 4 Hot Work Permits to reflect the increases labour costs.

It was proposed to increase the fees in Clause 5. Safe Operating Licences to reflect the increases in labour costs.

It was proposed to increase the fees in Clause 7 (a) Pilotage to reflect the increases in compliance, labour and fuel costs associated with the provision of a pilot service for ships visiting the Bay of Islands. It was further proposed to revise the methodology used to determine the pilotage fee from a uniform fixed fee to a fee based on the Gross Registered Tonnage (GRT) of the ship, thus creating a scale of fees reflecting the size of vessels calling into the Bay of Islands.

It was proposed to increase the fees in Clause 9 (b) Special Events to reflect the increases in labour costs.

It was proposed to increase the fees in Clause 8 (b) and 8 (c) Navigation and Safety Services Fee to reflect the increases in compliance and labour.

This bylaw amendment was made pursuant to the bylaw provisions of the Local Government Act for setting fees and charges as mandated by section 684B(h)(i) of the Local Government Act 1974 (Part 39A Navigation), saved in Schedule 18 of the Local Government Act 2002. It is the most cost effective way of recovering the costs arising from the regulation of recreational maritime activities and commercial shipping as appropriate.

The bylaw is as follows:

Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009:

1. These bylaws shall apply throughout the region of the Council.
2. In these bylaws, unless the context otherwise requires:

   "**Maritime facility**" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or pile or swing mooring, whether private, commercial or a recreational public facility.

   "**Owner**" includes:

   (a) in relation to a vessel, the agent of the owner and also a charterer; or

   (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.

3. **Navigation Safety Bylaw Fees**

   For the period specified hereunder and for each year thereafter until amended or superseded by a subsequent bylaw charge, the owner of every maritime facility in the region shall pay to the Council an annual navigation fee fixed herein.

(a)	The navigation fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The Council's Harbourmaster shall determine the number of berths available at any maritime facility.	
(b) (1)	For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less.	$50.00
(2)	For every berthholder not otherwise included herein a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea River, per berth.	$50.00
(3) (a)	For every berth in marinas containing more than 75 berths provided that if the fee is not paid within 60 days of invoice, the fee shall revert to $50.00 per berth.	$40.00
(b)	For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to $50.00 per berth.	$46.00
(4)	Boatsheds, per additional berth.	$50.00
(5)	Community and boating club structures, jetties and private accommodation in the coastal marine area.	$50.00
(6)	Marine farms	$50.00
(7)	High use structures and jetties, marine-related, not more than 300m² in plan area within the coastal marine area.	$300.00
(8)	High use commercial slipways with a maximum capacity of less than 50 tonnes.	$300.00
(9)	High use structures and jetties, marine-related and more than 300m² but not more than 1000m² in plan area within the coastal marine area.	$1,300.00

		GST Exclusive
(10)	High use structures and jetties, marine-related and more than 1,000m² in plan area within the coastal marine area.	$2,300.00
(11)	High use commercial slipways with a maximum capacity of more than 50 tonnes.	$2,300.00
(12)	Commercial vessels operating in Northland harbours not serviced by a port company, as defined in the Port Companies Act 1988.	
(a)	Intra harbour movements between harbours under control of the Council are to be charged half rate out and half rate in at each harbour.	
(b)	Butter, skim milk, buttermilk, whole milk powder casein per tonne	$0.53
(c)	Cement, coal, coke, diatomaceous earth, fireclay, kaolin, gypsum glass (sheet or plate) per tonne.	$1.23
(d)	Phosphate rock, sulphur, potash per tonne.	$1.23
(e)	Gravel, shingle, lime rock, lime, dolomite, serpentine rock, clinker, soda ash. Other manures and fertilisers, silica sand (<80% silica) per tonne or m³ as appropriate.	$1.00
(f)	Meats and fish, fresh, frozen or chilled, other agriculture produce, vegetables, fresh fruit per tonne.	$0.53
(g)	Timber (sawn hewn or in logs) per cubic metre.	$1.16
(h)	Wood ships per BDU. Paper per tonne; wood pulp per tonne.	$1.16
(i)	Bitumen, refining residues, crude oil, naphtha, syngas per 1,000 litres.	$1.60
(j)	Motor spirits, diesel oil, jet fuel, kerosene per 1,000 litres.	$1.54

	GST Exclusive
(k) Refined oil products for overseas export per 1,000 litres.	$0.53
(l) Other sand per tonne.	$0.26
(m) Empty containers.	$13.18
(n) Motor vehicles and trailers up to 4 tonnes per vehicle.	$17.77
Over 4 tonnes per vehicle.	$31.11
(o) Livestock per head.	$1.00

(13) Where any sum becomes due and owing to the Council pursuant to the provisions of bylaw clause (3)(b)(1) and remains unpaid for a period of one calendar month, the Council may remove and hold the facility until such time as the sum owing is paid, together with any expenses incurred in lifting any pile, mooring or movable facility.

4. **Hot Work Permits**

For vessels alongside wharves or at anchor, per permit.	$70.00

5. **Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of flotation and safety equipment, up to one hour.	$70.00

Where inspection time exceeds one hour, the charge shall be at the rate of $70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

6. **Jet Ski Registration Fees**

As resolved and prescribed by the Auckland Regional Council which undertakes this function on behalf of the Northland Regional Council.

7. (a) **Pilotage**

	GST Exclusive
(i) **Inwards/outwards to wharf, Ōpua – per visit**	
Where GRT is greater than 500 but less than 1000	$1,500.00
Where GRT is greater than 1000 but less than 18000	$2,900.00
(ii) **Ships to anchor in Bay of Islands – per visit**	
Where GRT is greater than 500 but less than 1000	$1,500.00
Where GRT is greater than 1000 but less than 18000	$2,900.00
Where GRT is greater than 18000 but less than 40000	$3,400.00
Where GRT is greater than 40000 but less than 100000	$3,800.00
Where GRT is greater than 100000	$4,200.00

(b) **Shipping – Navigation and Safety Services Fee**
Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel

Where GRT is less than 3000	$1.00/GRT
Where GRT is greater than 3000 but less than 18000	$2,900.00
Where GRT is greater than 18000 but less than 40000	$3,200.00
Where GRT is greater than 40000 but less than 100000	$3,500.00
Where GRT is greater than 100000	$4,000.00

(c) **Shipping – Navigation and Safety Services Fee**
Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage

Up to 3000 GRT	$1.00/GRT

Per ship visiting the Bay of Islands when the vessel's GRT is less than 500

Up to 500 GRT	$1.00/GRT

	GST Exclusive
(d) **Shipping – Navigation and Safety Services Fee Per ship visiting Whāngāroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage**	$1,000.00
8. **Navigation and Safety Services Fee**	
(a) North Port Ltd.	$110,000.00
(b) Swing/pile moorings (non consented) outside Marine 4 Management Areas (in addition to the navigation fee),	$75.00
(c) Swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee).	$75.00
(d) For water transport operators not serviced by a port company, at actual time and cost.	
(e) Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.	

9. **Special Events**

Clause 3.10 of the Navigation Safety Bylaw 2007 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

(a) temporarily suspend the application of Clause 3.2 (Speed of Vessels) in that area during the conduct of the race, speed trial, competition or other organised water activity; and

(b) temporarily reserve the area for the purpose of that Activity;

Special Event processing fee.	$140.00

The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.

10. **Hātea River Channel Fees**

User charges to assist with the funding of ongoing navigation safety activities on the Hātea River between Victoria Bridge and Main 4. These activities include the provision of additional aids to navigation and dredging of the Hātea Channel, but do not include dredging the Town Basin Marina consented area.

	GST Exclusive
(a) Individual berths in the Town Basin and Riverside Drive Marinas	$80.00
(b) Individual boatsheds and other structures	$80.00
(c) Individual marina berths at Kissing Point	$80.00
(d) All other individual moorings and marina berths in Whāngārei Harbour	$10.00
(e) Large businesses that derive a direct benefit through improved access to their facility. These are consent numbers; 20040629912, 20050860302, 19950746801, 20050557501 and 19990626203	$800.00
(f) Small businesses that derive a direct benefit through improved access to their facility. These are consent numbers; 20061639201, 19950770401, 20010917502, 19600643101 and 19600659801	$400.00

11. All navigation and other fees specified herein are exclusive of Goods and Services Tax.

12. These bylaw fees shall apply for the period 1 July 2009 to 30 June 2010 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

The bylaws will be sealed, publicly notified pursuant to the Local Government Act 2002 and confirmed at a meeting of the Council on 24 June 2009. Following confirmation, the bylaws will come into force on 1 July 2009.

Charging Policy

Fee Appendices

Charging Policy – Resource and User Fees

Pursuant to:

- The Biosecurity Act 1993;
- The Building Act 2004;
- The Local Government Act 2002;
- The Local Government Official Information and Meetings Act 1987;
- The Resource Management Act 1991; and
- The Aquaculture Reform (Repeals and Transitional Provisions) Act 2004

1. Introduction

The Resource Management Act 1991 and the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 authorise the Northland Regional Council to fix resource consent charges relating to the Council's functions and responsibilities under the Act. Charges may be set as specific amounts, as a scale of charges or as formulae. The Council has chosen to use a combination of these approaches. Section 36(1)(c) of the Resource Management Act, provides for the charging of fees to recover costs associated with:

- the administration of resource consents;
- the supervision of resource consents; and
- monitoring – the gathering of information necessary to effectively monitor both the state of the environment and the resource consents that have effect in the region.

Additionally, costs are recoverable under the Building Act 2004 for building consents relating to the coastal marine areas, the bylaw charging provisions of the Local Government Act 2002, and the Council's Navigation Safety Bylaws. Costs may also be recovered under the authority of the Biosecurity Act 1993, the Local Government Act 2002, and under the Local Government Official Information and Meetings Act 1987.

The Council's Charging Policy defines fees and charges for the following classes:

(i) The Building Act 2004.

(ii) The Biosecurity Act 1993:

- Cost recovery schedule for Northland Regional Pest Management Strategy for Nassella Tussock.

(iii) The Local Government Act 2002:

- Inspections, investigations and/or environmental incidents.
- Management charges for laboratory and miscellaneous services.
- Navigation and safety activities.
- Inspections of dairy farms operating under the permitted activity rules for discharges to land.

(iv) The Local Government Official Information and Meetings Act 1987:

- Information charges.

(v) The Property Law Act 2007

(vi) Navigation Water Transport and Maritime Safety Bylaw Charges.

(vii) The Resource Management Act 1991:

- Application fees for resource consents and certificates of compliance.
- Application fees for preparing or changing a policy statement or plan.
- Resource consent annual management and monitoring charges.
- Additional supervision charges for investigation of potential non-compliances and non-compliance with consent conditions.
- Charges set by regional rules.
- Applications for offsite farms and reviews of deemed coastal permits for marine farms pursuant to the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

The Council reviews its schedule of charges each year to provide for the recovery of the costs associated with the inspection and mitigation of adverse environmental impacts arising from the agricultural and industrial sectors.

The Council's Revenue and Financing Policy allocates the costs of monitoring various consents and classes of consents that will be recovered from consent holders. The funding targets and criteria set out in the Revenue and Financing Policy have been incorporated into the Charging Policy. The Northland Regional Pest Management Strategies provide a schedule of cost recovery for certain works.

The Resource Management Act consent classes include permits to take water, permits to discharge contaminants to air, land or water; land use consents, coastal permits, and building consents in the coastal marine area. The major types of consent classes and criteria for charging purposes are as follows:

Discharges to Water (including):

- major industries
- major effluent discharges
- refuse landfills
- timber treatment plants

Other Water Permits

Discharges to Air

Coastal (including):

- moorings, jetties and structures
- marinas
- slipways and maintenance facilities
- major coastal activities

Land Use Consents

Environmental Incidents

Management charges for labour, laboratory services, supply of information and the Council plant and equipment are detailed in Appendix 16. The Council delegates the right to vary these charges to the Department Managers as may be required, from time to time. (Resolved 8 December 2004).

2. General Policies and Principles

2.1 General Principles

The principles which apply to the charges set out in the Charging Policy document are based on the requirements of section 36 of the Resource Management Act 1991; section 77 of the Biosecurity Act 1993, sections 53 and 243 of the Building Act 2004, section 13 of the Local Government Official Information and Meetings Act 1987, section 227(2) of the Property Law Act 2007 and the Local Government Act 2002 – as set out below:

- **Democratic Process**

  The Council's role as a local authority is recognised. Thus, the costs associated with the political process are not charged directly to resource consent users.

- **Cost Recovery**

  The scale of annual charges is in some cases based on the full costs of the Council's supervision role plus a share of the costs of its state of the environment monitoring role.

  Actual and reasonable costs will be recovered from resource users and consent holders where the use of a resource directly occasions costs to the Council. A contribution from the general rate meets a share of the cost where the community benefits from environmental monitoring.

- **Consistency**

  Charges will not vary greatly within classes and within the context of the scale of the activity, except where environmental incidents and non-compliance with consent conditions incur additional supervision costs.

- **Equity**

  Costs will be recovered on an equitable basis, with charging criteria applied consistently across the region. Classes of users will share the costs attributable to that class.

- **Simplicity**

  The system of establishing charges will be kept as simple and as economically efficient as possible.

- **Resource Use**

  The charges will reflect preferred resource use practices which as a consequence will require less work to be undertaken by the Council.

2.2 Time Period

The policies, formulae and charges set out in this document apply each year from 1 July to the following 30 June, or until replaced by new charges adopted during the Annual Plan special consultative procedure as prescribed by the Local Government Act 2002.

2.3 Performance

With regard to all application fees and amounts specified in this document, the Council need not perform the action to which the charge relates until the charge has been paid in full [Resource Management Act, section 36(7)].

2.4 Remission of Charges

The Council may remit any charge referred to in this document, in part or full, on a case-by-case basis, and at its absolute discretion. [Resource Management Act, section 36(5).]

2.5 Goods and Services Tax

The charges and formulae outlined in this document are exclusive of GST, except where noted otherwise.

2.6 Debtors

All debtors' accounts will be administered in accordance with this policy and outstanding debts will be pursued until recovered. Account offset will be considered on merit in situations where the Council is indebted to the same person.

2.7 Regulations

The Council will apply Crown charges, which may be set from time to time by Order in the Council (Regulations). [Resource Management Act, section 36(1)(g).]

2.8 General Policies for Charges

The general policies for charges are set out in the Annual Plan, which is adopted following the Special Consultative Procedure prescribed in the Local Government Act 2002. In the case of fees for annual charges and consents applications, the policies are as follows:

(i) The annual charges shall apply from 1 July to the following 30 June each year, or until amended by the Council.

(ii) Account offset will be considered on merit in situations where the Council is indebted to the same person.

(iii) Where compliance monitoring charges are expected to equal or exceed $1,000 (GST exclusive), the consent holder will generally be invoiced the actual costs of monitoring during the progress of the work, once costs have exceeded a prescribed sum (refer section 4.2.5).

(iv) Where any resource consent for a new activity is approved during the year and will be liable for future annual charges, the actual costs of monitoring activities will be charged to the applicant subject to Clause (vi). Consents for activities in the Coastal Marine Area are also subject to the Navigation Water Transport and Maritime Safety Bylaw Charges.

(v) A minimum fee of $75.00 will apply to all significant recoverable charges (except for the Navigation Safety Bylaw fees) other than for new consents granted after 1 March each year when the minimum fee will be waived for the remainder of that financial year.

(vi) In any case where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not ongoing, then the associated annual charge will be based on the actual costs of monitoring activities to the date of expiry or surrender, subject to Clause (v) and also administrative/monitoring costs incurred as a result of the expiry/surrender of the consent.

(vii) Where a resource consent expires during the course of the year but the activity or use continues and requires a replacement consent, then the annual charges will continue to be applied.

(viii) Where non-compliance with resource consent conditions is encountered, or unprogrammed additional monitoring is necessary, the costs will be recovered, in addition to the set annual fee.

(ix) Bonafide community organisations that own community structures in the coastal marine area, which are available for unimpeded public use free of charge; or consent holders undertaking activities for the principal purposes of enhancing the natural environment, may apply to the Council to waive the annual charges, and the Council may remit all or part of the user fees, pursuant to section 36 of the Resource Management Act.

(x) Upon application and the approval of the Chief Executive Officer, all or part of the Council's user charges for structures in the coastal marine area or activities undertaken for the purposes of protecting or enhancing the natural environment, may be remitted where cases of genuine hardship are proved.

3. Application Fees

3.1 Introduction

This part of the document deals with application charges in respect of two areas:

- applications for the preparation or change of a policy statement or plan;
- applications for resource consents, for the review of resource consent conditions, building consents and project information memoranda.

The Resource Management Act allows the Council to fix charges for the carrying out of its functions in respect of applications.

3.2 Prepare or Change a Policy Statement, Plan or Invited Private Plan Change

Any person may apply to the Council for the preparation of, or change to, a regional plan. Any Minister of the Crown, or any territorial authority of the region may request a change to a policy statement.

The Council may invite Private Plan Changes (section 165Z RMA) to establish one or more Aquaculture Management Areas (AMA) in the Regional Coastal Plan for Northland.

On receipt of an application, the Council must assess it and either agree to proceed with further work on the matter raised or decline the request. This decision will be made within a maximum period of sixty working days of receiving the request, receiving all required information or any report commissioned or after modifying the request, whichever is the latest.

The actual and reasonable costs of an Invited Private Plan Change will fall on the applicant for the Plan Change.

In other cases, when considering whether costs should be borne by the applicant, shared with the Council, or borne fully by the Council, the following will be taken into account:

- the underlying reason for the change; and
- the extent to which the applicant will benefit; and
- the extent to which the general community will benefit.

For the receipt and assessment of any application to prepare or change a policy statement or plan, actual and reasonable costs will be recovered. The charging policies are outlined below:

(i) All applicants will be required to pay a deposit of $6,000.00 plus GST based on the expected costs of receiving and assessing the application, up to but not including the costs of public notification.

Actual and reasonable costs based on an hourly rate, mileage and disbursements will be included in the deposit.

Any additional costs incurred in processing the application will be invoiced to the applicant.

For Invited Private Plan Changes, where more than one AMA is being sought in the Plan Change, the deposit of $6,000.00 plus GST shall be made for each AMA sought.

(ii) For any action required to implement a decision to proceed with the preparation or change to a policy statement or plan, a deposit of $3,000.00 plus GST shall be made for the costs of public notification. This will be followed by a case-by-case assessment of where the costs should fall. Any costs charged will be invoiced monthly from the date of public notification.

Prior to public notification, an estimate of total costs will be given to the applicant. The applicant will have the option of withdrawing the request on receipt of notice of the estimated costs.

Withdrawn requests are subject to payment of the actual and reasonable costs of relevant work completed to the date of withdrawal.

Labour (standard charge rates includes mileage)	Cost per Hour
■ Policy Analyst	$70.00
■ Policy Specialist	$85.00
■ Senior Programme Manager	$105.00
■ Manager	$135.00

3.3 Resource Consents and Building Act Applications

Applicants will be charged for the actual and reasonable costs, including disbursements, of receiving and processing applications for resource consents, building consents and project information memoranda. These costs will include:

(i) Staff Costs - Officers' actual recorded time, charged at the relevant hourly rate in the table of Consents Staff Hourly Processing Rates in Appendix 1. These rates are derived from actual employment costs plus a factor to cover administration and general operating costs.

(ii) **Hearings** – The costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and Committee Members' fees or the actual costs of independent commissioners at formal hearings will be charged.

(iii) For applications relating to restricted coastal activities, the applicant will also be charged the Council's costs of the Minister of Conservation's representative. Charges relating to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.

(iv) **External costs** including disbursements will also be charged; for example advertising, legal and consulting advice, laboratory testing, hearing venues and incidental costs.

(v) All applicants for a resource consent will be required to pay a minimum fee/deposit on application as set out in the schedule of Minimum Application Fees/Deposits in Appendix 1 of the Charging Policy. Prior to consideration of the application, the Chief Executive Officer is authorised to require an additional fee/deposit of up to $20,000 for complex applications.

(vi) The costs of processing applications to change, cancel or review consent conditions under sections 127 and 128 of the Resource Management Act 1991 and sections 10, 20, 21 and 53 of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004.

(vii) All applications for a project information memorandum and a building consent, as well as the issuing of notices to rectify, will be subject to a minimum estimated charge as set out in Appendix 2.

(viii) Charges for Building Act functions other than the issuing of project information memoranda and building consents, will be charged a set fee per individual element, or on the basis of actual and reasonable cost, as set out in Appendix 2. These functions include the issue of compliance schedules, requests for information on building consent applications, extension of valid term, actions re dangerous buildings, inspections and technical processing.

(ix) Withdrawn applications are subject to the minimum fees set out in Section 2.8(vi), Appendix 1 or Appendix 2 as appropriate, or the actual costs of the work completed to the date of withdrawal (whichever is greater).

(x) All processing costs which exceed the application deposit may be progressively charged on a monthly basis. [Note: section 36(7) of the Resource Management Act 1991 and 243 of the Building Act 2004.]

(xi) Applications for consents may incur any additional Crown charges or levies as prescribed in relevant legislation or Regulations fixed from time to time.

Appendix 1 lists the minimum charge for resource consent applications and Consents Staff Hourly Processing Rates.

Appendix 2 lists the standard charges under the Building Act 2004.

4. Resource Consent Holder Charges

4.1 Introduction

Under section 36(1)(c) of the Resource Management Act, the Council may charge for costs associated with the:

(a) administration, supervision and monitoring of resource consents; and

(b) for carrying out its resource management functions under section 35 of the Act.

Administration covers how the Council records and manages the information it has on the resource consents it grants. The Council is obliged to keep "records of each resource consent granted by it" under section 35(5)(g) of the Act, which must be "reasonably available [to the public] at its principal office" [section 35(3)] of the Act. The Council keeps this information on hard copy files and electronic databases. The costs of operating and maintaining these systems are substantial.

The minimum fee recovers some of the costs of the administration of resource consents.

Supervision covers functions that the Council may need to carry out in relation to the ongoing management of resource consents. This can include the granting of approvals to plans and other documentation, review and assessment of self monitoring results provided by the consent holder, provision of monitoring information and reports to consent holders, meetings with consent holders relating to consent compliance and monitoring, and participation in liaison and/or peer review groups established under consent conditions or to address issues relating to the exercise of resource consents.

Monitoring is the gathering of information to check consent compliance and to ascertain the environmental effects that arise from the exercise of the resource consents. The Council is obliged to monitor "the exercise of the resource consents that have effect in its region" under section 35(2)(d) of the Act.

In determining charges under section 36 of the Resource Management Act, the Council has given consideration to the purpose of the charges and the Council's functions under the Act. It is considered that consent holders have both the privilege of using resources and responsibilities for any related effects on the environment. It is the Council's role to ensure that the level of effects is managed, monitored and is acceptable, in terms of sustainable management and the community's values. The annual charges for the administration, monitoring and supervision of resource consents are based on the assumption that those consents will be complied with and exercised in a responsible manner.

Annual resource consent management charges will be based on a set minimum fee, plus charges for consent supervision and/or monitoring undertaken by Council staff, and where appropriate, a portion of costs associated with State of The Environment monitoring of resources used by consent holders, e.g. the costs of running the Council's hydrological sites, water quality monitoring networks and associated surveys such as macro invertebrate and fish monitoring. This particularly applies to water take consents, both surface and groundwater, and marine farms.

4.2 Annual Charges

4.2.1 Basis of Charges

The charges reflect the nature and scale of consented activities. In general, those activities having greater actual or potential effects on the environment require greater supervision and monitoring from the Council. In setting these charges, the Council has duly considered that their purpose is to recover the reasonable costs in relation to the Council's administration, supervision and monitoring of resource consents and for undertaking its functions under section 35 of the Resource Management Act. The estimated full costs of the Council's supervision role and planned monitoring of consents will be recovered.

In respect of the Council's administration role a standard minimum annual charge will apply to cover some of the costs of operating and maintaining its consents-related information systems.

Where appropriate, a proportion of the costs of **monitoring the state of the environment** (section 35(2)(a)) is incorporated in the charge to the consent holder. In such cases, the Council has had particular regard to section 36(4)(b)(iii), ie, the extent that the monitoring relates to the likely effects of consent holder's activities or the extent that the likely benefit to consent holders exceeds the likely benefit of the monitoring to the community. The costs to the Council associated with this activity may be shared between consent holders and the community. This recognises that there is value and benefit to the community of work the Council undertakes with respect to monitoring the state of the environment. In the Council's judgement this is a fair and equitable division.

In relation to swing/pile moorings within the Marine 4 Management Areas which meet the permitted activity criteria, the costs of providing Council services will be recovered through the Navigation and Safety Bylaw Charges outlined in section 10.

In relation to swing/pile moorings outside the Marine 4 Management Areas without consent (non-consented), costs will be recovered through the Navigation and Safety Bylaw until consent is gained. Application for consent must be in accordance with the Council's programme for applications.

Under section 36(1), these charges "shall be either specific amounts or determined by reference to scales of charges or other formulae fixed by the (Council)". The Council has fixed charges by all these methods in the past.

Specific amount fees are not often charged for larger activities and the preferred method is to apply the formulae specified in section 4.2.3 to determine the expected costs of both scale fees and the expected costs of monitoring larger consents as outlined in the appendices.

4.2.2 Resource User Charges

Many water resources in Northland are highly allocated and are under increasing pressure. It is difficult to assess the natural flows/levels of water bodies as there is limited data available on water use and flows/levels in some high allocation areas.

In order to address this issue, and central governments Sustainable Water Programme for Action initiatives, a Sustainable Water Allocation Plan is being prepared which requires further resourcing by the Council to give effect. Such work provides benefit to both the community and water users together. Much of the information provided by Council's current hydrometric network will provide an initial basis for this work. As such, a part of the cost of running this network shall be recovered from water users through a resource user charge.

The details of this charge are outlined in Appendices 3 and 15.

The "resource user charge" for hydro electric companies should be considered on a case by case basis due to the size and complex nature of their takes.

4.2.3 Scale Charges

Scaled charges are attributed to consents for minor to moderate activities and the charge reflects the costs of administering and monitoring that class of consent and/or the actual and/or potential effects of the activity. The latter will reflect the resource affected by the consented activity. Scale charges relate to the following "classes" of consents:

- Water takes fee scale; (Appendix 3)
- Minor to moderate discharges to air and water and small to moderate scale discharges to land, and land use activities including quarries; (Appendix 4)
- Farm dairy effluent discharges; (Appendix 5)
- Coastal structures (post construction or installation); (Appendix 6)
- Coastal structures (construction or installation phase); (Appendix 7)
- Land use consents for boating-related structures in waters upstream of the coastal marine area (post construction) ; (Appendix 8)

4.2.4 Large Scale Activities

Consents that do not fall into the classes listed in section 4.2.3 will be for larger scale activities or activities with high potential adverse effects (estimated compliance monitoring costs of $1,000 and over per year inclusive of GST). In most cases, these consents will generally be subject to comprehensive monitoring programmes, regular inspections and involve routine sampling and testing or audit monitoring functions, or contribute towards the costs of the Council's State of the Environment Monitoring as is the case for many of the larger water take consents. Large scale activities may require more monitoring inspections. As the sampling and testing requirements for these consents will vary so will the costs incurred by the Council to carry out those monitoring programmes.

Annual charging for the monitoring of these consents is calculated using the following formulae and/or the actual and reasonable historical costs:

Labour (staff time) + Sampling and Testing Costs + Monitoring Equipment Costs + Administration Fee + SOE Monitoring Charge/Resource User Charge = Annual Charge

Labour (standard charge rates includes mileage) — **per Hour**

- Monitoring **Technician/Administrator** $60.00
- Monitoring Officer Scale 1 $70.00
- Monitoring Officer Scale 2 $75.00
- Monitoring Officer Scale 3 $85.00

- Senior Monitoring Officer Scale 1 $95.00
- Senior Monitoring Officer Scale 2 $105.00
- Manager $135.00

Sampling and Testing Costs

- Internal Costs per Clause 2.1-2.7
- External Costs at cost

Monitoring Equipment Costs

Generally applied to consents where special equipment has been installed to monitor those consents. For example, hydrometric stations on rivers from which water is taken for irrigation purposes, water quality monitoring sounds and/or automatic sampling equipment.

Administration Fee

Per consent or consent "package" $75.00

State of the Environment Costs

Where appropriate, the addition of a specified amount contributing towards the recovery of costs incurred by Council as part of its State of the Environment monitoring and/or the hydrometric network.

The estimated monitoring costs are then rounded to an appropriate sum which becomes the expected annual charge. These formulae and the historical cost data of monitoring like consents provides a reasonable estimate of the actual costs of monitoring consents each year and will be used to provide the expected costs of monitoring in the forthcoming years. These expected costs of monitoring are itemised in the fee schedules included in appendices outlined below:

- Major Industries (Appendix 9)
- Timber Treatment Plants (Appendix 10)
- Major Effluent Discharges (Appendix 11)
- Refuse Landfills (Appendix 12)
- Large Scale Discharges to Air (Appendix 13)
- Major Coastal Activities (Appendix 14)
- Water Takes with High Potential Effects (Appendix 15)

4.2.5 Additional Supervision Charges

Introduction

The annual consent charges outlined in section 4, above, are based on the assumption that the consents they relate to will be complied with and exercised in a responsible manner, and recover the cost of work undertaken each year by the Council in the administration, monitoring and supervision of those consents.

The purpose of additional supervision charges is to recover costs of additional supervisory work that is required to be undertaken by Council when people, including consent holders, do not act in accordance with consents or Council's rules relating to resource use.

Additional supervision charges relate to those situations where:

- consent conditions are not being met or adverse effects are resulting from the exercise of a consent; or
- unauthorised activities are being carried out.

Procedure

When consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to abatement notices, infringement notices, enforcement orders or prosecutions.

Calculation

Charges for additional supervision will be calculated on an actual and reasonable basis.

The costs that make up the charge will include:

- labour costs and officers' actual recorded time spent, including travel time, in following up the non-compliance matter or unauthorised activity (charged at the appropriate hourly rate listed in section 4.2.3); plus
- any sampling and testing costs incurred; plus

- any equipment costs (excluding vehicle running costs) associated with the monitoring of the non-compliance; plus
- any external costs incurred (e.g. external consultants, hire of clean-up equipment).

For consent holders only, no additional supervision charge will be applied where the annual charges for their consents are sufficient to cover the costs incurred in following up their consent non-compliance.

In the case of water takes, annual charges are estimated on the basis of normal summer flows and consequently during drier than normal years further monitoring may be required in the form of flow, water level and/or water abstraction measurements. The costs of this further work will be charged to the consent holder in the form of additionally supervision charges as outlined above.

4.2.6 Invoicing – Non-scale Fees

The majority of large scale activities or activities with high potential adverse effects (where annual monitoring costs exceed $1,000, GST inclusive) and certain small scale activities such as short term earthworks/construction type consents, will be monitored, the results recorded/reported and subsequently invoiced to the consent holder on a cost recoverable basis.

Invoices will be generated once the costs of any work have exceeded a prescribed sum. This will be determined by the scale of the activity. Costs will be invoiced in a timely manner during the progress of the work to ensure that large amounts of costs do not accrue.

In the case of significant water takes, charges will generally be invoiced annually in line with Appendix 15 and any further supervisions charges will be invoiced on a regular basis as costs are incurred by the Council.

4.3 Change in Resource Consent Status

Where any resource consent is approved during the year, and will be liable for annual charges, the actual costs of monitoring activities will be charged to the applicant. The annual minimum fee will continue to apply per the Council's general policy 2.8(vi).

For large scale activities where a resource consent expires, or is surrendered, during the course of the year and the activity or use is not on-going, then the associated annual charge will be based on actual and reasonable costs incurred to the date of expiry or surrender, including costs incurred as a result of monitoring and administration activities associated with the expiry or surrender of the consent. The annual minimum fee will continue to apply.

Where a resource consent expires during the course of the year but the activity or use continues and is subject to a replacement process, then the annual charges will continue to apply.

4.4 Timing

Invoicing of consent annual charges will be in the quarter following the adoption of the Community Plan or Annual Plan by the Council, or after monitoring of the consent has been undertaken (post billing).

In some cases, invoicing of charges may be deferred until after the Council has completed all, or a significant portion of its planned monitoring of a consent.

5. Biosecurity Act 1993

5.1 Northland Regional Pest Management Strategies Cost Recovery Policy

Section 135 of the Biosecurity Act provides regional councils with options to recover the costs of administering the Act and performing the functions, powers and duties under a pest management strategy. The mechanisms include user charges and cost recovery in the event of non-compliance with a legal direction.

5.1.1 Request for Work

An authorised person may request any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with the Northland Regional Pest Management Strategy.

5.1.2 Legal Directions

An authorised person may issue a legal direction to any occupier to carry out specified works or measures for the purposes of eradicating or preventing the spread of any pest in accordance with a Northland Regional Pest Management Strategy. The legal direction shall be issued under section 122(a) of the Biosecurity Act and specify the following matters:

- The land in respect of which works or measures are required to be undertaken;
- The pest for which the works or measures are required;
- Works or measures to be undertaken to meet the occupier's obligations;
- The time within which the works or measures are to be undertaken;
- Action that may be undertaken by the management agency (generally, the Council) if the occupier or occupiers fail to comply with any part of the direction;
- The name, address, telephone number and fax number of the management agency and the name of the authorised person issuing the legal direction.

5.1.3 Failure to Comply with a Legal Direction

Where a legal direction has been given to an occupier under section 6.5.1 of the Northland Regional Pest Management Strategies and the occupier has not complied with the requirements of the legal direction within the time specified, then the management agency may enter onto the land specified in the legal direction and carry out, or cause to be carried out, the works or measures specified in the legal direction, or such other works or measures as are reasonably necessary or appropriate for the purpose of giving effect to the requirements of the legal direction.

5.1.4 Recovery of Costs Incurred by Management Agency

Where a management agency undertakes works or measures for the purposes of giving effect to the requirements of a request for work or a legal direction it shall recover the costs incurred from the occupier pursuant to sections 128 and 129 of the Biosecurity Act and may register the debt as a charge against the land.

5.2 Regional Pest Management Strategy (RPMS) for Nassella Tussock

This strategy adopted by the Council on 19 September 2001, pursuant to section 77(7) of the Biosecurity Act 1993 supersedes the former Operative Northland Regional Pest Management Strategy for nassella tussock adopted in April 1998. The Strategy continues the funding policy of the former Operative Strategy, which identifies the regional benefits of eradicating nassella tussock but also recognises benefits to the occupiers of infested properties. It now includes rules for the recovery of costs incurred by the Council.

To recognise the regional benefit of eradicating nassella tussock, the Council recovers only part of the costs of ranging and grubbing infested land from the owner/occupier of the land. The proportion of the cost recovered is categorised as follows:

- **Category I** – Surveillance sites, that is sites found free of nassella for the preceding three or more years. No cost recovery.
- **Category II** – Sites where nassella is still being found but which have been permanently retired from grazing and on which there is a full canopy cover of indigenous scrub or forest, or such a cover is being actively encouraged. No cost recovery.
- **Category III** – Sites where nassella is still being found but which are being managed to encourage a dense, well grazed pasture with easy access and no obstructions which prevent plants being seen. Twenty percent cost recovery.
- **Category IV** – Active sites with major obstructions to access and visibility. Typically non or lightly grazed pasture with less than 10% scrub or scrubby weeds. Forty percent cost recovery.
- **Category V** – Active sites with major access problems and obstructions to visibility. Typically reverted pasture with greater than 10% cover of gorse or scrub, unpruned pine forest and long grass or scrub under storey or pine forest with heavy pruning and/or thinning slash. Sixty percent cost recovery.

NB: Under the Biosecurity Act 1993, any unpaid charges due to the Council can be registered as a debt against the certificate of title for the land on which the eradication works were carried out.

The charges are as follows:	**per Hour**
■ Monitoring **Technician/Administrator**	$60.00
■ Monitoring Officer Scale 1	$70.00
■ Monitoring Officer Scale 2	$75.00
■ Monitoring Officer Scale 3	$85.00
■ Senior Monitoring Officer Scale 1	$95.00
■ Senior Monitoring Officer Scale 2	$105.00
■ Manager	$135.00

6. Local Government Act Charges

6.1 Fees for Environmental Incidents and Clean Up

Fees will be charged for the recovery of the costs of inspection, investigation, and mitigating the effects of and cleaning up or remedying those incidents, discharges, spillages and non-containment of substances that cause, or have the potential to cause, adverse environmental effects:

(i) Site inspection, investigation and clean up, per officer, plus the actual cost of materials, and equipment hire.

	per Hour
■ Monitoring **Technician/Administrator**	$60.00
■ Monitoring Officer Scale 1	$70.00
■ Monitoring Officer Scale 2	$75.00
■ Monitoring Officer Scale 3	$85.00
■ Senior Monitoring Officer Scale 1	$95.00
■ Senior Monitoring Officer Scale 2	$105.00
■ Manager	$135.00

For incidents occurring outside normal business hours, a minimum call out fee of two hours at the above rates shall apply.

6.2 Permitted Activity Dairy Shed Effluent Systems – Fees

These charges are made to recover the costs of inspecting farm dairy effluent systems, wintering barns or pad discharges to determine compliance with the permitted activity rules in the Regional Water and Soil Plan. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to sections 30(1)(f), 35(2)(a) and 332 of the Resource Management Act.The fees are set according to section 150 of the Local Government Act.

The charges are as follows:	**per Hour**
(i) Annual inspection and monitoring fee (all grades), fixed fee	$120.00
(ii) Second and subsequent visits and inspections including travel time, (for non-complying or inadequately treated discharges, grades 4 and 5) *	$75.00

Where there is a need for two officers to attend, the costs of the each officer will be recovered.

Administration costs incurred will be charged in addition to the costs of the site visit/inspections, plus the actual and reasonable cost of any specific water quality testing (see Appendix 16).

Note: For annual charges for consented farm dairy effluent discharge consents, refer to Appendix 5.

6.3 Permitted Activity Monitoring/Inspections – Fees

These charges are made to recover the costs of inspections of permitted activities to determine compliance with the permitted activity rules in the Regional Plans. The inspections are conducted in order that the Council adequately carries out its functions and responsibilities pursuant to sections 30, 35 and 332 of the Resource Management Act. The fees are charged pursuant to section 150(1) of the Local Government Act on a cost recoverable basis (officer time, sampling and equipment costs).

The charges are as follows:	**per Hour**
■ Monitoring **Technician/Administrator**	$60.00
■ Monitoring Officer Scale 1	$70.00
■ Monitoring Officer Scale 2	$75.00
■ Monitoring Officer Scale 3	$85.00
■ Senior Monitoring Officer Scale 1	$95.00
■ Senior Monitoring Officer Scale 2	$105.00
■ Manager	$135.00

plus the actual and reasonable cost of any specific water quality testing and equipment required (see Appendix 16).

6.4 Hot Work Permits **per Hour**

For vessels in port, alongside wharves or at anchor, per permit issued: $68.00

7. Charges set by Regional Rules

When developing a regional plan, the Council may create regional rules to prohibit, regulate or allow activities. These rules may specify permitted activities, controlled activities, discretionary activities, non-complying activities, prohibited activities and restricted coastal activities.

Permitted activities are allowed by a regional plan without a resource consent, if the activity complies with any conditions, which may have been specified in the plan. Conditions on a resource consent may be set in relation to any matters outlined in section 108 of the Resource Management Act. They may include a specific condition relating to a financial contribution (cash, land, works and services) for any purpose specified in a plan.

The Council therefore reserves the right to set other charges pursuant to regional rules in regional plans. These charges will include staff costs for giving evidence in a New Zealand court; attending Maritime Safety Authority or Biosecurity Act regulated activities. Any new charges would be notified through the public process required for a regional plan prior to its approval.

7.1 Actual and Reasonable Costs for Charges arising from Regional Rules

Actual and reasonable costs will be charged for fees set by regional rules. These costs will include:

- Staff Costs – Officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs.
- Hearings – The costs of pre-hearing meetings and hearings will be charged to the applicant. Council members' hearing costs will be recovered as determined by the Remuneration Authority. Staff costs and Committee Members' fees or the actual costs of independent commissioners at formal hearings will be charged.
- For applications relating to restricted coastal activities, the applicant will also be charged the Council's costs of the Minister of Conservation's representative. Charges related to joint hearings will be apportioned by the authorities involved, according to which authority has the primary role of organising the hearing.
- External Costs, including disbursements, are additional to the above charges, for example advertising, consulting and legal advice, laboratory testing, hearing venues and incidental costs.

8. Provision of Information and Technical Advice

A. Information provided under the RMA – consents, hearings etc

The Council recognises that it has a significant advisory and information role. The Council has the right, under legislation, to recover the costs of providing certain information.

Pursuant to the Local Government Act, and sections 36(e) and (f) of the Resource Management Act, the Council may charge for the provision of information as follows:

(i) Actual and reasonable charges will be made to cover the costs of making information and documents available, for the provision of technical advice and consultancy services. These costs will include:

- staff costs related to making the information available - i.e., officers' actual recorded time charged at an hourly rate comprising actual employment costs plus a factor to cover administration and general operating costs;
- any additional costs incurred, for example, photocopying, printing binding; and – computer processing costs - refer Appendix 16 (item 6).

(ii) Where an inquiry requires less than 30 minutes of staff time, no staff costs will be charged. Additional costs of less than $10.00 will not be charged.

(iii) Photocopying (per page)

	GST Incl Colour		GST Incl Black	
Consents, hearing agendas	A4	A3	A4	A3
Cost to applicants	$0.35	$0.50	$0.10	$0.20
Other parties	$0.50	$1.00	$0.20	$0.30

Note: A double-sided page is equivalent to two pages.

B. Guidelines for Staff – Charging for Advice/Information and Technical Data

Charging for the cost of time and disbursements incurred when providing information to prospective applicants for resource consents, or third parties, shall be charged in accordance with section 8A and 8C herein. This guideline is provided so that all officers are conversant with the principles of cost recovery, and how to distinguish chargeable technical information from freely available educational material.

(i) **Consistency, Distance, Location**

All time after the first half hour* and any disbursements involved in providing information that confers a private benefit on the recipient(s) shall be recovered by way of invoicing the cost at the rates set out in section 8A. This policy is consistent with that applied in Local Government, except when information is requested under the Official Information Act (refer to section 8C).

There is no concession for time or distance travelled by the Council's officers to provide technical information. No such concession is provided by other technical consultants. Regional offices have increased access by the public and decreased their costs.

Information given **by telephone** is to be treated exactly the same as information provided at an interview. Technical data provided by hydrology, the laboratory etc, for the purposes of assessing the criteria for a consent application is commercial data with an economic value (i.e., private benefit).

(ii) **Advise the Cost in Advance**

Officers must **warn the person seeking information in advance**, that a cost will be incurred after the first half hour, and the estimated cost per hour to be charged. This process allows the applicant to weigh the value of his requirements, and will effectively control the level of information sought and deflect frivolous requests.

The provision of information should be **charged separately** from the cost of processing any future resource application.

(iii) **Community and Environmental Groups**

Where an organisation clearly gains no economic or private benefit for its members from the information sought, then the free time available should be extended to one hour, and be treated on the same basis as requests under the Local Government Official Information and Meetings Act (refer section 8C) unless a Regulation or Plan provides otherwise. Additional time and disbursements may be charged for, as a reasonable control mechanism, to avoid frivolous or indulgent requests at the ratepayers' cost. These requests should be referred to a Senior Programme Manager for a decision on charging.

(iv) **Educational Information and Materials, and Consent Holders**

It is important to distinguish environmental "incidents" that relate to the Hotline, as these are generally within the educational activity/monitoring roles of the Council. It is unlikely that information will be sought in this area.

When the Council's officers are involved in Resource Management Act workshops or public promotions aimed at increasing the public's awareness of the Resource Management Act consent procedures, the Council's environmental role, liaison on planning issues, etc., there is a benefit to the greater community as well as the people attending. Information provided in this context clearly falls within the educational role of the Council and is not charged for.

Consent Holders: All consent holders are entitled to information arising from the monitoring of their consents, including district councils and other corporate bodies.

Other information sought by district councils is to be assessed on individual merit, and referred to the Department Manager for a decision, to ensure political appropriateness.

* in relation to a specific matter (or related matters) regardless of whether a single staff member or multiple staff members are approached or deal with it.

C. Information provided under the Local Government and Official Information and Meetings Act

The purposes of the Local Government and Official Information and Meetings Act (LGOIMA) are set out in section 4 of that Act. In summary they enable the public to have access to any official information held by local authorities because this is good for accountability and effective participation. However, official information and deliberations are protected to the extent that this is consistent with public interest and personal privacy.

Reasons for withholding information requested under LGOIMA

The following paraphrases some of the reasons from sections 6, 7,and 17 for withholding or refusing information requested under LGOIMA. For example to:

- Avoid prejudicing the maintenance of the law … and the right to a fair trial
- Protect the privacy of natural persons, including that of deceased natural persons;
- Protect information where making it available, would disclose a trade secret, or would prejudice the commercial position of the person who supplied/is the subject of the information;
- In certain circumstances detailed in the Act, avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu;
- Maintain the effective conduct of public affairs…
- Protect information which is subject to an obligation of confidence… etc;
- Maintain legal professional privilege;
- To enable a local authority to carry out, without disadvantage, commercial activities;
- Prevent the disclosure or use of official information for improper gain or advantage;
- The document alleged to contain the information does not exist or cannot be found;
- The information requested cannot be made available without substantial collation or research;
- The request is frivolous or vexatious, or that the information requested is trivial.

Only the Chief Executive Officer (or other officer or employee specifically authorised by the Council) may refuse an official information request.

Section 13 provides for the recovery of the cost of making information available under LGOIMA.

Black and white photocopying or printing on standard A4 or foolscap paper, where the total number of pages is in excess of 20 pages, will be charged out at 20c for each page after the first 20 pages. All other photocopying and printing charges will recover the actual and reasonable costs involved.

For staff time:

First Hour: No charge.

Additional Hours: Ministry of Justice, Charging Guidelines

	GST Excl	GST Incl
First half hour (after the initial free hour)	$33.78	$38.00
Per hour	$67.56	$76.00

Note: Under section 13(1) of LGOIMA, the Council has 20 days to make a decision (and communicate it to the requestor) on whether we are granting or withholding the information, including how the information will be provided and for what cost. We will also tell the requester that they have the right to seek a review by an Ombudsman of the estimated charge. If the charge is substantial the requester may refine the scope of their request to reduce the charge. We may request a deposit be paid under the 2002 Charging Guidelines issued by Secretary for Justice. We will recover actual costs involved in producing and supplying information of commercial value. In stating our fee schedule we reserve discretion to waive a fee if the circumstances of the request suggests this is appropriate, for example in the public interest or in cases of hardship.

9. Fee to consent lessee to a transfer a lease and fee to consent lessee to enter into a sublease

Pursuant to the general provisions in section 12 of the Local Government Act and section 227 (2) of the Property Law Act 2007, the Council can require a charge to cover reasonable legal or other expense of the lesser in giving consent.

The charges are as follows:

	GST Excl	GST Incl
(i) transfer or assign the lease	$150.00	168.75
(ii) enter into a sublease	$150.00	168.75

10. Standard Charges under the Building Act 2004

The Building Act 2004 allows the Council to impose fees and charges for, and recover costs of, exercising or performing any of its functions, powers or duties under the Act or under the regulations.

Section 243 of the Act specifically allows for the Council to impose a fee or charges for:

- Issuing a project information memorandum;
- The performance of any other function or service under this Act;
- Recover its costs from the owner if it carries out building work under section 156 of this Act;
- Where a fee or charge is payable for the performance of a function or service, then the Council may decline to perform the function or service, unless the fee or charge is paid.

The minimum estimated charges and set fees are the standard charges and are exclusive of GST. Costs incurred beyond the minimum estimated charges are to be recovered on the basis of actual and reasonable costs incurred by the Council.

The minimum fees for the different consent activities are set out in Appendix 2.

11. Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009

These bylaws shall be known as the Northland Regional Council Navigation, Water Transport and Maritime Safety Bylaw Charges 2009:

1. These bylaws shall apply throughout the region of the Council.
2. In these bylaws, unless the context otherwise requires:

   "**Maritime facility**" means any jetty, jetty berth, wharf, ramp, slipway, boatshed, marina berth, pontoon or pile or swing mooring, whether private, commercial or a recreational public facility.

   "**Owner**" includes:

   (a) in relation to a vessel, the agent of the owner and also a charterer; or

   (b) in relation to any dock, wharf, quay, slipway or other maritime facility, means the owner, manager, occupier or lessee of the dock, wharf, quay, slipway or other maritime facility.
3. **Navigation Safety Bylaw Fees**

   For the period specified hereunder and for each year thereafter until amended or superseded by a subsequent bylaw charge, the owner of every maritime facility in the region shall pay to the Council an annual navigation fee fixed herein.

	GST Exclusive
(a) The navigation fee shall be payable on the number of berths available at the maritime facility, whether or not all berths are used. The Council's Harbourmaster shall determine the number of berths available at any maritime facility.	
(b) (1) For every jetty, jetty berth, boatshed, ramp, minor slipway, private pontoon, pile and swing moorings and berths in marinas containing 24 berths or less.	$50.00

	GST Exclusive
(2) For every berth holder not otherwise included herein, a fee for the recovery of the cost of the navigation safety equipment in the upper Hātea River, per berth.	$50.00
(3) (a) For every berth in marinas containing more than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to $50.00 per berth.	$40.00
(b) For every berth in marinas containing 24 or more, but less than 75 berths, provided that if the fee is not paid within 60 days of invoice, the fee shall revert to $50.00 per berth.	$46.00
(4) Boatsheds, per additional berth.	$50.00
(5) Community and boating club structures, jetties and private accommodation in the coastal marine area.	$50.00
(6) Marine farms.	$50.00
(7) High use structures and jetties, marine-related, not more than 300 m² in plan area within the coastal marine area.	$300.00
(8) High use commercial slipways with a maximum capacity of less than 50 tonnes.	$300.00
(9) High use structures and jetties, marine-related and more than 300 m² but not more than 1,000 m² in plan area within the coastal marine area.	$1,300.00
(10) High use structures and jetties, marine-related and more than 1,000 m2 in plan area within the coastal marine area.	$2,300.00

	GST Exclusive
(11) High use commercial slipways with a maximum capacity of more than 50 tonnes.	$2,300.00
(12) Commercial vessels operating in Northland harbours not serviced by a port company, as defined in the Port Companies Act 1988.	
(a) Intra harbour movements between harbours under control of the Council are to be charged half rate out and half rate in at each harbour.	
(b) Butter, skim milk, buttermilk, whole milk powder casein per tonne.	$0.53
(c) Cement, coal, coke, diatomaceous earth, fireclay, kaolin, gypsum glass (sheet or plate) per tonne.	$1.23
(d) Phosphate rock, sulphur, potash per tonne.	$1.23
(e) Gravel, shingle, lime rock, lime, dolomite, serpentine rock, clinker, soda ash. Other manures and fertilisers, silica sand (<80% silica) per tonne or m³ as appropriate.	$1.00
(f) Meats and fish, fresh, frozen or chilled, other agriculture produce, vegetables, fresh fruit per tonne.	$0.53
(g) Timber (sawn hewn or in logs) per cubic metre.	$1.16
(h) Wood ships per BDU. Paper per tonne; wood pulp per tonne.	$1.16
(i) Bitumen, refining residues, crude oil, naphtha, syngas per 1,000 litres.	$1.60

		GST Exclusive
(j)	Motor spirits, diesel oil, jet fuel, kerosene per 1,000 litres.	$1.54
(k)	Refined oil products for overseas export per 1,000 litres.	$0.53
(l)	Other sand per tonne.	$0.26
(m)	Empty containers.	$13.18
(n)	Motor vehicles and trailers up to 4 tonnes per vehicle.	$17.77
	Over 4 tonnes per vehicle.	$31.11
(o)	Livestock per head.	$1.00

(13) Where any sum becomes due and owing to the Council pursuant to the provisions of bylaw clause (3)(b)(1) and remains unpaid for a period of one calendar month, the Council may remove and hold the facility until such time as the sum owing is paid, together with any expenses incurred in lifting any pile, mooring or movable facility.

4. **Hot Work Permits**

For vessels alongside wharves or at anchor, per permit	$70.00

5. **Safe Operating Licences**

For all Northland harbours, unpowered craft not subject to a maritime rule and available for lease or hire, including: dinghies, kayaks, canoes, aqua-cycles, surf cats or similar commercially available craft, an inspection fee to verify the adequacy of flotation and safety equipment, up to one hour.	$70.00

Where inspection time exceeds one hour, the charge shall be at the rate of $70.00 per hour plus vehicle running costs at the rates approved from time to time by the Inland Revenue Department.

GST Exclusive

6. **Jet Ski Registration Fees**

As resolved and prescribed by the Auckland Regional Council which undertakes this function on behalf of the Northland Regional Council under delegated authority.

7. (a) **Pilotage**

(i) **Inwards/outwards to wharf, Ōpua – per visit**

Where GRT is greater than 500 but less than 1000	$1,500.00
Where GRT is greater than 1000 but less than 18000	$2,900.00

(ii) **Ships to anchor in Bay of Islands – per visit**

Where GRT is greater than 500 but less than 1000	$1,500.00
Where GRT is greater than 1000 but less than 18000	$2,900.00
Where GRT is greater than 18000 but less than 40000	$3,400.00
Where GRT is greater than 40000 but less than 100000	$3,800.00
Where GRT is greater than 100000	$4,200.00

(b) **Shipping – Navigation and Safety Services Fee Per ship visiting the Bay of Islands regardless of which pilotage organisation or company actually services the vessel**

Where GRT is less than 3000	$1.00/GRT
Where GRT is greater than 3000 but less than 18000	$2,900.00
Where GRT is greater than 18000 but less than 40000	$3,200.00
Where GRT is greater than 40000 but less than 100000	$3,500.00
Where GRT is greater than 100000	$4,000.00

		GST Exclusive
(c)	**Shipping – Navigation and Safety Services Fee Per ship visiting the Bay of Islands when the Master is exempt from compulsory pilotage** Up to 3000 GRT	$1.00/GRT
	Per ship visiting the Bay of Islands when the vessel's GRT is less than 500 Up to 500 GRT	$1.00/GRT
(d)	**Shipping – Navigation and Safety Services Fee Per ship visiting Whāngāroa Harbour except when the ship is also visiting the Bay of Islands during the same voyage**	$1,000.00

8. **Navigation and Safety Services Fee**

(a)	North Port Ltd	$110,000.00
(b)	Swing/pile moorings (non consented) outside Marine 4 Management Areas (in addition to the navigation fee)	$75.00
(c)	Swing/pile moorings within Marine 4 Management Areas which meet the permitted activity criteria (in addition to the navigation fee)	$75.00
(d)	For water transport operators not serviced by a port company, at actual time and cost.	
(e)	Where the actual costs on a labour time and plant recovery basis exceed the annual fee, the Council will recover any balance on an actual cost basis.	

9. **Special Events**

Clause 3.10 of the Navigation Safety Bylaw 2007 states that any person intending to conduct a race, speed trial, competition or other organised water activity in any area to which the Bylaw applies may apply in writing to the Harbourmaster to:

		GST Exclusive
(a)	temporarily suspend the application of Clause 3.2 (Speed of Vessels) in that area during the conduct of the race, speed trial, competition or other organised water activity; and	
(b)	temporarily reserve the area for the purpose of that activity;	
	Special Event processing fee.	$140.00

The Council shall recover from the applicant all actual and reasonable costs incurred in arranging for the publication of a public notice. These costs are additional to the above fee.

10. **Hātea River Channel Fees**

User charges to assist with the funding of ongoing navigation safety activities on the Hātea River between Victoria Bridge and Main 4. The activities include the provision of additional aids to navigation and dredging but exclude the Town Basin Marina consented area.

(a)	Individual berths in the Town Basin and Riverside Drive Marinas as defined by consent number in Appendix 17, level one charges.	$80.00
(b)	Individual boatsheds and other structures as defined by consent number in Appendix 17, level one charges.	$80.00
(c)	Individual marina berths at Kissing Point as defined by consent number in Appendix 17, level one charges.	$80.00
(d)	All other individual moorings and marina berths in the Whāngārei Harbour, including Marsden Cove Marina.	$10.00

	GST Exclusive
(e) Large businesses that derive a direct benefit through improved access to their facility; as defined by consent number in Appendix 17, level two charges.	$800.00
(f) Small businesses that derive a direct benefit through improved access to their facility; as defined by consent number in Appendix 17, level three charges.	$400.00

11. All navigation and other fees specified herein are exclusive of Goods and Services Tax.
12. These bylaw fees shall apply for the period 1 July 2009 to 30 June 2010 and will continue to apply until superseded by a subsequent bylaw charge fixed by resolution and publicly notified or by the review required by section 158 of the Local Government Act 2002.

These bylaws were made at a meeting of the Council held on 24 June 2009, sealed, and publicly notified pursuant to sections 83 and 147 of the Local Government Act 2002.

Appendix 1

Resource Consent Minimum Application Fees/Deposits and Consents Staff Hourly Processing Rates

Schedule of Fees/Deposits

Description	Application Fee (minimum charge)	
	$ GST Excl.	$ GST Incl.
Notified Applications		
• Coastal Permits (excluding moorings)	2,200.00	2,475.00
• Moorings	1,100.00	1,237.50
• Land Use Consents – for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, gravel extraction, etc). Fee includes storm water diversion and discharge applications where required.	2,200.00	2,475.00
• Water Permits (to dam, divert, take or use water)	825.00	928.12
• Discharge Permits (to land, water or air)	1,100.00	1,237.50
Limited Notification Applications		
• Coastal Permits (excluding moorings)	1,870.00	2103.75
• Moorings	935.00	1051.88
• Land Use Consents – for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, gravel extraction, etc). Fee includes storm water diversion and discharge applications where required	1,320.00	1,485.00
• Water Permits (to dam, divert, take or use water)	660.00	742.50
• Discharge Permits (to land, water or air	495.00	556.88
New Non-notified Applications (see Note 4)		
• Coastal Permits (incl. moorings and off-site marine farms)	440.00	495.00
• Land Use Consents – for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, gravel extraction, etc). Fee includes storm water diversion and discharge applications where required	660.00	742.50

Description	Application Fee (minimum charge)	
	$ GST Excl.	$ GST Incl.
• Water Permits (to dam, divert, take or use water)	440.00	495.00
• Diversion and discharge of stormwater to land and/or water	440.00	495.00
• Discharge Permits (to land and water or air) including farm waste and air discharges to the coastal marine area.	440.00	495.00
• Discharge Permits (to land and/or water) for sewage volumes greater than 3 cubic metres per day (e.g. communal subdivision systems, marae etc). Fee includes associated discharge to air permit	880.00	990.00
• Domestic On-site Sewage Discharge (less than 3 cubic metres of sewage per day)	440.00	495.00
• Bore Drilling Permits – plus per additional bore	220.00 27.50	247.50 30.94
Replacement Non-notified Applications (see Note 4)		
• Coastal Permits (including moorings)	330.00	371.25
• Land Use Consents – for earthworks and/or vegetation clearance (including mining, quarrying, forestry, bridging, gravel extraction, etc). Fee includes stormwater diversion and discharge applications where required.	330.00	371.25
• Water Permits (to dam, divert, take or use water)	330.00	371.25
• Diversion and discharge of stormwater to land and/or water	330.00	371.25
• Discharge Permits (to land and/or water) for sewage volumes greater than 3 cubic metres per day (e.g. communal subdivision systems, marae etc). Fee includes associated discharge to air permit	440.00	495.00
• Discharge Permits (to land, water or air) including farm waste	330.00	371.25
Certificate of Compliance Pursuant to Resource Management Act	330.00	371.25
Transfer of Consents from the Consent Holder to Another Person (payable by the person requesting the transfer)	44.00	49.50

Description	Application Fee (minimum charge)	
	$ GST Excl.	$ GST Incl.
Transfer existing Water Permit between sites within catchment		
• Notified (including limited notification)	550.00	618.75
• Non-notified	220.00	247.50
S127 Change or Cancellation of Consent Conditions		
• Notified (including limited notification)	825.00	928.12
• Non-notified	330.00	371.25
• Minor Administrative Change	77.00	86.62
S128 Review of consent conditions, and review of deemed coastal permits under S10(4), 20(3) and 21(3) of the Aquaculture Reform (Repeals and Transitional Provisions) Act 2004 (see Note 7)		
• Notified (including limited notification)	825.00	928.12
• Non-notified	330.00	371.25
Extension of Period until a Consent Lapses	220.00	247.50
Hearing Costs (per hearing day per Committee member) **at hourly rates set by the Remuneration Authority*** or the **actual costs** of independent Commissioners. * Determination dated 1 July 2006 of consent hearing fees payable and defining the duties covered by the fee or excluded, currently $68 per hour (Committee Member) and $85 per hour (Chairman). **Note: Approved Resource Consents attract Annual Charges.**	(Per RA)	

For Building Consent Application Fees – Refer Appendix 2.

Consents Hourly Processing Rates

Description	Hourly Rate	
	$ GST Excl.	$ GST Incl.
• Secretarial/Admin	55.00	61.88
• Consents Officer Scale 1	75.00	84.38
• Consents Officer Scale 2	85.00	95.63
• Consents Officer Scale 3	95.00	106.88
• Programme Manager Scale 1	95.00	106.88
• Programme Manager Scale 2	105.00	118.13
• Consents Manager	150.00	168.75
• Consultants	Up to 150.00	Up to 168.70

Note 1: Complex Applications for Resource Consent(s): Notwithstanding the above schedule, the Chief Executive Officer may require an Additional Charge pursuant to section 36(3) based on the Council's estimate of actual and reasonable cost for the processing of complex applications.

Note 2: All consent processing costs, which exceed the minimum application fee, will be progressively charged on a monthly basis.

Note 3: The final charge is based on actual and reasonable costs including the charging of staff time and consultants at the rate in the above schedule of Consents Staff Hourly Processing Rates and disbursements; The schedule of Fees/Deposits lists the minimum charge for applications for consent.

Note 4: All activities require notification unless the consent authority is satisfied that the adverse effect on the environment of the activity for which consent is sought will be minor; and written approval has been obtained from every person whom the consent authority is satisfied may be adversely affected by the granting of the consent.

Note 5: Where an application is for multiple activities involving more than one type of consent, deposits are required for each type, unless the Council determines otherwise.

Note 6: For applications relating to restricted coastal activities, the applicant will also be charged the costs of the Minister of Conservation's representative. Additional costs of the Minister of Conservation's representative will also be charged with the prior agreement of the applicant.

Note 7: The Consent Holder will be invoiced the amount of the deposit for reviews of consent conditions at the time the review is initiated by the Northland Regional Council.

Appendix 2

Standard Charges under the Building Act 2004

Charges fixed under the Building Act 2004 are resolved by the Council and fixed pursuant to the Local Government Act 2002 process until subsequently amended.

1. Project and Land Information Memoranda (PIM/LIM)

Estimated Value of Work	Minimum Estimated Charge (MEC) $ GST Excl.	Minimum Estimated Charge (MEC) $ GST Incl.
All Applications	1000.00	1112.50

Note 1: MEC is payable upon application for a PIM/LIM.

Note 2: Final actual and reasonable costs are payable upon uplifting the PIM/LIM based on Standard Labour Charges in Section 4 of this Appendix.

2. Building Consents and Certificates of Approval

Incorporating receipt of a building consent application, the issue of a building consent, including project information memorandum, payment of a Building Research Levy and/or Department of Building and Housing Levy (where applicable) and the issue of a code compliance certificate (where applicable).

Under section 244 of the Building Act 2004, Council has decided to transfer the Building Act functions for consenting dams to the Waikato Regional Council (WRC). Fees will be charged in accordance with the Fees and Charges policy set by WRC. All fees and charges for consent processing will be invoiced directly to the applicant by WRC.

3. Requests for Information on Building Consents

Charges will be the actual and reasonable costs based on standard labour charge rates shown in Section 4 of this Appendix.

4. Technical Processing and the exercising of other functions, powers and duties under the Building Act 2004

For technical processing and other functions under the Building Act full costs over and above the deposit will be recovered in accordance with the additional hourly charges.

Function	Deposit	Hourly charge for exercise of functions or to recover additional costs
Action to be taken in respect of buildings deemed to be dangerous or insanitary		Standard labour charge rates shown below.
Issue of a Notice to Fix		Minimum charge of $95.00 and further charges for inspections and other action to confirm compliance based on standard labour charge rates shown below.
Lodge Building Warrant of Fitness	$100	Standard labour charge rates shown below.
Amendment to Compliance Schedule	$1000	Standard labour charge rates shown below. Actual and reasonable for expert advice.
Building Warrant of Fitness Audit		Standard labour charge rates shown below.
Certificate of Acceptance	Large Dam (above $100,000 value) $4000 Medium Dam ($20,000 to $100,000 value) $2000 Small Dam ($0 to $20,000 value) $500	Standard labour charge rates shown below. Actual and reasonable for expert advice.
Lodge Dam Potential Impact Category	$100	Standard labour charge rates shown below.

Function	Deposit	Hourly charge for exercise of functions or to recover additional costs
Lodge Dam Safety Assurance Programme	$100	Standard labour charge rates shown below.
Lodge Annual Dam Safety Compliance Certificate	$100	Standard labour charge rates shown below.
Other Functions		Standard labour charge rates shown below.

Standard labour charge rates — **per Hour**

- Technician/Administrator $60.00
- Officer Scale 1 $70.00
- Officer Scale 2 $80.00
- Officer Scale 3 $95.00
- Senior Officer $105.00
- Manager $135.00

Note: All charges are payable upon invoice, provision of service or upon the exercise of the function, power or duty. Progressive invoicing may be used where costs are greater than $500 (excluding GST).

When building consent non-compliance or an unauthorised activity is found, the person is, if possible, given the opportunity to remedy the situation and is informed that costs of additional supervision will be recovered. Such activity may also be subject to, infringement offence notices, enforcement orders or prosecutions.

An enforcement officer who observes a person committing an infringement offence or has reasonable cause to believe that an infringement offence is being or has been committed is authorised and warranted under section 229 of the Building Act 2004 to issue an infringement notice.

Appendix 3

Water Takes Fee Scales

Scale of Annual Charges for Water Takes

Note: Appendix 15 identifies water take consents that have fees set outside these scales.

Fee Level	Description/Criteria	Admin. Charge $ GST Excl.	Compliance Monitoring/ Supervision $ GST Excl.	Resource User Charge $ GST Excl.	Total Annual Charge $ GST Incl.
8	**1. Negligible Potential Effect:** Minor abstraction from water resource low level of allocation and limited future potential demand; no water use returns; Limited benefit from existing SoE monitoring. (Minimum Fee)	75.00	–	20.00	106.87
10	**2. Minor Potential Effect:** Minor abstraction from water resource with low to moderate level of allocation; Moderate abstraction from water resource with low level of allocation; Water use returns; Small benefit from existing SoE monitoring and limited monitoring in the catchment.	75.00	20.00	60.00	174.37
12	**3. Moderate Potential Effect:** Minor abstraction from water resource with moderate to high level of allocation; Moderate abstraction from a water resource with moderate levels of allocation; Major abstraction from water resource with low level of allocation; Water use returns, resource monitoring by Consent Holder; Moderate benefits from existing SoE monitoring, data likely to be used for flow allocation management purposes and/or replacement of consent.	75.00	45.00	120.00	270.00

Appendix 3 continued

Fee Level	Description/Criteria	Admin. Charge $ GST Excl.	Compliance Monitoring/ Supervision $ GST Excl.	Resource User Charge $ GST Excl.	Total Annual Charge $ GST Incl.
15	**4. Medium Potential Effect:** moderate abstraction from water resource with high level of allocation; major abstraction from resource with moderate level of allocation; water use returns, resource monitoring by Consent Holder; continuation flow conditions; Existing SoE monitoring has greater benefits to Consent Holder for management, security of supply and/or replacement of consent; Total estimated staff time relating to monitoring, supervision and reporting of compliance 1-2 hours.	75.00	101.00	200.00	423.00
19	**5. Medium Potential Effect - moderate inspection time:** Same criteria as Category 4. However total estimated staff time relating to monitoring, supervision and reporting of compliance 2-3 hours.	75.00	156.00	200.00	484.75
22	**6. Medium Potential Effect - significant inspection time:** Same criteria as Category 4 but total estimated staff time relating to monitoring, supervision and reporting of compliance 3-4 hours.	75.00	211.00	200.00	546.75

Fee Level	Description/Criteria	Admin. Charge $ GST Excl.	Compliance Monitoring/ Supervision $ GST Excl.	Resource User Charge $ GST Excl.	Total Annual Charge $ GST Incl.
24	**7. Medium to High Potential Effect - significant inspection time:** Moderate to major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance > 4 hours; Existing SoE monitoring has considerable benefits to Consent Holder for management, security of supply and/or replacement of consent.	75.00	255.00	350.00	765.00
25	8. **High Potential Effect - significant inspection time:** Major abstraction from resource with high level of allocation. Significant total estimated staff time for inspection and/flow monitoring and consent compliance >4 hours; Existing SoE monitoring has direct benefits to Consent Holder for management, security of supply, replacement of consent, and specific compliance monitoring of consent.	75.00	310.00	700.00	1220.62

Appendix 4

Minor to Moderate Discharges to Air, Water and Land, and Land Use Activities including Quarries

Scale of Annual Charges for Consents for Minor to Moderate Discharges to Air, Water, and Land (no or Minor Sampling and/or Testing Planned) and Consents for Land Use Activities including Quarries

The fee levels provided below allow for the appropriate recovery of costs by the Council based on the degree of work required by the Council in monitoring each consent. The appropriate fee level will be determined using the formula outlined in section 4.2.3 with the estimated cost then rounded to the appropriate fee level.

Fee Level	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.	Fee Code Narration
1	0.00	0.00	Invoiced manually
2	0.00	0.00	Waived or remitted annual charges
3	0.00	0.00	Charged under another consent
4	0.00	0.00	Post billed (non-scale)
5	0.00	0.00	Special arrangement
6	0.00	0.00	Domestic sewage discharges (Post Billing)
7	75.00	84.38	Minimum loaded with additional fees post monitoring
8	75.00	84.38	Annual Monitoring Charge (and for all the following fees)
9	82.50	92.80	
10	93.50	105.20	
11	110.00	123.75	
12	121.00	136.12	
13	137.50	154.69	
14	165.00	185.63	
15	176.00	198.00	
16	192.50	216.56	
17	209.00	235.13	
18	220.00	247.50	
19	231.00	259.88	
20	247.50	278.44	
21	275.00	309.38	
22	286.00	321.75	
23	302.50	340.31	
24	357.50	402.19	
25	330.00	371.25	
26	385.00	433.13	
27	412.50	464.06	
28	440.00	495.00	
29	467.50	525.94	
30	495.00	556.88	
31	522.50	587.81	
32	550.00	618.75	
33	577.50	649.69	
34	605.00	680.63	
35	632.50	711.56	
36	660.00	742.50	Annual Monitoring Charge (and for all the following fees)
37	687.50	773.44	
38	715.00	804.38	
39	742.50	835.31	
40	770.00	866.25	
41	797.50	897.19	

Appendix 4 continued

Fee Level	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.	Fee Code Narration
42	825.00	928.13	
43	852.50	959.06	
44	880.00	990.00	
45	907.50	1020.94	
46	935.00	1051.88	
47	962.50	1082.81	
48	990.00	1113.75	
49	1017.50	1144.69	
50	1045.00	1175.63	
51	1072.50	1206.56	

Appendix 5

Farm Dairy Effluent Charges

Scale of Charges for Consents for Farm Dairy Effluent Discharges

Sampling and testing required where indicated.

Fee Level	Description/Criteria	Charge $ GST Excl.	Charge $ GST Incl.
4	Single yearly inspection – (no sampling or testing)	200.00	225.00
4	Single yearly inspection – (single sample only)	245.00	275.63
4	Single yearly inspection – (two samples)	290.00	326.25
4	Single yearly inspection – (three samples)	335.00	376.88
4	Single yearly inspection – (four samples)	380.00	427.50
4	Single yearly inspection – (five samples)	425.00	478.13
4	Single yearly inspection – (six samples)	470.00	528.75

The charge for follow-up inspections for non-complying discharges will be at $65.00 per hour plus GST, plus the actual and reasonable cost of any specific water quality testing and/or enforcement action required.

Note: For fees charged under the Local Government Act for the inspection of non-consented dairy effluent discharge systems, refer to section 6.2.

Appendix 6

Coastal Structures (Post Construction or Installation)

Scale of Annual Charges for Coastal Structures (excluding Marinas)

Fee Level	Description/Criteria	RMA $ GST Excl.	Nav & Safe Service Fee $ GST Excl.	Navigation & Safety $ GST Excl.	Total Fee $ GST Excl.	Total Fee $ GST Incl.
1 or 3	Swing moorings, pile moorings, jetty and marina berths (per berth) with consents	75.00	–	50.00	125.00	140.63
101	Swing/pile moorings (non-consented) outside of the Marine 4 Management Area	–	75.00	50.00	125.00	140.63
101	Swing/pile moorings within Marine 4 Management Area		75.00	50.00	125.00	140.63
3 or 4	Pile moorings and jetty berths owned by one organisation, comprising 25 berths or more, but no more than 75 berths (per berth). Note: No additional charge will be set for those structures which are an integral part of the mooring area, so long as those facilities and activities do not give rise to any significant adverse environmental effects.	40.00	–	50.00	90.00	101.25
1	Marinas comprising more than 75 berths. Navigation fee reverts to $50.00 if fees are not paid within 60 days (per berth)	–	–	40.00	40.00	45.00
1	Marinas comprising 24 or more, but less than 75 berths. Navigation fee reverts to $50.00 if fees not paid within 60 days (per berth)	–	–	46.00	46.00	51.75
2	Dinghy pulls	75.00	–	–	75.00	84.38
8	Seawalls and reclamations	75.00	–	–	75.00	84.38
100	Boat ramps up to 15 m x 4.5 m	75.00	–	50.00	125.00	140.63
102	Boat ramps/slipways over 15 metres and grids	132.00	–	50.00	182.00	204.75
103	Boatsheds	225.50	–	50.00	275.50	309.94
104	Boatsheds with Additional Berth	258.50	–	50.00	308.50	347.06
9	Cables and Pipes	84.15	–	–	84.15	94.67
13	Private accommodation in the coastal marine area	137.50	–	–	137.50	154.69
100	Minor structures not more than 10 m² in plan area within the coastal marine area (no more than minor environmental effects)	74.80	–	50.00	124.80	140.40
102	Minor structure and jetties: more than 10 m² and up to 300 m² in plan area	132.00	–	50.00	182.00	204.75
102	Community and boating club structures and jetties, and non-commercial public structures	132.00	–	50.00	182.00	204.75
105	Marine farms and offsite farms	286.00	–	50.00	336.00	378.00
18	High use structures and jetties not marine related	220.00	–	–	220.00	247.50

Appendix 6 continued

Fee Level	Description/Criteria	RMA $ GST Excl.	Nav & Safe Service Fee $ GST Excl.	Navigation & Safety $ GST Excl.	Total Fee $ GST Excl.	Total Fee $ GST Incl.
106	(a) High use structures and jetties, marine-related and not more than 300 m² in plan area within the coastal marine area; and	220.00	–	300.00	520.00	585.00
	(b) Slipways with a maximum capacity of not more than 50 tonnes	220.00	–	300.00	520.00	585.00
115	High use structures and jetties, marine-related, more than 300 m² but not more than 1,000 m² in plan area within the coastal marine area	220.00	–	1,300.00	1,520.00	1,710.00
125	(a) High use structures and jetties, marine-related and not more than 1,000 m² in plan area within the coastal marine area, and	220.00	–	2,300.00	2,520.00	2,835.00
	(b) Slipways with a maximum capacity of more than 50 tonnes	220.00	–	2,300.00	2,520.00	2,835.00

Note: All structures that are subject to a discharge permit may be subject to an additional charge that recovers the costs incurred by the Council for monitoring the discharge. Where the costs of monitoring the structure and discharge exceed the annual charge herein, the Council will recover the balance in accordance with section 36(3) of the Resource Management Act 1991.

Consent Holders of multiple structures authorised under a single resource consent for contiguous facilities, will be charged one annual fee for the most significant structure authorised by that consent.

Appendix 7

Coastal Structures (Construction or Installation Phase)

Monitoring Inspection Charges for Consents for Coastal Structures during their Construction or Installation Phase

Inspection Charge	**per Hour**
All coastal structures (per officer, plus costs of sampling/testing)	
Monitoring Officer Scale 1	$70.00
Monitoring Officer Scale 2	$75.00

Note: Refer to section 4.2.2 for bases of charges.

Appendix 8

Land Use Consents for Boating-related Structures in Waters Upstream of the Coastal Marine Area (Post Construction)

Scale of Annual Charges for Land Use Consents for Boating-Related Structures in Waters Upstream of the CMA with minor environmental effects (amended to match fees for similar structures in the coastal marine area, Appendix 6)

Fee Level	Description/Criteria	RMA $ GST Excl.	Navigation & Safety $ GST Excl.	Total Fee $ GST Excl.	Total Fee $ GST Incl.
100	**Minor structures and jetties:** not more than 10 m² in plan area.	125.00		125.00	140.63
102	**Jetties and other structures:** more than 10 m² in plan area.	177.00		177.00	199.12

Note 1: Consents for new boat-related structures or to alter boat related structures in waterbodies will be subject to an inspection charge of $65.00 per hour (plus GST) per officer during their construction phase.

Note 2: Refer to section 4.2.2 for bases of charges.

Appendix 9

Major Industries

Estimated Annual Charges for Resource Consents for Major Industries

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
AFFCO Moerewa	7381(1), (2), (4-11)	2,640.00	2,970.00
Ballance Agri-Nutrients Ltd	7247	1,100.00	1,237.50
GBC (Portland Cement Works)	5059 (1-6), (8)	1,100.00	1,237.50
NZMP Ltd (Kauri) (part of Fonterra Co-op Group Ltd)	4373, 4375, 4377, 4836, 7532, 7671, 8159	7,150.00	8,043.75
NZMP Ltd (Maungaturoto)	4204, 5139, 5140, 5145, 5146, 5147, 7119, 7155	9,350.00	10,518.75
Imerys Tableware NZ Ltd (Matauri Bay Plant)	1345, 2773, 5042, 6751, 6780, 6908, 8050	1,100.00	1,237.50
NZRC (Marsden Point Oil Refinery)	8319	13,200.00	14,850.00

Appendix 10

Timber Treatment Plants

Estimated Annual Charges for Resource Consents for Significant Timber Treatment Plants

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
McEwing Enterprises Ltd (Oturei Timber)	4721	550.00	618.75
North Pine Ltd (Waipu)	7651	1,100.00	1,237.50
Donnellys Crossing Sawmills Ltd	4652	1,100.00	1,237.50
Kaihu Valley Sawmill	4653	1,100.00	1,237.50
Carter Holt Harvey Forests Ltd	7921	825.00	928.13
Croft Pole Distributors Ltd	8528 (incorporates 4758)	1,100.00	1,237.50
Sheppard, B (Matakohe)	7622	1,100.00	1,237.50
Kaitaia Timber Co Ltd	4655	1,870.00	2,103.75

Note: For the bases of charging, refer section 4.2.3.

Appendix 11

Major Effluent Discharges or Discharges to Sensitive Receiving Environments

Estimated Annual Charges for Resource Consents for Major Effluent Discharges

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
Far North District Council	3839, 2577, 2635, 3775, 7203, 7205	*1,650.00	1,856.25
Far North District Council	2337, 4007, 7205, 1108, 7399	*2,200.00	*2,475.00
Far North District Council	4111, 2667	*2,475.00	*2,784.38
Far North District Council	2417, 932	*2,860.00	*3,217.50
Far North District Council	1168	7,260.00	8,167.50
Kaipara District Council	1102, 1115, 1116	*2,090.00	*2,351.25
Kaipara District Council	3666	4,400.00	4,950.00
Kaipara District Council	3780	1,100.00	1,237.50
Whāngārei District Council	4509	1,100.00	1,237.50
Whāngārei District Council	7403	1,760.00	1,980.00
Whāngārei District Council	4155	1,100.00	1,237.50
Whāngārei District Council	2576	2,200.00	2,475.00
Whāngārei District Council	7445	1,870.00	2,103.75
Whāngārei District Council	4352	3,300.00	3,712.50
Ministry of Education	Administration Charge, schools charged separately for monitoring costs.	**2,970.00	**3,341.25
Ota Point Effluent Society	2724	2,750.00	3,093.75

* Each Consent; ** Combined Charge

Note: For the bases of charging, refer section 4.2.3.

Appendix 12

Refuse Landfills

Estimated Annual Charges for Resource Consents for Closed and Operating Refuse Landfills

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
Far North District Council	1824	660.00	742.50
Kaipara District Council	4816	1,100.00	1,237.50
Kaipara District Council	4809, 4814, 7234, 2257, 4433	*660.00	*742.50
Far North District Council	7503	1,320.00	1,485.00
Far North District Council	4789	1,430.00	1,608.75
Kaipara District Council	7562	6,600.00	7,425.00
Far North District Council	2918	1,760.00	1,980.00
Far North District Council	7502	4,400.00	4,950.00

* Each Consent

Appendix 13

Large Scale Discharges to Air

Estimated Annual Charges for Resource Consents for Large Scale Discharges to Air

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
AFFCO (Moerewa) Ltd	7381(34)	2,750.00	# 3,093.75
Ballance Agri-Nutrients Ltd (Whāngārei Plant)	7068	4,400.00	# 4,950.00
Golden Bay Cement Ltd	5059(7)	3,300.00	# 3,712.50
Juken Nissho Ltd	7062	20,900.00	23,512.50
NZ Refining Co. Ltd	8319(2) prev. 7075	1,870.00	2,103.75
NZMP Ltd (Kauri)	7072	4,950.00	# 5,568.75
NZMP Ltd (Maungaturoto)	7073	4,950.00	# 5,568.75
Richmond (Effluent Ponds)	7088	1,100.00	1,237.50
Croft Timber	8528	4,400.00	4,950.00
TDC Sawmills	8417	4,400.00	4,950.00

Industries Requiring Stack Testing.

Note: For the bases of charging, refer section 4.2.3.

Appendix 14

Major Coastal Activities

Estimated Annual Charges for Resource Consents for Major Coastal Activities

Consent Holder	Consent No(s)	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
Far North Holdings Ltd, Ōpua Marina	8385	4,400.00	4,950.00
Kerikeri Cruising Club	6260	4,400.00	4,950.00
Riverside Drive Marina Ltd	7926	330.00	371.25
Tutukaka Marina Management Trust	2093, 6267, 7836	*4,400.00	4,950.00
Whāngārei Marina Management Trust	7958, 8089, 8517	*4,400.00	4,950.00
Whāngāroa Marina Trust	7940	4,400.00	4,950.00

* Each Consent

Note: For the bases of charging, refer section 4.2.3.

Navigation, Water Transport and Maritime Safety Bylaw charges also apply to Marinas as detailed in Appendix 6.

Appendix 15

Water Takes of High Potential Effects

Estimated Annual Charges for Water Take Consents for High Potential Effects

Consent Holder	Consent No.	Admin. Monitoring/ Supervision $ GST Excl.	Resource User Charge $ GST Excl.	Annual Charge $ GST Incl.
Whāngārei District Council	2960	*2,000.00	700.00	3037.50
Fonterra Kauri	3221	*2,300.00	700.00	3375.00
Far North District Council	4369	*2,200.00	350.00	2868.75
Maungatapere Water Supply Co.	4607	*300.00	700.00	1125.00
Murphy Prosperity Trust	4715	*300.00	350.00	843.75
North Power	4845	*750.00	350.00	1237.50
Ngāwhā Geothermal Resource Co. Ltd	4883	*500.00	#1,050.00	1743.75
Kokich & Anderson	4965	*600.00	700.00	1462.50
Northern Dairylands Ltd	5004	*500.00	350.00	956.25
A B Kevey & L J Christie	5014	*350.00	350.00	787.50
McBeth Farms Ltd	5021	*350.00	350.00	787.50
Brown Trust Partnership	5022	*350.00	350.00	787.50
Leeuwenburg J A & G M Leewenburg	5027	*350.00	350.00	787.50
The Robert Harding Family Trust	7330	*500.00	350.00	956.25
Whāngārei District Council	7398	*1,000.00	700.00	1912.50
Whāngārei District Council	7404	*2,500.00	700.00	3600.00
Whāngārei District Council	7405	*700.00	350.00	1181.25
Woodbury Farming Ltd	7411	*700.00	350.00	1181.25
Kaipara District Council	7582	*750.00	350.00	1181.25
Burke Farms Ltd	7642	*600.00	350.00	1068.75
Kaipara District Council	8032	*600.00	350.00	1068.75
Kaipara District Council	8134	*700.00	350.00	1181.25

* Includes a charge pursuant to Section 36(1)(c) towards the costs of specific investigations (flow and/or water quality monitoring) within catchment relating to consent and compliance monitoring (see Section 4).

Multiple consents taking from different catchments and/or resources.

Note: For the basis of charging, refer section 4.2.3.

Appendix 16

Miscellaneous Management Charges

The Council's Resolution of 8 December 2004, "that pursuant to section 150(6) of the Local Government Act 2002, Council Managers be authorised to set or vary labour, plant and equipment hire fees and fees for miscellaneous services provided by the Council as necessary from time to time".

The Council's labour, plant and equipment charges to external parties are as follows:

1. Laboratory Services – Laboratory Test Charges

Job Ref. No.	Description/Criteria	Per Sample $ GST Excl.	Per Sample $ GST Incl.
7346	Absorbance/% Transmittance	5.00	5.63
7369	Conductivity	9.00	10.13
7349	Deposited Air Particulate	60.00	67.50
7368	Dissolved Oxygen	5.00	5.63
7377	E coli/Total Coliforms – Colilert	28.00	31.50
7378	Enterococci – Enterolert	28.00	31.50
7373	Faecal Coliforms by MF	22.00	24.75
7381	Microscopic Examination	24.00	27.00
7374	Faecal Coliforms by MPN	40.00	45.00
7370	pH	5.00	5.63
7348	PM^{10}	30.00	33.75
7371	Salinity	5.00	5.63
7358	Suspended Solids	17.00	19.13
7372	Temperature	1.50	1.69
7365	Turbidity	6.50	7.31
7346	UV% transmittance	5.00	5.63

Any further tests required, please contact laboratory staff for prices.

2. Labour – General

Labour costs for the Council's staff not previously specified in this Policy will be charged at an hourly rate determined from actual employment costs, including overtime rates if applicable, plus a multiplier to cover overheads and any internal costs incurred.*

3. Plant

3.1 Where any of the Council's plant is hired, extra costs including additional labour cost in overtime hours, travelling allowance, transport charges, etc, shall be recovered from the hirer of the plant. Where plant is ordered and its services cancelled, all costs incurred by the Council are payable by the hirer.

3.2 Water Quality Monitoring Devices

	$ GST Excl	$ GST Incl.
YSI Sondes per day	60.00	67.50
ISCO Automated Sampler per day	50.00	56.25

All labour incurred in the hire of water quality monitoring devices, is additional and charged in accordance with the charge out rates specified in section 4.2.3.

3.3 Vehicles/Quads

Inland Revenue Approved Mileage Rates Annual Work Related Kilometres Travelled	External Rate per km $ GST Excl.	Internal Rate per km $ GST Excl.
Motor Vehicles		
1 - 3000 km (total kms for a job)	0.62	0.28
3001 kms and over (for each km over 3000)	0.19	0.28
Transit Van or similar (Public Service Rate)	1.00	0.41
Light Truck (Public Service Rate)	1.20	0.55
Motor Vehicles - Flat Rate	0.28	0.26

* When tradesmen are called out, and their service is cancelled, all costs incurred by the Council are payable by the hirer, at the above charge-out rates.

Appendix 16 continued

Inland Revenue Approved Mileage Rates Annual Work Related Kilometres Travelled	External Rate per km $ GST Excl.	Internal Rate per km $ GST Excl.
Motor Cycles/Quad Bikes		
1 - 3000 km	0.31	0.14
3001 kms and over (for each km over 3000)	0.10	0.14
Transit Van or similar (Public Service Rate)	0.14	0.14
Light Truck (Public Service Rate)	1.20	0.55
Motor Vehicles - Flat Rate	0.28	0.26

Flat rates may be used where a great deal of travel related to one job is done regardless of the distance travelled in a year.

3.4 Waterblaster (Labour Additional)

	$ GST Excl.	$ GST Incl.
Large 4000 p.s.i. per hour	39.00	43.88
Medium 3000 p.s.i. per hour	26.75	30.09

3.5 Floating Plant – Standard Rates

(a) Workboat Hire

	$ GST Excl.	$ GST Incl.
Workboat – Waikare per hour	600.00	675.00
Standby - Waikare per hour	265.00	298.12

For significant commercial projects, the Council will negotiate hire, standby and total costs with contractors and other parties.

(b) Small Launch Hire

	$ GST Excl.	$ GST Incl.
BOI Patrol Boat Gemini II per hour	150.00	168.75
Standby – Gemini II per hour	100.00	112.50
5 metre Lazercraft per hour	140.00	157.50
Standby – Lazercraft per hour	90.00	101.25
5.8 metre Inflatable (Tai Ao) per hour	200.00	225.00
Standby – Tai Ao per hour	130.00	146.25

All labour and transport costs incurred in the hire of vessels, are additional and charged at $70.00 per hour per crew member.

NB: (Additional rates may apply in overtime hours)

Other plant not specified above

Each request to hire other Regional Council plant or equipment is to be referred to the appropriate Manager for approval, who shall apply a realistic charge-out rate and notify the Finance Manager so that an invoice can be raised.

4. Hire Charge – Council, Committee, Training/Meeting Rooms

Catering is the responsibility of the hirer. Any refreshments provided by the Council will be on charged at cost.

		$ GST Excl.	$ GST Incl.
Council Room	per day	150.00	168.75
Committee Room	per day	50.00	56.25
Council and Committee Rooms	per day	180.00	202.50
Kaipara Training Room	per day	150.00	168.75
Whāngāroa Meeting Room	per day	50.00	56.25
Kaipara/Whāngāroa Rooms	per day	180.00	202.50

5. Photocopying (per page)

	Colour A4 $ GST Incl.	Colour A3 $ GST Incl.	Black A4 $ GST Incl.	Black A3 $ GST Incl.
Applicants/Staff	0.35	0.50	0.10	0.20
Other Parties	0.50	1.00	0.20	0.30

NB: Double-sided is equivalent to two pages. Labour costs also to be recovered.

6. Computer Processing Costs

	$ GST Excl.	$ GST Incl.
Per hour	310.00	348.75

7. Biosecurity – Sale of Pest Control Products

Northland landowners are entitled to a one off free issue of 2.5kg bag of Pestoff and 2kg bag of rabbit pindone. Landowners are also entitled to a one off free issue of a 5-gram sachet of herbicide to control wild ginger.

All other pest control products such as traps, pesticides, prefeed, bait stations, and associated equipment are resold at a 10% mark-up on the price they are purchased from the manufacturer. This 10% mark-up is to cover the administrative costs of supplying these products.

8. Digital Colour Aerial Ortho-Photography

The Council, through a partnership with the other Councils in the region, is currently acquiring digital colour aerial ortho-photography for the region. Geo-referenced tiff images are available for purchase or use. Any purchase or use is subject to a licensing agreement, available on request.

The agreement may vary depending on the purchase or use and it is at the Council's sole discretion whether such an agreement is entered into.

Typical clauses in purchase agreements:

1. The owners will supply the aerial photography to the purchaser as GIS compatible geo-referenced tiff tiles and the associated registration file, with each tile scale covering 2500m x 3750m.
2. The said aerial photography is supplied to the purchaser for internal use only and may not be sold or distributed in any format.
3. The purchaser will not make the said aerial photography available to any other organisation or person in any form.
4. The purchaser will refer any request for derived or associated products by any third party, to the owners.

All hardcopies of the aerial photography produced by the purchaser for its own use shall be endorsed with a statement that the aerial photography is copyright and may not be reproduced in any form without the consent of the "Owners".

Purchase of small sets of 1:5000 tiles, for an organisation's own internal use: $50 per tile plus compilation costs at the standard charge rate per hour and GST.

Purchase of large sets of 1:5000 tiles: Price negotiable, including recovery of compilation costs at the standard charge rate per hour and GST.

Use of sets for research purposes: Price negotiable, including compilation costs at the standard charge rate per hour and GST.

9. Publication Charges for RMA and Miscellaneous documents

Plan	$ GST Incl.
Regional Policy Statement	45.00
Regional Coastal Plan	202.00
Regional Air Quality Plan	45.00
Regional Water and Soil Plan	110.00
Integrated Transport Study	35.00
Regional Land Transport Strategy	55.00
Heavy Traffic Volumes in Northland	20.00
Oakleigh-Marsden Point Rail Link Project	20.00
On-site Wastewater Disposal from Households & Institutions	20.00
CDs of Plans	20.00

Any Council publications not made freely available to ratepayers may be purchased at cost from the Council. Contact the Council for further details.

Appendix 17

Hātea River Channel Fees

Level 1 Fee Scale

Consent Number.	Description	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
19990615002	Berth between sheds 19 & 20	80.00	90.00
20020993801	Boat ramp, Limeburners Creek	80.00	90.00
20050817101	Boat ramp, pontoon etc, Hātea River	80.00	90.00
20060963701	Boat shed, Pohe Island	80.00	90.00
20060617001	Boatshed # 1, Kissing Point	80.00	90.00
20060617701	Boatshed # 10, Kissing Point	80.00	90.00
20060617801	Boatshed # 11, Kissing Point	80.00	90.00
20050614801	Boatshed # 17, Riverside Drive	80.00	90.00
20060617101	Boatshed # 2, Kissing Point	80.00	90.00
20060617201	Boatshed # 3, Kissing Point	80.00	90.00
20070557601	Boatshed # 5 & 6, Kissing Point	80.00	90.00
20060617601	Boatshed # 9, Kissing Point	80.00	90.00
20020616403	Boatshed #1, Limeburners Creek	80.00	90.00
20060569601	Boatshed #12a, Kissing Point	80.00	90.00
20060618001	Boatshed #14, Kissing Point	80.00	90.00
20060672101	Boatshed #15, Kissing Point	80.00	90.00
20060672001	Boatshed #16, Kissing Point.	80.00	90.00
20060671901	Boatshed #17, Kissing Point	80.00	90.00
20060671801	Boatshed #18 & 18A, Kissing Point	80.00	90.00
19990615001	Boatshed #19, Riverside Drive	80.00	90.00
19600616501	Boatshed #2, Limeburners Creek	80.00	90.00
19600614901	Boatshed #2, Riverside Drive	80.00	90.00
20060671701	Boatshed #20, Kissing Point	80.00	90.00
20060671601	Boatshed #21 & 22, Kissing Point	80.00	90.00
20060671401	Boatshed #23, Kissing Point	80.00	90.00
20040615602	Boatshed #24, at Riverside Drive	80.00	90.00
20060671301	Boatshed #24, Kissing Point	80.00	90.00
20060671201	Boatshed #25, Kissing Point	80.00	90.00
20060671101	Boatshed #26, Kissing Point	80.00	90.00
20060671001	Boatshed #27, Kissing Point	80.00	90.00
20060670901	Boatshed #28, Kissing Point	80.00	90.00
20060670801	Boatshed #29, Kissing Point	80.00	90.00
19600616601	Boatshed #3, Limeburners Creek	80.00	90.00
20060670701	Boatshed #30, Kissing Point	80.00	90.00
20020615101	Boatshed #5, Riverside Drive	80.00	90.00
20010615201	Boatshed #6, Riverside Drive	80.00	90.00
20060617401	Boatshed #7, Kissing Point	80.00	90.00
20060617501	Boatshed #8, Kissing Point	80.00	90.00
20070614701	Boatshed berth (jetty & piles) Port Rd	80.00	90.00
20060614601	Boatshed, Pohe Island	80.00	90.00
20060615901	Boatshed, Pohe Island	80.00	90.00
20060616001	Boatshed, Pohe Island	80.00	90.00
20060616101	Boatshed, Pohe Island	80.00	90.00
20060616901	Boatshed, Pohe Island	80.00	90.00
2005 615401	Boatshed, Riverside Drive	80.00	90.00
20060615502	Boatshed, Riverside Drive	80.00	90.00
20010615301	Boatshed, Riverside Drive	80.00	90.00
20060615701	Boatshed, Riverside Drive	80.00	90.00
20060615801	Boatshed, Riverside Drive	80.00	90.00
19600557301	Gangway & pontoon & ramp	80.00	90.00

Consent Number.	Description	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
20050643801	Jetty and piles, Waiarohia River	80.00	90.00
19600563001	Jetty, Hātea River	80.00	90.00
20010910901	Jetty, Hātea River	80.00	90.00
19601034201	Jetty, Hātea River	80.00	90.00
20060660102	Jetty, upper Hātea River	80.00	90.00
20000889802	Jetty, Upper Hātea River	80.00	90.00
20050644301	Jetty, Waiarohia Canal	80.00	90.00
20050644302	Jetty, Waiarohia Canal	80.00	90.00
20050644501	Jetty, Waiarohia Canal	80.00	90.00
20050644701	Jetty, Waiarohia Canal	80.00	90.00
20050954401	Jetty, Waiarohia Canal	80.00	90.00
20050643901	Jetty, Waiarohia Canal	80.00	90.00
20050644001	Jetty, Waiarohia Canal	80.00	90.00
20050644101	Jetty, Waiarohia Canal	80.00	90.00
20060644201	Jetty, Waiarohia Canal	80.00	90.00
20050898701	Jetty, Waiarohia Canal	80.00	90.00
20070643701	Jetty, Waiarohia Canal	80.00	90.00
20050809401	Jetty, Waiarohia Canal	80.00	90.00
20050944101	Jetty, Waiarohia Canal	80.00	90.00
20050644901	Mooring piles, Waiarohia River	80.00	90.00
20050865901	Ticket office/deck/pontoon, Town Basin	80.00	90.00
19980527201	Various structures	80.00	90.00
19960795801	Marina - Whāngārei Town Basin (264 Marinas @ 80 excl GST)	21,120.00	23,760.00
20060792601	Marina, jetty, piles & associated consents (24 Marinas @ 80 ex GST)	1,920.00	2,160.00
19990615002	Berth between sheds 19 & 20	80.00	90.00

Level 2 Fee Scale

Consent Number.	Description	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
20040629912	Barge repair berth and boat ramp, Hātea River	800.00	900.00
20050860302	Dock facilities and a boat ramp	800.00	900.00
19950746801	Floating dock, Hātea River	800.00	900.00
20050557501	Slipway, Hātea River	800.00	900.00
19990626203	Slipway, Hātea River	800.00	900.00

Level 3 Fee Scale

Consent Number.	Description	Annual Charge $ GST Excl.	Annual Charge $ GST Incl.
20061639201	Pontoon, walkway and piles, Waiarohia Canal	400.00	450.00
19950770401	Kaituna barge canal	400.00	450.00
20010917502	Slipway	400.00	450.00
19600643101	Slipway & Jetty, Waiarohia Canal	400.00	450.00
19600659801	Slipway, Hātea River	400.00	450.00

Balanced Budget Requirement - S(100) of the Local Government Act 2002

The Local Government Act 2002 requires in s100(2) that a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses. Despite that requirement, a local authority may set projected operating revenues at a different level from that required to balance its budget if it resolves that it is financially prudent to do so, having regard to:

(a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Community Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

(b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and

(c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and

(d) the funding and financial policies adopted under section 102 (and included in the Council's Community Plan).

Where a Council finds that it is financially prudent not to balance its operating budget in any year covered by the Community Plan, the plan must include a statement of reasons and any other matters taken into account and a statement of the implications of the decision.

Under section 101(1) a local authority must manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Resolution pursuant to s100(2) of the Local Government Act 2002

The Northland Regional Council intends to run a deficit budget in the 2009/2010 financial year as a result of providing a one-off grant paid towards the establishment of the Regional Recreational Events Centre. In order to smooth the rating burden, the Council also intends to contribute funding towards operational expenditure from the Forestry Equalisation reserve in years 2010-2011, 2011-2012, 2014-2015, 2016-2017, 2018-2019.

Details are provided in the Prospective Statement of Comprehensive Income.

In resolving to adopt the practice of deficit budgeting during the term of this Community Plan the Council has considered the following matters:

(a) Reasons for resolving to adopt a financial forecast that includes deficits or surpluses from time to time:

(i) During year one of the Community Plan, the Council intends to pay a one-off grant towards the establishment of the Regional Recreational Events Centre. The grant is to be funded by way of a loan to be repaid using the revenue collected via the targeted rate over an approximate 15 year period. The targeted rate was established in the 2005/2006 financial year. Council has set aside the targeted rates collected to date in a reserve and will use a combination of these funds and borrowing to fund the grant. The targeted rate will continue until such time as the borrowing to fund the grant has been repaid. Council will operate a deficit in the year the grant is paid and a surplus of revenue over expenditure until such time as the loan is repaid

(ii) In accordance with the Revenue and Financing Policy, Council may choose to not rate for the full cost of depreciation on some Council assets. Council believes that rating for the full cost of depreciation on new assets (rather than replacement assets) such as the development of new River Management Schemes, results in the ratepayers having to fund both the infrastructure and the replacement of the infrastructure which goes against the principle of intergenerational equity.

(iii) The Council holds a number of reserve funds. In accordance with the specific provisions of each reserve, Council may choose to fund certain operating expenditure from reserves, including prior year surpluses. Two key reserves which may be used to fund operating expenditure and allow Council to operate a deficit budget are the Forest Income Equalisation reserve and the Land Management reserve:

a. Council has appropriated half of its net forest investment income to the Forest Income Equalisation reserve each harvesting year. Council intends to continue with this practice. The reserve was established to smooth the rating burden and to provide funding for general operating activities after the completion of the forest harvest rotation.

b. The Council also operates a reserve titled the land management reserve. This reserve consists of surpluses relating to the targeted land management rate. This reserve may be used to fund operating deficits in activity areas that are funded from the targeted land management rate. The reserve may also be used to fund land-based, emergency works including matching Government and other third party contributions to provide financial assistance for emergency and repair work for significant events.

(iv) Under New Zealand International Financial Reporting Standards (NZIFRS), changes in the fair value of certain assets must be accounted for within the Statement of Comprehensive Income. Fair value adjustments reflect changes in accounting valuations of some assets and liabilities. In accordance with the Revenue and Financing Policy, Council will not fund fair value adjustments as these are essentially unrealised accounting adjustments and do not represent cash.

(v) The Council has a strong "balance sheet" or financial structure, in that whilst it presently has no term debt, it has adequate capacity to raise debt. It maintains a strong liquid ratio where current liabilities never exceed the Council's ability to make payment in the short term.

(vi) The Council maintains a credit line at an appropriate level with its Bankers to meet short term liquidity needs.

(b) Other matters taken into account:

There are no other significant issues to take into account during the formulation of this Community Plan.

(c) The implications of a deficit budget:

Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the Council over the next ten years. There are no significant implications of running a deficit budget in accordance with the prospective statement of comprehensive Income for the reasons set out in Council's Financial Strategy and Revenue and Financing Policy. These reasons are also detailed above.

Council Resolution:

That the Council resolves under section 100(2) of the Local Government Act, it is financially prudent not to balance its operating budget in accordance with the reasons set out above in the financial years; 2009-2010, 2010-2011, 2011-2012, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019 covered by the Community Plan as detailed in the Prospective Statement of Comprehensive Income.

Contents - Volume One

A copy of Volume One can be obtained from any of the Council's offices detailed on page 4, visiting our website www.nrc.govt.nz, by requesting a copy by calling 0800 002 004, or e-mailing mailroom@nrc.govt.nz

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