

Te Mahere Roa 2021-2031

Long Term Plan 2021-2031



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Nau mai
Welcome

Nau mai, haere mai, piki mai rā

Welcome

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

Tihei Mauri Ora

Behold we live

Tukuna te reo mihi ki te Ātua i hanga nei Te Taiao, Te Aorangi, Te Ao nei

We acknowledge the creator of our environment, our two worlds and to the living world

Rerea te mihi Mōteatea ki te iwi wairua, i tānikohia e rātou te kahu tapu

We acknowledge our loved ones that have passed on

A, ka whai ake ngā mihi ki a tātou te hunga kikokiko o Te Taitokerau whānui

We acknowledge those living within Te Taitokerau, Northland

E te tī, e te tā, e tamara mā

We acknowledge those near and far

Mauri tu	Live well
Mauri roa	Live long
Mauri ora	And prosper

Ko tēnei tō mātou Mahere Rautaki, ngā tirohanga mo Te Taitokerau

This is our long term plan for the vision of Te Taitokerau

Nō reira, tēna koutou, tēna koutou, tēna koutou katoa

Ngā karere mai i te Heamana, Tumuaki

Chair and CEO's foreword

Welcome to our Long Term Plan 2021–2031. This is our roadmap for the next 10 years, to support Northland's growth and wellbeing while navigating the unpredictable world we now live in.

At the core of this Long Term Plan is our vision: "Our Northland – together we thrive." Achieving environmental, social, economic and cultural wellbeing will only truly happen as we continue to build meaningful partnerships, with everyone from tangata whenua to individual landowners. Resilience is also key, and we must ensure that we are addressing issues such as flood protection, the increasing effects of climate change, and global financial volatility.

This plan represents our required three-yearly review of council activities, and we've developed it in response to the views of our communities, legislative changes from central government, and work we know needs to be done. It's been a delicate balancing act and we are confident that we've settled on the best combination of work programmes to serve Northland's diverse needs.

In a time when many other plans were also out for consultation, we are grateful that you found time to kōrero with us, in person at our region-wide 'Have Your Say' events and in various ways online. The submissions we received were generally supportive of the proposed work, and reinforced the feedback from our early consultation in August 2020.

This means we're now planning to really ramp things up, particularly in the areas of water health, biosecurity and climate change. This plan lays the path for many millions of dollars of new work.

This includes, over the next three years:

- just over \$6M to improve the land catchments around our waterways (this has a huge impact on water health)
- \$2.2M to build our resilience to climate change through undertaking adaptive pathways planning and establishing a zero-carbon transition plan
- boosting biosecurity work on land to the tune of \$3.3 million by 2024.

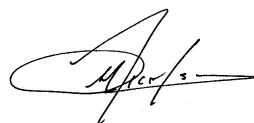
Approving this plan means in year one, the impact on rates will be 20.71%, which amounts to an average increase of \$83.09 (including GST) per ratepayer for the coming year. We weighed up the impact of this cost on ratepayers carefully, but ultimately, we know that we need to do this work now in order to create a healthy environment, strong economy and resilient communities.

We are confident that this Long Term Plan makes the best use of our resources and funding opportunities to achieve our vision, and we're excited to keep working for our community.

Thank you for being involved and helping us plan for a strong Northland – we couldn't fulfil our region's potential without your support.



Penny Smart
Chair



Malcolm Nicolson
Chief Executive Officer

Ō koutou Kaikaunihera Your regional councillors



Te mahere rautaki a te Kaunihera Council's strategic direction


VISION

Our Northland – together we thrive


Tō tātou Taitokerau – ka whai hua tātou

MISSION

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



Healthy waters for the environment and our people



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

Safe and effective transport networks connecting our region


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

Resilient, adaptable communities in a changing climate

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

Meaningful partnerships with tangata whenua

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



Protected and flourishing native life

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

A strong and sustainable regional economy

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



Ō koutou korero What you told us



Like all councils in Aotearoa, we're required to do a Long Term Plan every three years, and get community feedback to help inform its development.

During August 2020, we ran an early engagement period to get an understanding of what's important to our communities and check we're on the right track. A series of pop-up stalls and an online feedback portal offered an early chance for people to influence the shape of this plan.

Despite Covid-19 interrupting our plans to hold more *kanohi ki te kanohi* (face-to-face) stalls, overall we achieved some great engagement through the pre-consultation period, online and offline. The feedback told us that our communities agree with all of our priorities, with particular support for the following outcomes:

- Native life that is protected and flourishing.
- Healthy waters for our people and the environment.

We considered the feedback from this period of pre-consultation, and during workshops with the Te Tai Tokerau Maori and Council Working Party's Maori Technical Advisory Group, when we developed the proposals that made up our Long Term Plan 2021-2031 Consultation Document. Once our proposed work programmes for the next 10 years were finalised, we compiled the Consultation Document, which set out the options and, where feasible, any alternatives. We took this to our communities to see what they thought.

During our formal consultation period, from 15 March to 16 April 2021, we ran a multi-channel promotional campaign encouraging people to have their say on the issues outlined in the Consultation Document. Promotion happened via updates on our website, media releases, radio advertising, a social media campaign, and a two-page LTP special in our quarterly council news slot in local newspapers. We also directly contacted interested parties on our mailing list, and mailed ratepayers in our flood catchment areas who were likely to be significantly affected by flood work and targeted rate increases that were proposed.

We held seven 'Have Your Say' events around the region, which presented an opportunity for community members to present their views to councillors in person, and to better understand the proposals. Events took place in Whangārei (two events), Kerikeri, Otiria, Waipū, Dargaville and Kaitaia. Attendance at these events varied, with nearly 90 attendees recorded in total.

Written feedback came in through our online consultation portal, email, our hard-copy feedback forms, and letters.

Overall, 172 submissions were made on our Long Term Plan. The majority of submissions were about the proposals within the Consultation Document, with the majority in support, but feedback was also received on a range of other issues. In addition to the 172 submissions, 22 pro-forma submissions were received in support of a group submission focused on environmental protection. Council deliberated on submissions on 19 May 2021.

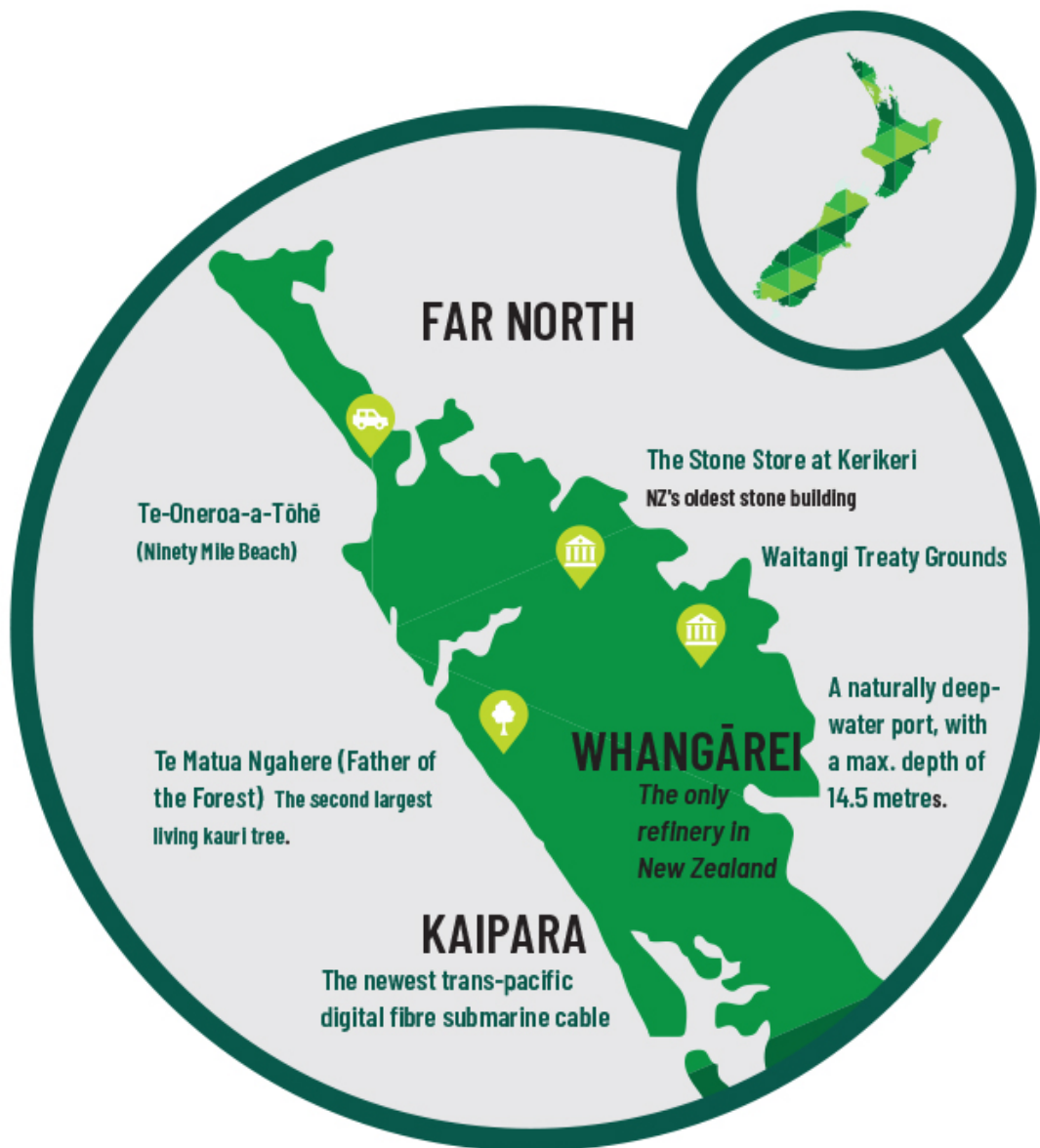
One area of consultation that divided opinion across our communities was our proposal to grant \$14 million to the fit-out of the proposed Oruku Landing Conference and Events Centre (Oruku Landing). We received 33 submissions that agreed with the proposal, and 43 that disagreed, with sound arguments both for and against the proposal received as written comments.

Having considered this feedback, council decided to approve a grant of \$6 million to the project in 2023/24, subject to a suite of conditions being met, including that other parties (Whangarei District Council and Crown Infrastructure Partners) maintain their financial commitment and responsibilities, and that detailed design and costings be provided.

The \$6 million grant and the new Oruku Landing fit-out rate which will repay the borrowing required for the grant, have been included in the budgets and rating section of this Long Term Plan. However, should the conditions that council has set out not be met, council will not proceed with the grant and will not set the Oruku Landing fit-out rate in 2023/24.

A summary of all the decisions made is available on our website: www.nrc.govt.nz/futureplan

To tātou rohe
About our region



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

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

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

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

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

 Northland's population is projected to reach **217,100** by 2031
» at an average annual rate of 1%

Our place

The Northland region covers an area of 13,940 km², just over 5% of New Zealand's total area, extending from the very top of the country's North Island to a little north of Wellsford. As the northernmost and warmest of New Zealand's 16 regions, Northland is known as the 'winterless North'. The low elevation and close proximity to the sea result in a mild, subtropical and rather windy climate. Our region is a combination of natural taonga such as golden beaches, secluded coves, breathtaking seascapes, ancient forests, and a rich tapestry of flora and fauna.

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

Our environment

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

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

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

Despite our high rainfall compared to other parts of the country, there are times when the quantity and quality of freshwater is limited or poor. The main issues affecting river-water quality in Northland are E.coli, phosphorus and sediment (particularly during storm events), degraded habitat quality and ecological health. The region is known for its excellent coastal

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

Our people

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

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

Northland's unemployment rate, which had been relatively steady at 8-9% since the global financial crisis has dropped significantly since 2017 to around 5% in 2020, and is at its lowest level since 2008. Northland no longer has the highest unemployment rate, being below Gisborne/Hawke's Bay and Bay of Plenty. There is a continuous rise in young Māori with NCEA Level 2 or equivalent, and non-Māori are maintaining a steady increase too.

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

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

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

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

Our culture

Northland possesses a sense of history and culture that is uncommon elsewhere in New Zealand. Northland is called the 'birthplace of the nation', and its Māori and colonial history are an integral part of the region's identity. Waitangi is one of New Zealand's most important historic sites, marking the place where Te Tiriti o Waitangi/the Treaty of Waitangi between Māori and the English was first signed. The proportion of Northlanders identifying as Māori (approximately 36%) is double the national average (16%), while a much smaller proportion are of Asian origin. Generally, Northlanders find expressing their identity very easy compared to other regions.

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

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

Our economy

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

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

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

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

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

Rautaki Pūtea Financial strategy

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

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

The purpose of the strategy is to facilitate:

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

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

SUIP = Separately Used or Inhabited Part of a rating unit

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

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

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

Key issues and drivers

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

The Long Term Plan sets out the programmes of work for the next 10 years, and the cost of funding these activities. Overall, the areas of new and extended work in this Long Term Plan will mean significant rates increases.

The major areas are:

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

We are in a sound financial position.

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

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

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

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

Looking ahead

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

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

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

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

The world around us

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

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

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

Population

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

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

Economic growth

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

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

Economic growth is vital for generating the resources needed to address some of the pressing problems affecting Northland, such as poor housing, health and education.

Land use

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

Weather

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

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

Payment of rates

Rates arrears are expected to continue. Historically this issue predominately related to the Far North district, where there are significant portions of Māori freehold land. Over the past three years, the Far North has collected about 87% of our rates compared with 93% in Kaipara and 96% in Whangārei. With the Te Ture Whenua Māori bill taking effect from 2021/22 a large portion of the uncollectable rates from Māori freehold land will become non rateable. As a result we anticipate council will experience a lower level of rate arrears from 2021/22 onwards.

We have estimated an allowance for unpaid rates when setting our budget of \$470,000, funded from rates and general funds.

Approach to funding levels of service

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

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

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

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

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

Investing in sustainable economic development

Council will continue to invest in sustainable economic development initiatives, as we believe this will make a positive difference to the economic wellbeing of Northland. Previously this investment was funded using a portion of council's investment income. It is planned that over a six-year period, the source of funding be transitioned away from investment income to a new economic development rate and investment returns from the **economic development reserve** (previously named the community investment fund). This funding will continue to be directed into council's **investment and growth reserve** (IGR), from which investment allocations will be made.

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

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

Maintaining a balanced budget

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

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

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



Operating reserve

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

Investments

Managing capital values

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

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

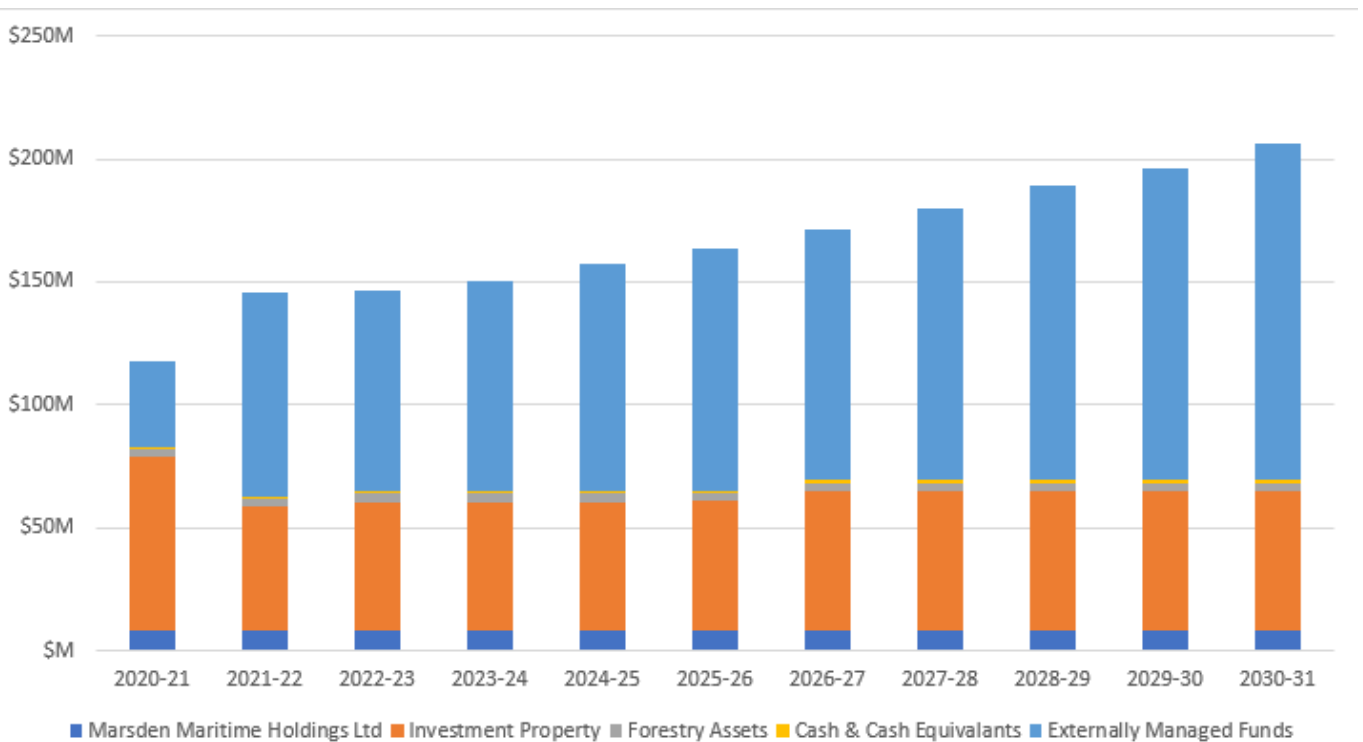
their real values. This decision is made after taking into account the current market conditions and our desire to subsidise rates.

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

Increasing returns on investments

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

As an example of our reliance on investment income, a 1% decrease in forecast returns on investments (excluding forestry, which has highly variable returns year to year), and a one-cent-per-share reduction in the dividend from Marsden Maritime Holdings Limited, will result in average rates per rating unit or SUIP increasing by \$3.15 in a single year.



Marsden Maritime Holdings Limited (port company)

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

Property

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

Forestry

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

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

Cash and cash equivalents

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

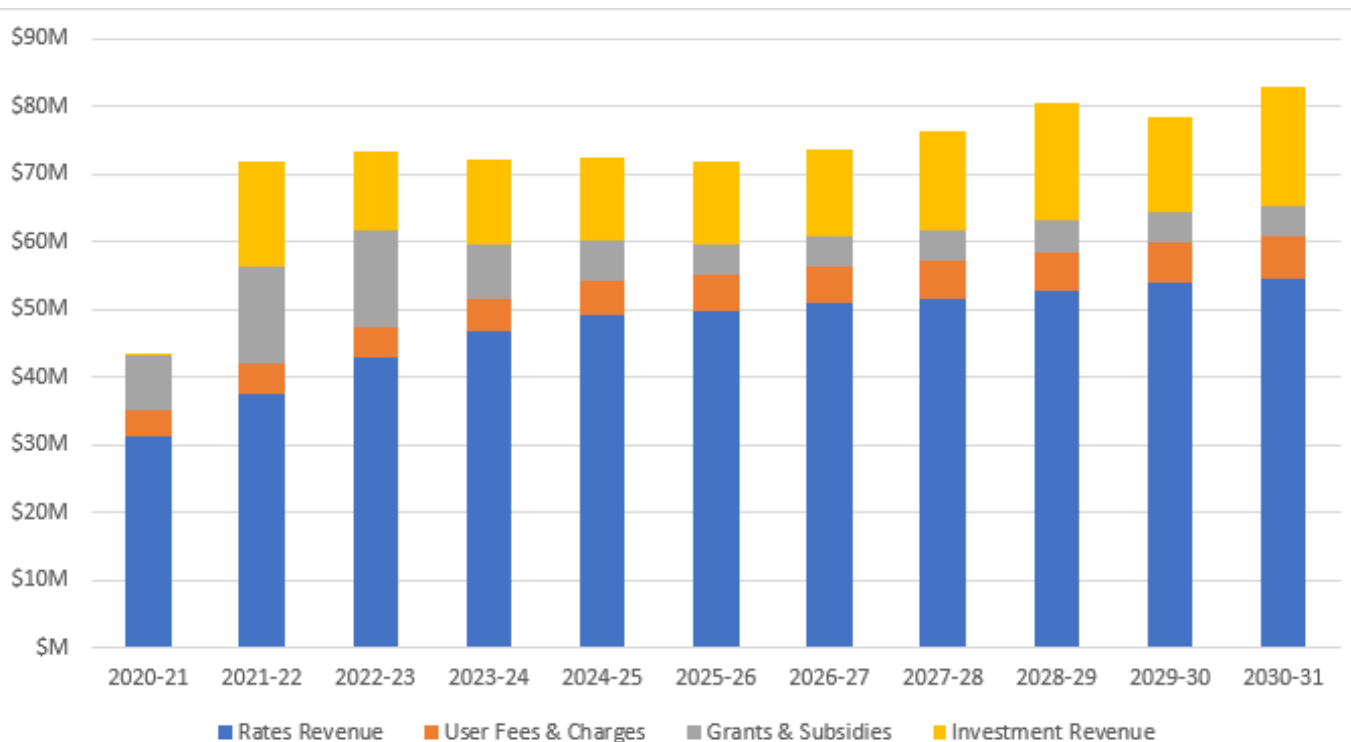
Externally managed funds

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

Funding our expenditure

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

The funding mix for the period of the Long Term Plan is set out in the following graph.



Rates

Rates limits

Total rates will not exceed 75% of total revenue.

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

Our rate limits represent a balance between:

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

Over the 10 years of this plan, the average annual rates increase is \$26.14 (5.6%) per rating unit or SUIP.

However, the average increases in 2021/22 and 2022/23 are, at \$71.95 (17.6%), much higher than the 10-year average. This is an anomaly caused by increases in service levels, particularly in flood risk reduction, improving freshwater management and

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

For the remaining eight years of this plan, much more modest increases on average per SUIP (all within our rates limits) are forecast, between 0.81% (\$4.90) and 8.65% (\$45.05). We achieve this by continuing to use some of our investment earnings and reserves to help fund operating expenditure.

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

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

Targeted region-wide rates

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

² SUIP = separately used or inhabited part of a rating unit

The targeted region-wide rates are:

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

Specific targeted rates

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

The specific targeted rates include:

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

The Oruku landing fit-out rate is proposed to be set in year three (2023/24), to fund the borrowing cost of a \$6 million grant for the fit-out of the Oruku Landing Conference and Events Centre. Council approved the grant of \$6 million (plus GST if any) during their deliberations on LTP proposals. The approval of the grant included a set of conditions to be met prior to the funding being provided. The conditions included that other parties (Whangārei District Council and Crown Infrastructure Partners) maintain their commitment and responsibilities, clarification of what council would be providing funding for and when, and that the detailed design and costings be provided along with a set of social procurement requirements. Council also set out a date by which construction work on the adjacent hotel must have commenced, in order to allow council's rates and budgets to be revised, should the conditions not be met. Should the conditions not be met, the Oruku landing fit-out rate will not be set.

All flood schemes that have both operational and capital works are managed to spread the cost (and loan repayment, if any) over a suitable period that takes into account the period of benefit, inter-generational equity and affordability. The river management rates are constant throughout the term

of the plan. Where external grant funding is available to contribute to flood works, rates may change to reflect this.

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

Balancing affordability and who pays

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

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

Managing our infrastructure assets: flood protection and control

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

We currently have flood control infrastructure assets in place in Awanui, Kāeo-Whangaroa, Whangārei and Panguru. The value of these infrastructure assets is \$20.7M million (at 30 June 2020). More detailed information can be found in the 'Rautaki Hanganga | Infrastructure strategy: Flood protection and control' and on the council's website at www.nrc.govt.nz/priorityrivers.

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

The following table shows the cost of these capital works.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Kāeo	360	-	-	50	250	250	200	-	-	-
Awanui	4,297	5,157	-	-	-	-	-	100	522	-
Whangārei urban rivers	-	50	-	-	-	-	-	200	700	600
Whangārei mitigation - new	251	-	-	-	-	-	-	-	-	-
Kawakawa - new	-	-	-	550	-	-	-	-	-	-
Otira-Moerewa - new	1,500	3,500	-	-	-	-	-	-	-	-
TOTAL	6,408	8,707	-	600	250	250	200	300	1,222	600

Borrowing

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

The council is a non-rated, guaranteeing participant of the Local Government Funding Agency (LGFA). The council's projected borrowing over the period of this plan peaks at \$45M in 2030/31, which is well within our current borrowing policy limit of \$85M. As a guarantor member council guarantees the obligations of the LGFA. The guarantee provides for a proportionate liability based on the relative share of total rates revenue of all guarantors. Standard and Poor's ascribe a AA+ credit rating to the LGFA with a positive outlook (i.e. may improve to AAA, the highest possible credit rating). This credit rating implies a 0.15% probability of default over the next five years. Therefore, the risk associated with council being a guaranteeing member of the LGFA is considered to be low.⁽³⁾

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

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

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

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

Policy on securities for borrowing

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

When we borrow externally, we provide a debenture trust deed prior to accessing funds. Under a debenture trust deed, our borrowing is secured by a floating charge over all council rates assessed under the Local Government (Rating) Act 2002. In such circumstances, the security offered by the council ranks equally ('pari passu') for all stock issues by the council.

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

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

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

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

The council may use its reserve and special funds, and refers to this activity as 'internal borrowing'. The use of special funds and reserve funds (and internal borrowing of special funds/reserve funds and other funds) will be on an unsecured basis.

Loans for infrastructure assets

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

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

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

Internal borrowing rates

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

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

If there are marked changes to the cost of borrowing or the return available on safe investments, the council may (by special resolution) set an internal borrowing rate that reflects the actual market conditions at the time the internal loan is established.

Rautaki Hanganga Infrastructure strategy: Flood protection and control

Overview

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

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

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

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

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

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

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

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

Northland context

Northland is a long, narrow peninsula with a subtropical climate. It has a land area of 13,286km², of which 526km² is classified as alluvial and estuarine plains and low terraces, much of which is prone to flooding. More than 50% of the land is in pasture and 10% in forests. Northland's mainland coastline is 3,127km long, and a high proportion of the population live in coastal settlements, including the main urban centres of Whangārei and Dargaville. The region, therefore, has a relatively high exposure to potential sea level rise and future coastal inundation, and this is clearly shown in council's coastal flood hazard maps.

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

Demand assumptions

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

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

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

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

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

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

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

Vision for the community over the next 30 years

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

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

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

Overview of flood protection assets

Existing flood protection infrastructure

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

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

Details of each scheme are shown in the following table.

Summary of existing flood protection infrastructure

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

Awanui flood scheme

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

Kāeo-Whangaroa flood scheme

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

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

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

Whangārei urban rivers flood scheme

Hopua te Nihotetea detention dam and Woods Road flood mitigation works

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



Panguru flood scheme

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

Significant issues, options and implications

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

Strategic overview of issues and options for flood protection assets

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

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

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

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

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

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

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

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

Management of future flood protection works

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

Significant decisions about capital expenditure

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

This infrastructure strategy includes a capital works programme of up to \$22.9 million. A substantial part of this budget is for planned upgrades to the Awanui flood scheme, which accounts for up to \$13.7 million of the total capital works in this strategy.

Funding methods

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

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

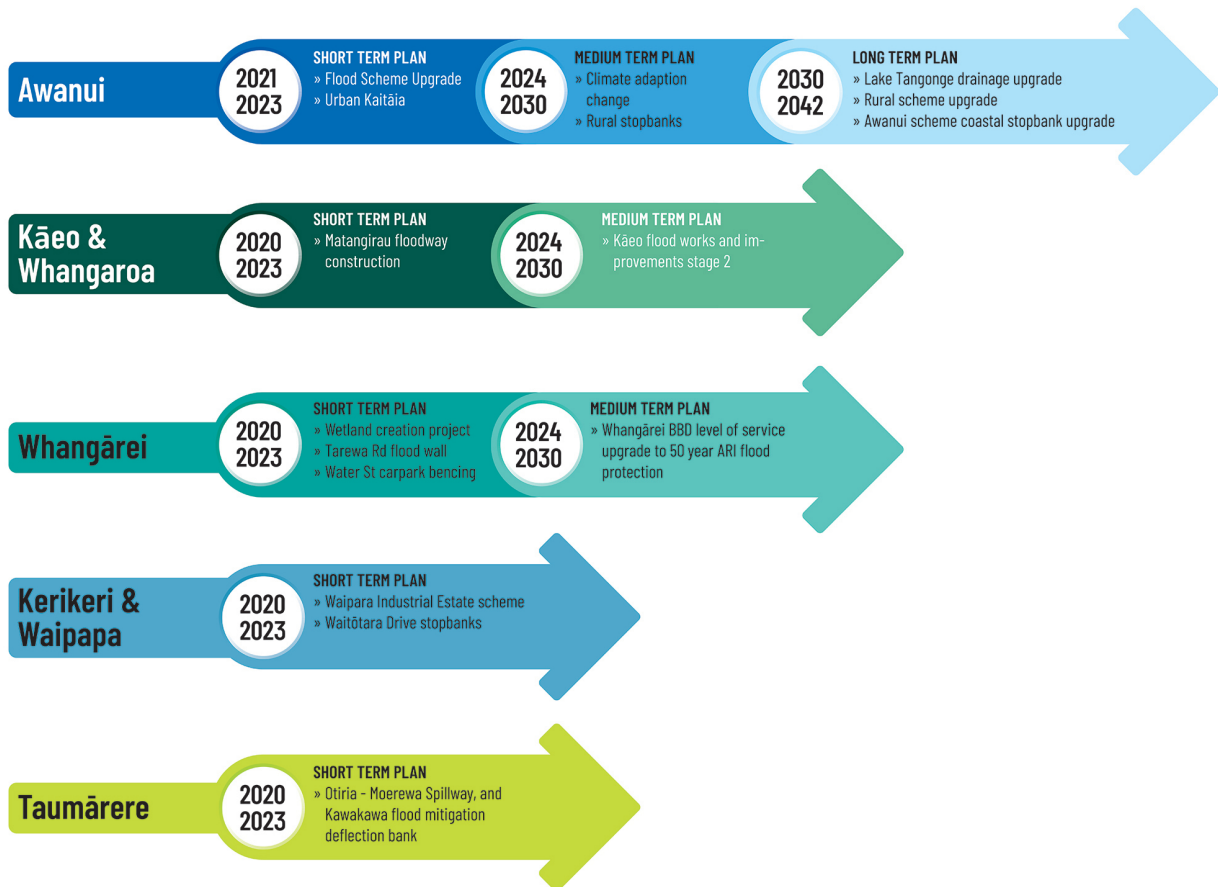
period from the revenue received from targeted rates. Occasionally these works also receive grant subsidies from central government.

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

Central government funding approved 2020

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

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



Significant decisions about capital expenditure

	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
Awanui flood scheme: urban Kaitaia	Urban Kaitaia	Upgrades to Kaitaia river channels, including rock protection.	2021-2025	LTP 2018
	Urban Kaitaia resilience upgrade with level of service upgrade for urban areas to 100-year average recurrence interval (ARI) event.	Total resources: \$9.45 million	(LTP years 1-5)	(Decision made LTP 2018)
Awanui flood scheme: rural and coastal	Rural scheme upgrade to achieve 20-year ARI flood protection.	Rural stopbanks: \$622,000	2028-2030	LTP 2027
		Total resources: \$622,000	(LTP years 8-10)	
	Rural scheme upgrade	New second floodgate and channel: \$500,000	2032-2037	LTP 2030
	Lake Tangonge drainage upgrade	New lake outlet to Waipapakauri drain, and 5km drain upgrade: \$640,000	(LTP years 12-17)	
		Total resources: \$1.14 million		
	Rural scheme renewal	Total resources: \$300,000	2038-2040	LTP 2036
	Renewal of existing major floodgates (Waihoe and Oinu floodgates)		(LTP years 18-20)	
	Climate change adaptation planning*	Adaptive planning including infrastructure risk analysis and adaptation options assessment, options development and analysis, increases in maintenance/replacement work made worse by climate change.	2024-2027	LTP 2024
	Adaptive pathways planning process to develop optimised programme considering sea level rise.		(LTP years 4-7)	
	* Work not currently budgeted, to be applied for in the 2024 Long Term Plan.	Total resources: \$300,000		
	Coastal stopbanks	Coastal stopbanks (3m reduced level): \$2.15 million	2041-2047	LTP 2039
	Increase coastal stopbank crest levels to 20-year ARI storm surge and defend against potential 1m of sea level rise over 100 years.	Note: will require re-assessment once all coastal stopbanks have been surveyed.	(LTP years 21-27)	
Matangirau floodway construction/channel benching	Matangirau flood scheme*	Floodway construction/channel benching	2021-2022	LTP 2018
	Floodway (1.5km), including 1km upstream and 500m downstream of Wainui Road.	Total resources: \$360,000	(LTP years 1-2)	(decision made LTP 2018)
		(Total planned to be spent by June 2021)		

	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
	* Planned to be complete by 2021, included here as Covid-19 delays may mean work is carried forward into 2022.			
Kerikeri/Waipapa flood scheme	Waipapa Industrial Estate flood protection, including rerouting and containing Kerikeri River overflow* and Waitōtara Drive stopbanks (part of original Kerikeri River flood scheme)* * Planned to be complete by 2021, included here as Covid-19 delays may mean work is carried forward into 2021.	Waipapa Industrial Estate scheme works: \$200,000 Waitōtara Drive stopbanks: \$140,000 Total resources: \$340,000 (within existing reserve)	2021-2023 (LTP years 1-3)	LTP 2018 (decision made LTP 2018)
Kāeo-Whangaroa flood scheme	Kāeo-Whangaroa flood scheme Adjusted stage two works: creek widening, re-alignment and bank extension.	Waikare Creek widening: \$150,000 Kāeo River re-alignment: \$450,000 Deflection bank number four extension: \$150,000 Total resources: \$750,000	2024-2028 (LTP years 4-8)	LTP 2018 (decision made LTP 2018)
Taumārere	Taumārere flood scheme Otiria-Moerewa spillway, and Kawakawa flood mitigation deflection bank.	Otiria-Moerewa spillway: \$5 million Kawakawa flood mitigation deflection bank: \$550,000 Total resources: \$5.55 million	2021-2023 (LTP years 1-2) 2024-2025 (LTP years 4-5)	LTP 2021 (decision made LTP 2021)
Whangārei flood scheme	Hopua te Nihotetea detention dam basin wetland project Creation of wetland	Total resources: \$50,000	2022-2023 (LTP years 2-3)	LTP 2018 (decision made LTP 2018)
	Tarewa Road flood wall	Total resources: \$251,287	2021-2022 (LTP years 1-2)	LTP 2021 (decision made LTP 2021)
	Whangārei CBD climate change adaptation planning* * Work not currently budgeted, to be applied for in the 2024 Long Term Plan.	\$300,000 Adaptive pathways planning process to develop optimised programme considering sea level rise, in conjunction with WDC Blue Green Network Strategy.	2024-2027 (LTP years 4-7)	LTP 2024
	Whangārei CBD level of service upgrade to 50-year ARI flood protection.	Waiarohia Stream greenway flood corridor (Rust Avenue to Lower Tarewa Road)	2024-2032 (LTP years 4-12)	LTP 2024

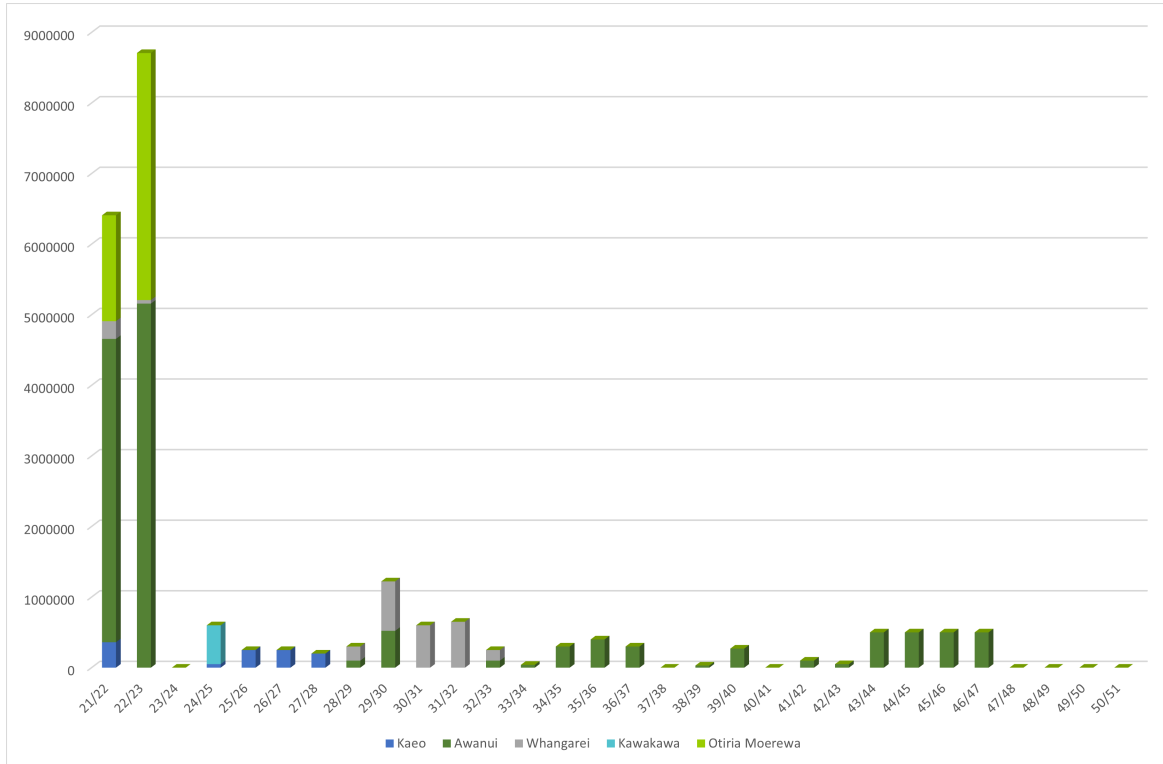
	Major works options	Estimated capital expenditure	Year/s for works	Decision required by
	Total resources: \$3.3 million (Details and timing of projects to be confirmed through adaptive pathways planning programme)	Water Street carpark benching: \$400,000 (LTP year 4-5) Other project details and timing to be confirmed (LTP year 4-12) Total resources: \$2.15 million		
		Wharowharo Stream re-alignment at Carruth Park, including drop structure Total resources: \$150,000	2032-2033 (LTP years 12-13)	LTP 2030

Indicative estimates of projected and operating expenditure

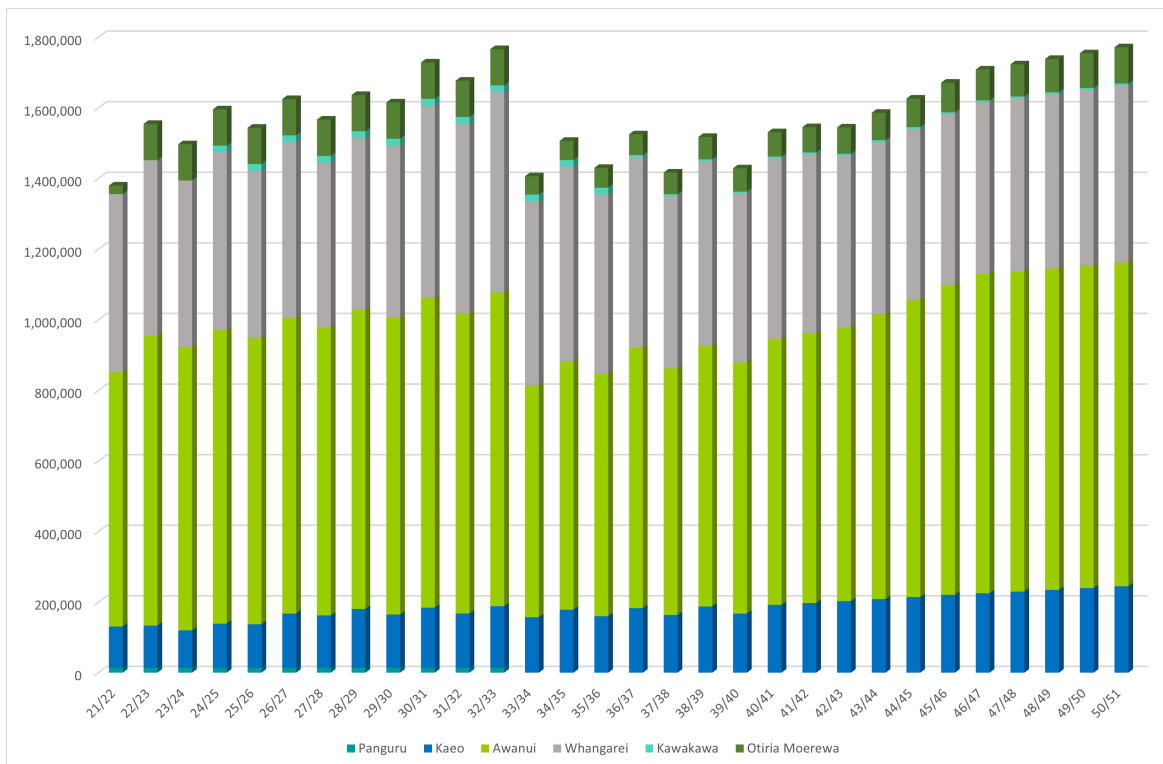
Our indicative estimates of the projected capital and operational expenditure for flood scheme assets are provided below. They show:

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

Projected capital expenditure



Projected operational expenditure



Asset maintenance and renewal expenditure is a relatively small cost that is used to ensure existing flood control assets are replaced as they reach the end of their design life. Operational expenditure is the cost associated with running the five existing river

management schemes, including items such as insurance, interest repayment and general maintenance.

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

The three existing flood schemes have significantly different operational expenditure forecasts over the 30-year timeframe of this strategy. Awanui and Kāeo-Whangaroa operational spend is projected to

increase, mirroring increased capital expenditure, while the Whangārei operational spend progressively reduces over time due to repayment of scheme debt.

Estimated projected capital and operating expenditure summary

Expenditure category, all schemes	Total over 30 years	Annualised
Operational	\$47,624,813	\$1,587,494
New capital	\$22,928,281	\$764,276
Totals	\$68,075,434	\$2,269,181

Key assumptions

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

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

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

Ngā mahi a te kaunihera Council activities

Our services and activities

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

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

This section sets out:

- our groups of activities
- the performance measures for each activity
- the reason for any material change to the cost of delivering the activity.

Our council intends to deliver levels of service through three activity areas. The grouping of these activities is as follows:

- natural environment
- community resilience
- regional leadership.

Note to readers:

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

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

Te Taiao

Natural environment

Tiakina te taiao, tiakina te iwi e

We look after the environment, the environment looks after us

Northland's natural resources are critical to the wellbeing of the region and its community.

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

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

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

The natural environment group of activities includes the following:

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

These activities contribute to the following council community outcomes:

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

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

Changes to levels of service

The level of service provided by each activity in the natural environment group either remains the same or increases in this Long Term Plan. The increases occur in the science and catchment management activities.

- The level of service for **science** will increase in line with the need to support council activities and respond to legislative requirements. This includes building the capacity of our hydrology services, expanding our monitoring programmes and creating systems to manage the increasing amount of data we process and produce.
- The level of service for **catchment management** will also increase in line with the need to support council activities and respond to legislative requirements. This includes support for the Kaipara Moana Remediation Programme, continued expansion of our Flyger Road poplar nursery, more soil monitoring and mapping, providing support to landowners developing freshwater farm plans, and more financial support for catchment management work.

Changes to costs

The cost of delivering the levels of service for the natural environment group of activities increases in this Long Term Plan. New work across the activities would mean \$13.9 million of new operational spend and \$2.6 million of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates are assessed. The spend is considered here as a material change to the cost of this service.

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



1.1 Science

Levels of service, performance measures and targets

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

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

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

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

1.2 Catchment management

Levels of service, performance measures and targets

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

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

1.3 Biodiversity

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Number of plants provided through Coastcare programme	12,962 – achieved	14,000	15,000	16,000	20,000
Number of top-ranked lakes identified in the Northland Lakes Strategy that are under active management ⁽¹⁾ with stock excluded	New measure	20 lakes			

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

1.4 Biosecurity

Levels of service, performance measures and targets

1.4.1 Community involvement in pest management is promoted in urban and rural environments through successful implementation of initiatives in the regional pest management plan

1.4.2 The introduction and spread of marine pests is slowed through inter-regional management

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Increase in hectares of land under Community Pest Control Area Plans (CPCAs) per annum	10,953ha increase - achieved	5000ha annually			
Survey at least 2000 vessel hulls for marine pests each year as part of marine biosecurity surveillance programme	2,048 hulls inspected - achieved	2000 hulls annually			

1.5 Planning and policy

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of environmental planning legislative requirements achieved each year	New measure	100% of requirements met			

1.6 Consents

Levels of service, performance measures and targets

1.6 Processing and administering of resource consents is efficient and effective

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of all resource consent applications that are processed within the statutory timeframes	100% – achieved	100%			

1.7 Compliance monitoring

Levels of service, performance measures and targets

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

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

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates (other than targeted water rates)	15,996	20,346	22,272	23,835	25,349	26,319
Grants and subsidies for operating purposes	3,181	6,345	4,488	2,436	811	50
Fees Charges and targeted rates for water supply	2,512	2,640	2,841	3,067	3,039	3,128
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	5	9	12	14
Total operating funding	21,689	29,331	29,606	29,347	29,211	29,511
Applications of operating funding						
Payments to staff and suppliers	18,940	27,224	27,868	26,898	26,975	26,734
Finance costs	-	14	28	42	56	71
Internal charges and overheads applied	8,924	8,754	9,232	9,438	9,645	9,828
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	27,864	35,992	37,128	36,378	36,676	36,633
Surplus/(Deficit) of operating funding	(6,175)	(6,661)	(7,521)	(7,031)	(7,465)	(7,122)
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	610	398	1,005	474	192	252
- To replace existing assets	425	117	95	336	130	261
Increase/(Decrease) in reserves	-	(548)	(417)	(479)	(383)	(369)
Increase/(Decrease) in investments	(7,210)	(6,628)	(8,204)	(7,362)	(7,404)	(7,266)
Total applications of capital funding	(6,176)	(6,662)	(7,520)	(7,031)	(7,466)	(7,122)
Surplus/(Deficit) from capital funding	6,175	6,661	7,521	7,031	7,465	7,122
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Sources of operating funding
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
26,774	27,830	28,507	29,097	29,543	Targeted rates (other than targeted water rates)
50	50	50	50	50	Grants and subsidies for operating purposes
3,308	3,338	3,405	3,602	3,642	Fees Charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
15	16	53	87	121	Local authorities fuel tax, fines, infringement fees and other receipts
30,147	31,234	32,015	32,836	33,356	Total operating funding
					Applications of operating funding
27,129	27,169	27,974	28,893	29,130	Payments to staff and suppliers
85	85	85	85	85	Finance costs
10,414	11,289	11,550	11,871	11,855	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
37,628	38,543	39,609	40,849	41,070	Total applications of operating funding
(7,481)	(7,309)	(7,594)	(8,013)	(7,714)	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total sources of capital funding
					Applications of capital funding
					Capital expenditure
-	-	-	-	-	- To meet additional demands
73	169	231	85	92	- To improve levels of service
162	208	62	209	163	- To replace existing assets
(436)	672	709	664	777	Increase/(Decrease) in reserves
(7,280)	(8,358)	(8,596)	(8,971)	(8,746)	Increase/(Decrease) in investments
(7,481)	(7,309)	(7,594)	(8,013)	(7,714)	Total applications of capital funding
7,481	7,309	7,594	8,013	7,714	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Manawaroa te hāpori

Community resilience

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

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

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

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

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

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

The community resilience group of activities includes the following:

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

These activities contribute to the following council community outcomes:

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

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

Changes to levels of service

The level of service provided by each of the activities in the community resilience group either remains the same or increases in this Long Term Plan. The increases occur across the flood protection, climate change, emergency management and transport activities.

- The level of service for **flood protection** increases in line with completing new flood infrastructure.
- The level of service for **climate change resilience** increases in line with the need to adapt to increasingly heightened impacts of natural hazards, and a legislative requirement to respond to carbon emission targets and climate change.
- The level of service for **emergency management** increases in line with the need to deliver more effective tsunami warnings and the most efficient emergency response coordination.
- The level of service for **transport** increases in line with a move toward greater accessibility of public transport and fewer carbon emissions.

Changes to costs

The cost of delivering the levels of service for the community resilience group of activities increases in this Long Term Plan. New work across the activities would mean \$6.85 million of new operational spend (including repayment of some capital costs), and \$14.7 million of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates are assessed. They are considered here as a material change to the cost of this service.

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

2.1 Flood protection

Levels of service, performance measures and targets

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

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

2.2 Climate change resilience

Levels of service, performance measures and targets

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

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

2.3 Emergency management

Levels of service, performance measures and targets

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

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

2.4 Oil pollution response

Levels of service, performance measures and targets

2.4 An efficient and responsive oil pollution response is maintained

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

2.5 Harbour safety and navigation

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Marine activities are safely managed, with nationally compliant harbour safety management systems that comply with the Port and Harbour Marine Safety Code operational safety management system ⁽¹⁾	New measure	100% compliance			

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

2.6 Transport

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of passengers surveyed on the Whangārei, Kaitaia and Mid-North bus services that are satisfied with the overall service provided	New measure	90% or more compliance from 3/3 measures			
Achievement of key Northland Transport deliverables, measured as an aggregated score, for: <ul style="list-style-type: none"> road safety capital works programmes maintenance programmes response to customer service requests 	New measure	Aggregated score for achievement of deliverables is greater than 75%			

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates (other than targeted water rates)	4,782	6,142	7,793	8,728	8,903	8,241
Grants and subsidies for operating purposes	3,321	3,780	4,169	5,102	4,668	3,698
Fees Charges and targeted rates for water supply	1,298	1,550	1,640	1,727	1,817	1,910
Internal charges and overheads recovered		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts		-	-	22	38	55
Total operating funding	9,401	11,472	13,602	15,579	15,426	13,904
Applications of operating funding						
Payments to staff and suppliers	8,279	10,031	11,042	11,949	12,373	10,701
Finance costs	-	-	113	138	138	138
Internal charges and overheads applied	1,775	1,744	1,838	1,879	1,920	1,957
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	10,054	11,775	12,993	13,966	14,431	12,796
Surplus/(Deficit) of operating funding	(653)	(303)	609	1,613	995	1,108
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	4,500	1,000	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	-	4,500	1,000	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	0	0	4,500	1,685	0	0
- To replace existing assets	36	1,201	2,618	38	39	40
Increase/(Decrease) in reserves	(60)	(59)	297	977	306	321
Increase/(Decrease) in investments	(629)	(1,445)	(2,306)	(87)	649	747
Total applications of capital funding	(653)	(303)	5,109	2,613	995	1,108
Surplus/(Deficit) from capital funding	653	303	(609)	(1,613)	(995)	(1,108)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Sources of operating funding
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
8,363	8,208	8,401	8,606	8,717	Targeted rates (other than targeted water rates)
3,682	3,688	3,695	3,702	3,710	Grants and subsidies for operating purposes
2,007	2,112	2,221	2,279	2,337	Fees Charges and targeted rates for water supply
-	-	-	-	-	Internal charges and overheads recovered
73	91	111	132	153	Local authorities fuel tax, fines, infringement fees and other receipts
14,125	14,099	14,428	14,719	14,917	Total operating funding
					Applications of operating funding
10,884	10,543	10,723	10,905	11,090	Payments to staff and suppliers
138	138	138	138	138	Finance costs
2,074	2,249	2,301	2,365	2,362	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
13,096	12,930	13,162	13,408	13,590	Total applications of operating funding
1,029	1,169	1,266	1,311	1,328	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total sources of capital funding
					Applications of capital funding
					Capital expenditure
					- To meet additional demands
0	0	0	0	0	- To improve levels of service
41	42	43	44	46	- To replace existing assets
337	353	371	389	409	Increase/(Decrease) in reserves
651	774	852	878	873	Increase/(Decrease) in investments
1,029	1,169	1,266	1,311	1,328	Total applications of capital funding
(1,029)	(1,169)	(1,266)	(1,311)	(1,328)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates (other than targeted water rates)	4,079	4,387	4,581	4,714	4,847	4,913
Grants and subsidies for operating purposes	-	3,940	5,140	-	-	-
Fees Charges and targeted rates for water supply	-	-	-	-	-	-
Internal charges and overheads recovered	9	5	5	4	3	3
Local authorities fuel tax, fines, infringement fees and other receipts	36	37	84	122	164	216
Debt Funding						
Total operating funding	4,124	8,369	9,810	4,840	5,014	5,132
Applications of operating funding						
Payments to staff and suppliers	1,456	1,451	1,601	1,683	1,718	1,749
Finance costs	589	452	522	501	491	517
Internal charges and overheads applied	546	554	585	597	609	622
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	2,591	2,457	2,708	2,781	2,818	2,888
Surplus/(Deficit) of operating funding	1,533	5,912	7,102	2,059	2,196	2,244
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	3,116	2,468	3,567	-	600	250
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	3,116	2,468	3,567	-	600	250
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	3,351	6,703	8,784	4	600	250
- To replace existing assets	104	-	-	-	-	-
Increase/(Decrease) in reserves	1,059	5,205	6,257	1,068	1,139	1,153
Increase/(Decrease) in investments	135	(3,528)	(4,372)	988	1,057	1,091
Total applications of capital funding	4,649	8,380	10,669	2,059	2,796	2,494
Surplus/(Deficit) from capital funding	(1,533)	(5,912)	(7,102)	(2,059)	(2,196)	(2,244)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Sources of operating funding
-	-	-	-	-	General rates, uniform annual general charges, rates penalties
4,956	4,997	5,042	5,087	5,133	Targeted rates (other than targeted water rates)
-	-	-	-	-	Grants and subsidies for operating purposes
-	-	-	-	-	Fees charges and targeted rates for water supply
2	1	-	-	-	Internal charges and overheads recovered
269	324	380	440	498	Local authorities fuel tax, fines, infringement fees and other receipts
5,227	5,322	5,422	5,527	5,631	Total operating funding
					Applications of operating funding
1,798	1,793	1,841	1,903	1,963	Payments to staff and suppliers
507	495	489	510	512	Finance costs
659	714	731	751	750	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
2,964	3,002	3,061	3,164	3,225	Total applications of operating funding
2,263	2,320	2,361	2,363	2,406	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
250	200	300	1,222	600	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
250	200	300	1,222	600	Total sources of capital funding
					Applications of capital funding
					Capital expenditure
					- To meet additional demands
252	200	300	1,222	600	- To improve levels of service
-	-	-	-	-	- To replace existing assets
1,175	1,216	1,248	1,242	1,260	Increase/(Decrease) in reserves
1,086	1,104	1,113	1,120	1,146	Increase/(Decrease) in investments
2,513	2,520	2,661	3,585	3,006	Total applications of capital funding
(2,263)	(2,320)	(2,361)	(2,363)	(2,406)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Hautūtanga ā rohe

Regional leadership

Mā e huru huru, ka rere te manu

With support, anything can be accomplished

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

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

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

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

The regional leadership group of activities includes the following:

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

These activities contribute to the following council community outcomes:

- healthy waters for the environment and our people
- protected and flourishing native life
- resilient, adaptable communities in a changing climate
- a strong and sustainable regional economy
- meaningful partnerships with tangata whenua
- safe and effective transport networks connecting our region.

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

Changes to level of service

The level of service provided by each activity in the regional leadership group either remains the same or increases in this Long Term Plan. The increases occur across the Māori partnerships, corporate excellence and community engagement activities.

- The level of service for **Māori partnerships** increases in line with increasing demand from central government, as policies such as Te Mana o Te Wai take effect, and to address pre-treaty settlement legislation.
- The level of service for **corporate excellence** increases in line with the need to support council activities, and ensure the organisation is as efficient and compliant as possible.
- The level of service for **community engagement** increases in line with increases in demand from other activities across council.

Changes to costs

The cost of delivering the levels of service for the regional leadership group of activities increases in this Long Term Plan. New work across the activities is incurring \$7.2 million of new operational spend, including repayment of some capital costs, and \$450,000 of new capital spend over the first three years of the plan. Under council's significance and engagement policy, this is considered 'likely to be significant' when assessed against the financial threshold (\$750,000), and 'significant' when the impact on rates is assessed. They are considered here as a material change to the cost of this service.

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

3.1 Governance

Levels of service, performance measures and targets

3.1 Council maintains effective, open and transparent democratic processes

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of official information requests that are responded to within 20 working days	90% – not achieved	100%			
Percentage of time that elected members attend council meetings	93% – achieved	90%			

3.2 Māori partnerships

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
An independent Treaty health check is completed annually	New measure	Annual completion			
All councillors and executive leadership team participate in annual core cultural competency training	New measure	100%			

3.3 Economic development

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of key performance indicators set out in Northland Inc's draft annual report that are achieved by 30 June each year	69% – not achieved	100%			

3.4 Community engagement

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Percentage of residents surveyed who are satisfied with overall communication, community involvement and engagement	36% sample* ⁽¹⁾ 25% self-selected*	Maintain or increase			

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

3.5 Customer services

Levels of service, performance measures and targets

3.5 Council provides efficient and meaningful customer service

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

3.6 Corporate excellence

Levels of service, performance measures and targets

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

How we'll measure our performance	Latest result	2021/22	2022/23	2023/24	By 2030/31
Key project milestones for the council's technology solutions are met as per the project plan	New measure	2021/22 – 40% of enterprise system modules implemented 2022/23 – 100% of enterprise system modules implemented 2023/24 – Benefits realisation report completed 2024–2031 – Annual efficiency report completed			

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General Rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates (other than targeted water rates)	6,272	6,699	8,110	9,412	10,009	10,396
Grants and subsidies for operating purposes	1,646	268	387	492	613	719
Fees Charges and targeted rates for water supply	180	256	151	154	156	159
Internal charges and overheads recovered	12,701	12,568	13,253	13,549	13,845	14,110
Local authorities fuel tax, fines, infringement fees and other receipts	7,049	15,487	11,623	12,245	12,055	12,155
Total operating funding	27,848	35,278	33,524	35,852	36,678	37,539
Applications of operating funding						
Payments to staff and suppliers	21,253	25,362	24,553	29,337	23,265	24,170
Finance costs	489	293	422	511	598	606
Internal charges and overheads applied	1,447	1,509	1,591	1,626	1,662	1,694
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	23,189	27,164	26,566	31,474	25,525	26,470
Surplus/(Deficit) of operating funding	4,659	8,114	6,958	4,378	11,153	11,069
Sources of capital funding						
Subsidies and grants for capital purposes	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	-	-	-	-	-	-
Gross proceed from asset sales	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Total sources of capital funding	-	-	-	-	-	-
Applications of capital funding						
Capital expenditure						
- To meet additional demands						
- To improve levels of service	7,704	9,304	2,492	507	77	668
- To replace existing assets	5,634	363	419	454	516	436
Increase/(Decrease) in reserves	(1,578)	(4,681)	(1,521)	(3,152)	3,182	3,542
Increase/(Decrease) in investments	(7,101)	3,128	5,568	6,567	7,378	6,423
Total applications of capital funding	4,659	8,114	6,958	4,378	11,153	11,069
Surplus/(Deficit) from capital funding	(4,659)	(8,114)	(6,958)	(4,378)	(11,153)	(11,069)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Sources of operating funding
-	-	-	-	-	General Rates, uniform annual general charges, rates penalties
10,772	10,496	10,750	11,020	11,150	Targeted rates (other than targeted water rates)
837	854	873	892	911	Grants and subsidies for operating purposes
162	164	168	171	174	Fees Charges and targeted rates for water supply
14,951	16,206	16,582	17,042	17,018	Internal charges and overheads recovered
12,307	14,225	16,779	13,314	16,692	Local authorities fuel tax, fines, infringement fees and other receipts
39,029	41,945	45,152	42,439	45,945	Total operating funding
					Applications of operating funding
24,648	26,246	28,693	26,632	29,358	Payments to staff and suppliers
593	612	628	648	670	Finance costs
1,795	1,946	1,991	2,046	2,043	Internal charges and overheads applied
-	-	-	-	-	Other operating funding applications
27,036	28,804	31,312	29,326	32,071	Total applications of operating funding
11,993	13,141	13,840	13,113	13,874	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	Subsidies and grants for capital purposes
-	-	-	-	-	Development and financial contributions
-	-	-	-	-	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from asset sales
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Total sources of capital funding
					Applications of capital funding
					Capital expenditure
-	-	-	-	-	- To meet additional demands
4,069	75	73	75	81	- To improve levels of service
451	418	447	523	450	- To replace existing assets
4,128	4,458	4,877	3,771	4,740	Increase/(Decrease) in reserves
3,345	8,190	8,443	8,744	8,603	Increase/(Decrease) in investments
11,993	13,141	13,840	13,113	13,874	Total applications of capital funding
(11,993)	(13,141)	(13,840)	(13,113)	(13,874)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

Te tauākī pānga pūtea Funding impact statement

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

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	31,128	37,574	42,756	46,688	49,107	49,867
Grants and subsidies for operating purposes	8,149	14,333	14,185	8,030	6,091	4,466
Fees charges	3,989	4,446	4,632	4,947	5,012	5,198
Interest and dividends from investments	3,776	3,261	3,870	3,870	3,717	3,717
Local authorities fuel tax, fines, infringement fees and other receipts	3,310	12,265	7,842	8,528	8,552	8,724
Total sources of operating funding	50,352	71,879	73,285	72,063	72,479	71,972
Applications of operating funding						
Payments to staff and suppliers	49,928	64,069	65,064	69,867	64,330	63,354
Finance costs	1,060	747	1,072	1,179	1,270	1,319
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding	50,988	64,816	66,136	71,046	65,600	64,673
Surplus/(Deficit) of operating funding	(636)	7,063	7,149	1,017	6,879	7,299
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase/(Decrease) in debt	3,116	2,468	8,067	1,000	600	250
Gross proceed from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding	3,116	2,468	8,067	1,000	600	250
Applications of capital funding						
Capital expenditure						
- To meet additional demands	-	-	-	-	-	-
- To improve levels of service	11,750	16,405	16,781	2,670	868	1,170
- To replace existing assets	6,113	1,682	3,132	828	685	737
Increase/(Decrease) in reserves	(579)	(83)	4,616	(1,586)	4,244	4,647
Increase/(Decrease) in investments	(14,804)	(8,473)	(9,313)	105	1,682	995
Total applications of capital funding	2,480	9,531	15,216	2,017	7,479	7,549
Surplus/(Deficit) from capital funding	636	(7,063)	(7,149)	(1,017)	(6,879)	(7,299)
FUNDING BALANCE	-	-	-	-	-	-

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Sources of operating funding
-	-	-	-	-	General rates, uniform annual general charges, rates penalties
50,864	51,531	52,699	53,809	54,543	Targeted rates
4,568	4,593	4,618	4,645	4,671	Grants and subsidies for operating purposes
5,478	5,614	5,794	6,052	6,153	Fees charges
3,717	3,717	3,717	3,717	3,717	Interest and dividends from investments
8,948	10,938	13,607	10,256	13,747	Local authorities fuel tax, fines, infringement fees and other receipts
73,575	76,393	80,435	78,479	82,831	Total sources of operating funding
					Applications of operating funding
64,459	65,751	69,231	68,333	71,540	Payments to staff and suppliers
1,312	1,320	1,331	1,372	1,396	Finance costs
-	-	-	-	-	Other operating funding applications
65,771	67,071	70,562	69,705	72,936	Total applications of operating funding
7,804	9,322	9,873	8,773	9,895	Surplus/(Deficit) of operating funding
					Sources of capital funding
-	-	-	-	-	Subsidies and grants for capital expenditure
-	-	-	-	-	Development and financial contributions
250	200	300	1,222	600	Increase/(Decrease) in debt
-	-	-	-	-	Gross proceed from sale of assets
-	-	-	-	-	Lump sum contributions
-	-	-	-	-	Other dedicated capital funding
250	200	300	1,222	600	Total sources of capital funding
					Applications of capital funding
					Capital expenditure
					- To meet additional demands
4,395	443	603	1,382	772	- To improve levels of service
654	669	553	776	659	- To replace existing assets
5,204	6,699	7,205	6,067	7,186	Increase/(Decrease) in reserves
(2,199)	1,711	1,812	1,770	1,878	Increase/(Decrease) in investments
8,054	9,522	10,173	9,995	10,495	Total applications of capital funding
(7,804)	(9,322)	(9,873)	(8,773)	(9,895)	Surplus/(Deficit) from capital funding
-	-	-	-	-	FUNDING BALANCE

This statement is GST exclusive. It is required under the Local Government Act 2002 (Schedule 10, Clause 15) and conforms to Schedule 2, Form 3 of the Local Government (Financial Reporting and Prudence) Regulations 2014. Generally Accepted Accounting Practice (GAAP) does not apply to funding impact statements as stated in section 111(2) of the Local Government Act 2002. Key divergences from GAAP are not including depreciation; including internal charges; and combining capital and operational items in one financial statement.

Reconciliation to statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Capital expenditure included above not in Comprehensive Revenue and Expense	17,864	18,087	19,912	3,498	1,553	1,907
Investment movements included above not in Comprehensive Revenue and Expense	(14,805)	(8,473)	(9,312)	105	1,682	995
Other Gains included in Comprehensive Income not above	-	-	-	-	-	-
Gross Proceeds included above not in Comprehensive Income	-	-	-	-	-	-
Financial Asset fair value adjustments included in comprehensive income but not above	-	-	-	-	-	-
Financial Asset fair value adjustments included in comprehensive income but not above		(100)	(100)	(100)	(100)	-
Proceeds from Borrowings included above not in comprehensive revenue	(3,116)	(2,468)	(8,067)	(1,000)	(600)	(250)
Transfers to/(from) special reserves included above not in comprehensive Income	(579)	(83)	4,616	(1,586)	4,244	4,647
Infrastructure asset revaluation adjustments included in comprehensive income but not above		-	-	-	-	-
Depreciation Expense included in Comprehensive Income not above	(1,839)	(1,986)	(2,270)	(2,390)	(2,433)	(2,496)
Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense	(2,475)	4,977	4,779	(1,473)	4,346	4,803

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
5,048	1,112	1,156	2,157	1,431	Capital expenditure included above not in Comprehensive Revenue and Expense
(2,198)	1,711	1,812	1,772	1,878	Investment movements included above not in Comprehensive Revenue and Expense
-	-	-	-	-	Other Gains included in Comprehensive Income not above
-	-	-	-	-	Gross Proceeds included above not in Comprehensive Income
-	-	-	-	-	Financial Asset fair value adjustments included in comprehensive income but not above
-	-	-	-	-	Financial Asset fair value adjustments included in comprehensive income but not above
(250)	(200)	(300)	(1,222)	(600)	Proceeds from Borrowings included above not in comprehensive revenue
5,204	6,699	7,205	6,067	7,186	Transfers to/(from) special reserves included above not in comprehensive Income
-	-	-	-	-	Infrastructure asset revaluation adjustments included in comprehensive income but not above
(2,497)	(2,460)	(2,530)	(2,586)	(2,643)	Depreciation Expense included in Comprehensive Income not above
5,307	6,862	7,343	6,188	7,252	Total Comprehensive Income per the Statement of Comprehensive Revenue and Expense

Ngā Reiti Rates

Rating funding impact statement

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

Excluding GST	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Operational Expenditure	50,988	64,816	66,136	71,046	65,600	64,673
Capital Expenditure	17,864	18,086	19,912	3,498	1,553	1,907
Total Gross Expenditure	68,852	82,902	86,048	74,544	67,153	66,580
Funded By:						
Council Services Rate	9,098	10,221	12,762	14,128	14,495	14,945
Land and Freshwater Management Rate	7,330	9,658	10,144	10,650	11,242	11,635
Pest Management Rate	4,583	5,925	6,529	6,930	7,886	8,258
Flood Infrastructure Rate	2,236	2,549	2,782	3,033	3,163	3,242
Emergency and Hazard Management Rate	1,635	2,937	3,742	4,217	4,209	4,305
Targeted Regional Infrastructure Rate	611	-	-	-	-	-
Targeted Regional Sporting Facilities Rate	1,385	1,385	1,385	1,385	1,385	1,385
Targeted Regional Economic Development Rate	-	611	686	835	1,017	1,238
Other Targeted Rates	4,251	4,288	4,725	5,509	5,709	4,858
Grants and Subsidies	8,149	14,333	14,185	8,030	6,091	4,466
User Charges	3,989	4,446	4,633	4,948	5,014	5,200
Rental Income	3,309	3,109	3,390	3,713	3,743	3,622
Interest Income	552	161	161	161	9	9
Gains Income	1,729	9,155	4,452	4,550	4,808	5,102
Dividend Income	1,495	3,100	3,708	3,708	3,708	3,708
Forestry Income	-	-	-	266	-	-
Borrowings	3,116	5,533	11,596	7,050	1,164	814
Cash Reserves from/(to)	15,384	5,491	1,168	(4,569)	(6,490)	(6,207)
TOTAL FUNDING	68,852	82,902	86,048	74,544	67,153	66,580

Year 6	Year 7	Year 8	Year 9	Year 10	Excluding GST
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
65,771	67,071	70,562	69,705	72,936	Operational Expenditure
5,048	1,112	1,156	2,157	1,431	Capital Expenditure
70,819	68,183	71,718	71,862	74,367	Total Gross Expenditure
					Funded By:
15,238	14,620	15,205	15,834	16,074	Council Services Rate
11,719	12,538	12,821	12,997	13,183	Land and Freshwater Management Rate
8,496	8,980	9,123	9,269	9,417	Pest Management Rate
3,294	3,344	3,397	3,451	3,506	Flood Infrastructure Rate
4,366	4,360	4,421	4,484	4,547	Emergency and Hazard Management Rate
-	-	-	-	-	Targeted Regional Infrastructure Rate
1,385	1,385	1,385	1,385	1,385	Targeted Regional Sporting Facilities Rate
1,507	1,547	1,588	1,631	1,674	Targeted Regional Economic Development Rate
4,858	4,758	4,758	4,758	4,758	Other Targeted Rates
4,568	4,593	4,618	4,645	4,671	Grants and Subsidies
5,478	5,612	5,795	6,051	6,153	User Charges
3,703	3,922	3,983	4,114	3,784	Rental Income
9	9	9	9	9	Interest Income
5,245	5,513	5,827	6,142	6,598	Gains Income
3,708	3,708	3,708	3,708	3,708	Dividend Income
-	1,504	3,797	-	3,365	Forestry Income
814	200	300	1,222	600	Borrowings
(3,570)	(8,410)	(9,017)	(7,838)	(9,064)	Cash Reserves from/(to)
70,819	68,183	71,718	71,862	74,367	TOTAL FUNDING

Types of rates

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

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

Uniform annual general charge

The council does not set a uniform annual general charge.

Targeted region-wide rates

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

Council services rate

What it funds

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

How it is set

The council services rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation of each constituent district in the Northland region. The rate is differentiated by location in the Northland region, and assessed as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts and on each rating unit in the Kaipara district. An additional \$1.73 per SUIP of a rating unit is to be assessed across the Whangārei constituency to provide \$75,902 to fund the ongoing maintenance of the Hātea River channel.

How much is the rate?

The estimated total council services rate amounts to \$11,754,512 for the 2021/22 financial year.

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

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

Council services rate

District	Rate	Rateable unit
Far North	\$111.36	per SUIP
Kaipara	\$136.32	per rating unit
Whangārei	\$132.69	per SUIP

Land and freshwater management rate

What it funds

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

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

How it is set

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

How much is the rate?

The estimated total land and freshwater management rate is \$11,106,590 for the 2021/22 financial year. The following table shows the actual and equalised land value for each district, and the rate per \$100,000 of land value for each district based on the equalised land values. If all districts had the same valuation date, each district would have the same rate per \$100,000 of actual land value.

Land and freshwater management rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	10,046,948	11,075,915	\$37.87
Kaipara	5,902,988	5,902,988	\$34.25
Whangārei	14,045,067	15,547,884	\$37.95

Pest management rate

What it funds

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

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

How it is set

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

How much is the rate?

The estimated total pest management rate amounts to \$6,813,187 for the 2021/22 financial year.

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

Pest management rate

District	Rate	Rateable unit
Far North	\$64.97	per SUIP
Kaipara	\$79.53	per rating unit
Whangārei	\$76.40	per SUIP

Analysis under S100T of the Biosecurity Act

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

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

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

It is proposed that a targeted pest management rate be collected from all properties within Northland to fund land, freshwater and marine pest control activities. In total, \$6.8 million for 2021/22 would be collected (GST inclusive).

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

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

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

Northland ratepayers receive both direct and indirect benefits from the implementation of the Northland Regional Pest and Marine Pathway Management Plan 2017-2027, including protection of native forests and wetland ecosystems found on private land, and

supporting communities who are involved in the restoration of iconic fauna such as kiwi, coastal seabirds and kūkupa.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Biofouling on vessels pose the greatest risk of marine pest transfer, and council has determined that the costs will be split in the proportions of 65% to vessel owners and structures by way of a charge on marina berths, boat sheds, commercial ports and mooring owners, with the remaining 35% to be funded from a combination of the pest management rate, council investments and other council revenue.

Flood infrastructure rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Northland flood infrastructure rate amounts to \$2,931,423 for the 2021/22 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$31.19.

Emergency and hazard management rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total emergency and hazard management rate amounts to \$3,377,927 for the 2021/22 financial year.

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

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

Emergency and hazard management rate

District	Rate	Rateable unit
Far North	\$32.21	per SUIP
Kaipara	\$39.43	per rating unit
Whangārei	\$37.88	per SUIP

Specific targeted rates

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

Regional sporting facilities rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Northland regional sporting facilities rate amounts to \$1,593,063 for the 2021/22 financial year. The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$16.95.

How is the rate applied?

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

Emergency services rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total emergency services rate is \$1,112,794 for the 2021/22 financial year.

The rate for each rating unit in the Kaipara district and each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts is set as \$11.84.

How is the rate applied?

The emergency services rate will be applied to approved recipients.

Regional economic development rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total regional infrastructure rate is \$702,134 for the 2021/22 financial year.

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

Regional economic development rate

District	Actual land value \$(000)s	Equalised land value \$(000)s	Rate per \$100,000 of actual land value
Far North	10,046,948	11,075,915	\$2.40
Kaipara	5,902,988	5,902,988	\$2.17
Whangārei	14,045,067	15,547,884	\$2.40

How is the rate applied?

This rate is applied to the investment and growth reserve.

Whangārei transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Whangārei transport rate is \$1,015,103 for the 2021/22 financial year. The rate will be set at \$23.07 for each rateable separately used or inhabited part (SUIP) of a rating unit in the Whangārei district.

How is the rate applied?

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

Far North transport rate

What it funds

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

How it is set

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

How much is the rate?

The estimated total Far North district transport rate is \$319,458 for the 2021/22 financial year. The rate will be set at \$8.88 for each rateable separately used or inhabited part (SUIP) in the Far North district.

How is the rate applied?

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

Oruku Landing fit-out rate

What it funds

This rate funds Northland Regional Council's contribution towards the development of Oruku Landing conference and events centre in Whangārei. It will be set in 2023/24 providing that the conditions council imposed on the grant funding for the project are met.

How it is set

The Oruku Landing fit-out rate is a targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount differentiated by location in the Northland region with 80% collected from ratepayers in the Whangārei district and 20% from the ratepayers in the rest of Northland. The rate is assessed as a fixed amount on each rateable separately used or inhabited part (SUIP) of a rating unit in the Far North and Whangārei districts, and each rateable rating unit in the Kaipara district.

How much is the rate?

The estimated total Oruku Landing fit out rate is \$0 for the 2021/22 and 2022/23 financial years. The rate for this will be set in 2023/24 and is estimated at \$654,000.

How is the rate applied?

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

Awanui River management rate

What it funds

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

How it is set

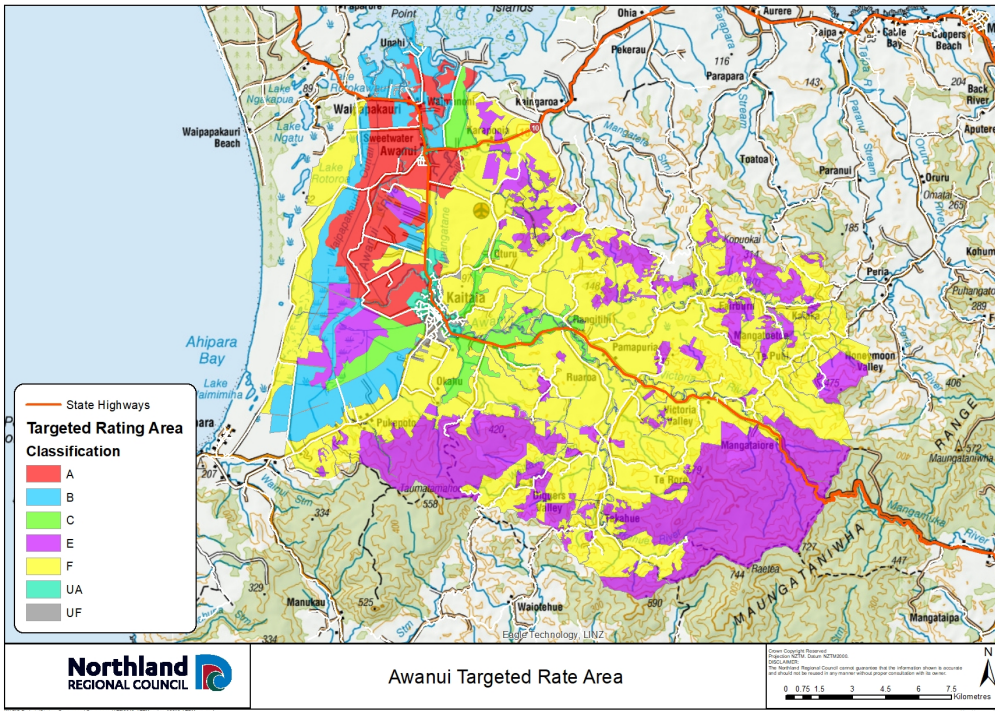
The Awanui River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by the following table and maps. The rate is set differentially as follows:

Awanui river management rate

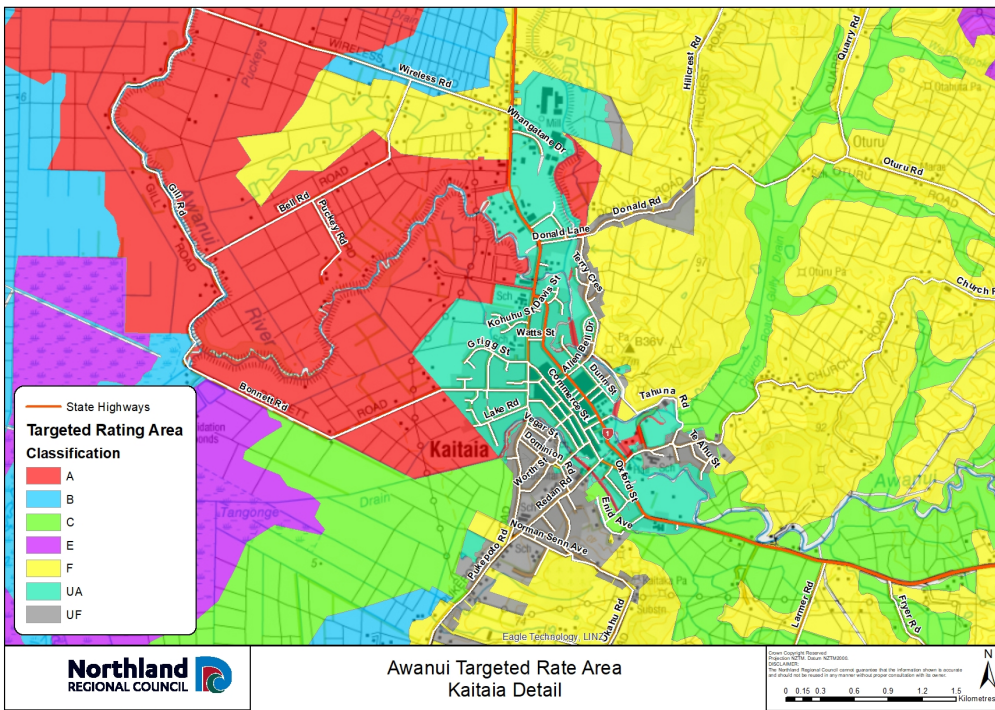
Category	Description	Rate	Rateable unit
1	Urban rate class UA (floodplain location) \$283.33 direct benefit plus \$27.77 indirect benefit per separately used or inhabited part of a rating unit.	\$311.10	Per SUIP
2	Urban rate classes UF (higher ground) \$27.77 direct benefit plus \$27.77 indirect benefit per separately used or inhabited part of a rating unit.	\$55.54	Per SUIP
3	Commercial differential factor applicable to urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F.	3.0 times the appropriate rate	Urban rate classes UA and UF, and rural hectare rate classes A & B, C, E and F
4	Rural rate differentiated by class, \$12.11 per separately used or inhabited part of a rating unit of indirect benefit, plus a rate per hectare for each of the following classes of land in the defined Kaitaia flood rating district as illustrated in the following maps and table.	\$12.11	Per SUIP

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

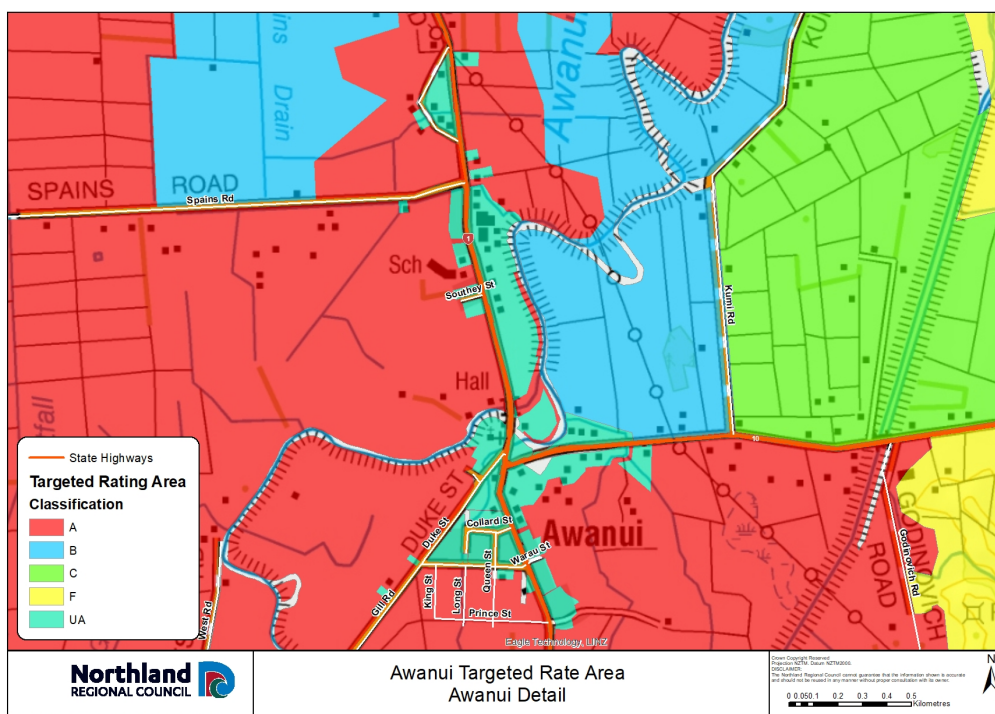
Awani River scheme targeted rate



Awani scheme targeted rate - Kataia detail



Awanui River scheme targeted rate - Awanui detail



Awanui river management rate

Class	Description	Rate per hectare
A & B	High benefit; rural land which receives high benefit from the Awanui Scheme works due to reduced river flooding risk and/or reduced duration of flooding and/or reduced coastal flooding.	\$23.35
C	Moderate benefit; land floods less frequently and water clears quickly.	\$10.95
E	Land in flood-ways and ponding areas that receive no benefit and land retained in native bush that provides watershed protection.	-
F	Contributes run-off waters, and increases the need for flood protection.	\$0.77

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

How much is the rate?

The estimated total Awanui River management rate is \$1,028,787 for the 2021/22 financial year. The revenue sought from each category of rateable land will be as follows:

Awanui river management rate

Class	Rural or urban	Total revenue
A & B	Rural	\$131,338
C	Rural	\$16,907
F	Rural	\$14,483
Indirect benefit	Rural	\$20,272
Urban A	Urban	\$463,506
Urban F	Urban	\$37,490
Commercial differential	Majority urban	\$344,791
Total		\$1,028,787

How is the rate applied?

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

Kaihū River management rate

What it funds

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

How it is set

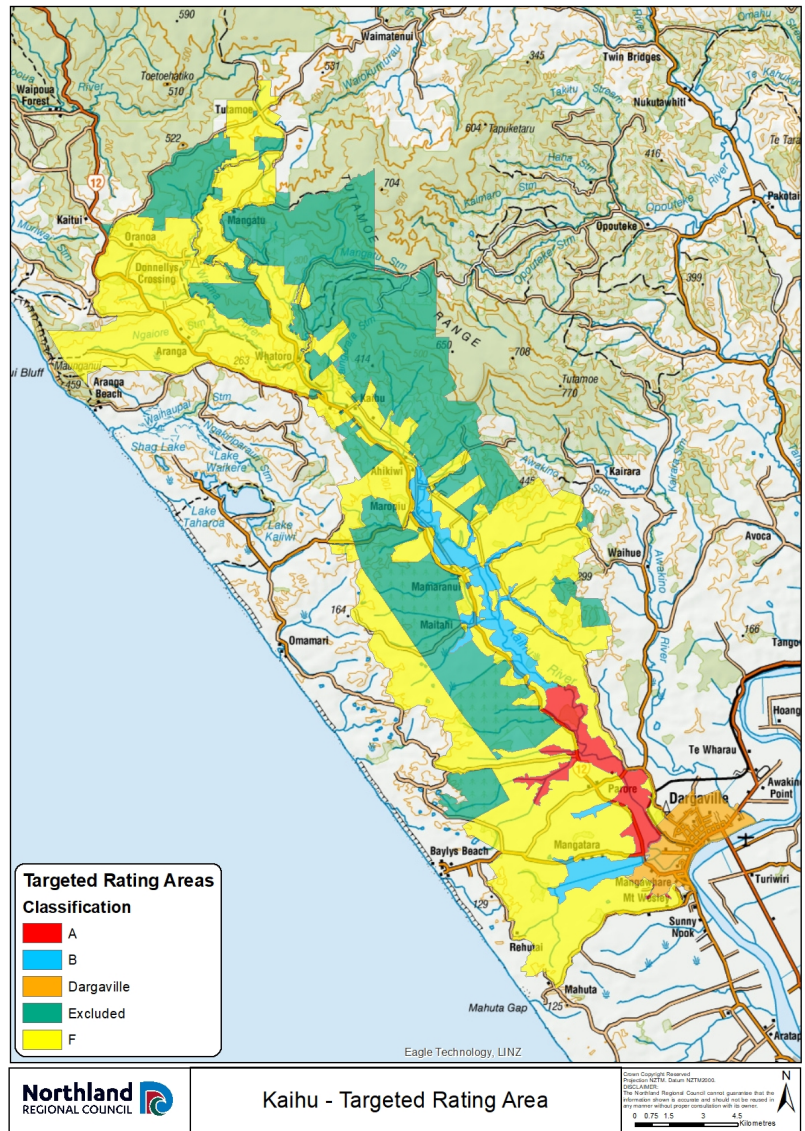
The Kaihū River management rate is a targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as illustrated by this map and the following table.

The council will set the rate differentially as follows:

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

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

Kaihū River targeted rate area



Kaihū river management rate

Class	Description	Rate per hectare
A	Land on the floodplain and side valleys downstream of the Rotu Bottleneck.	\$23.13
B	Land on the floodplain and tributary side valleys between Ahikiwi and the Rotu Bottleneck and in the Mangatara Drain catchment upstream of SH12.	\$11.39
F	Balance of rateable land within the Kaihū River rating area.	\$1.60
	Urban contribution	Per annum
	A contribution from Kaipara District Council instead of a separate rate per property.	\$5015

How much is the rate?

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

Kaihū river management rate

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

How is the rate applied?

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

Kāeo-Whangaroa rivers management rate

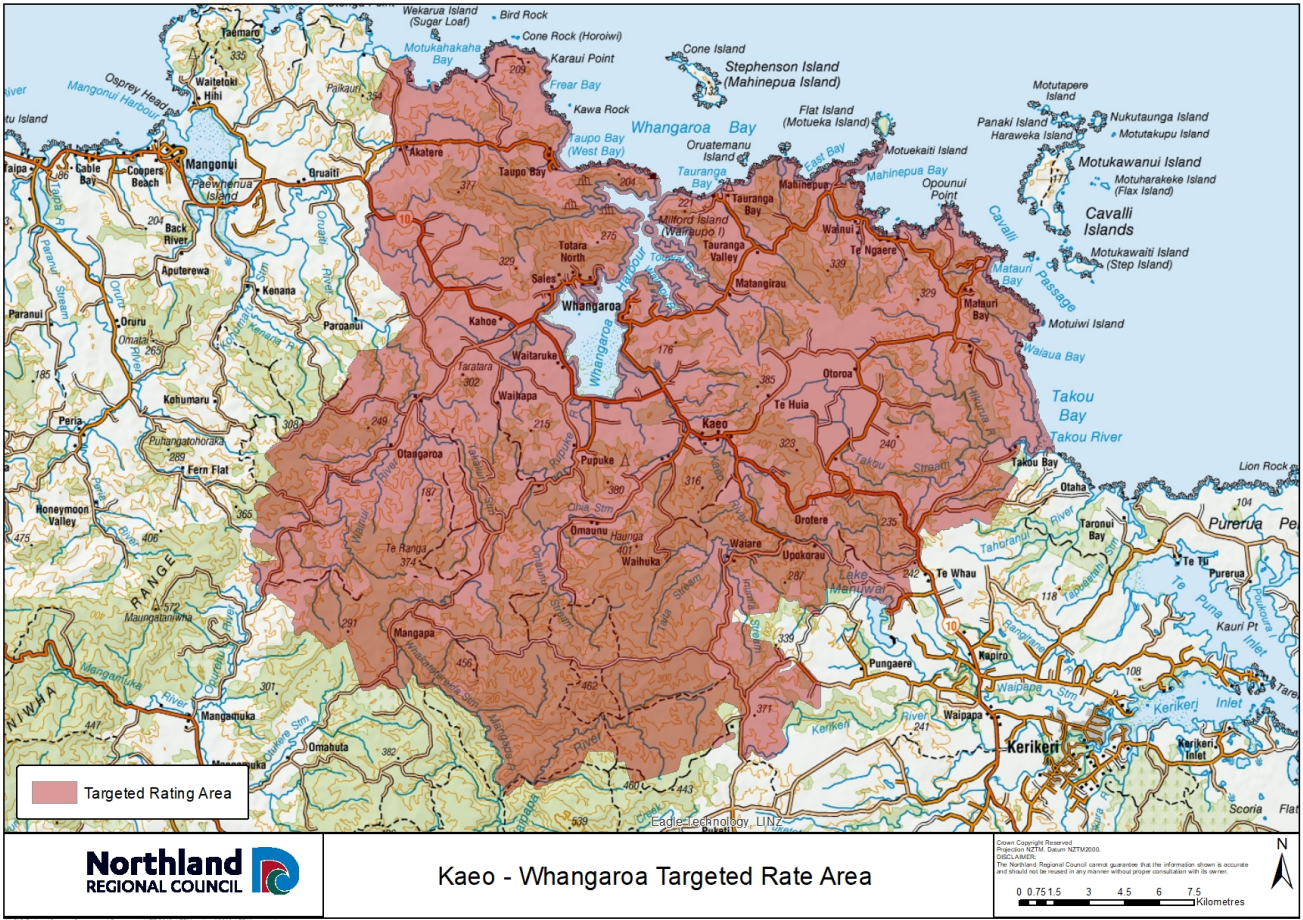
What it funds

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

How it is set

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

Kāeo-Whangaroa River targeted rate area



How much is the rate?

The estimated total Kāeo-Whangaroa rivers management rate is \$118,043 in the 2021/22 financial year. The rate is set at \$54.52 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit falling between rating rolls 100-199 of the former Whangaroa ward as illustrated in this map.

How is the rate applied?

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

Whangārei urban rivers management rate

What it funds

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

How it is set

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

Whangārei urban rivers management rate

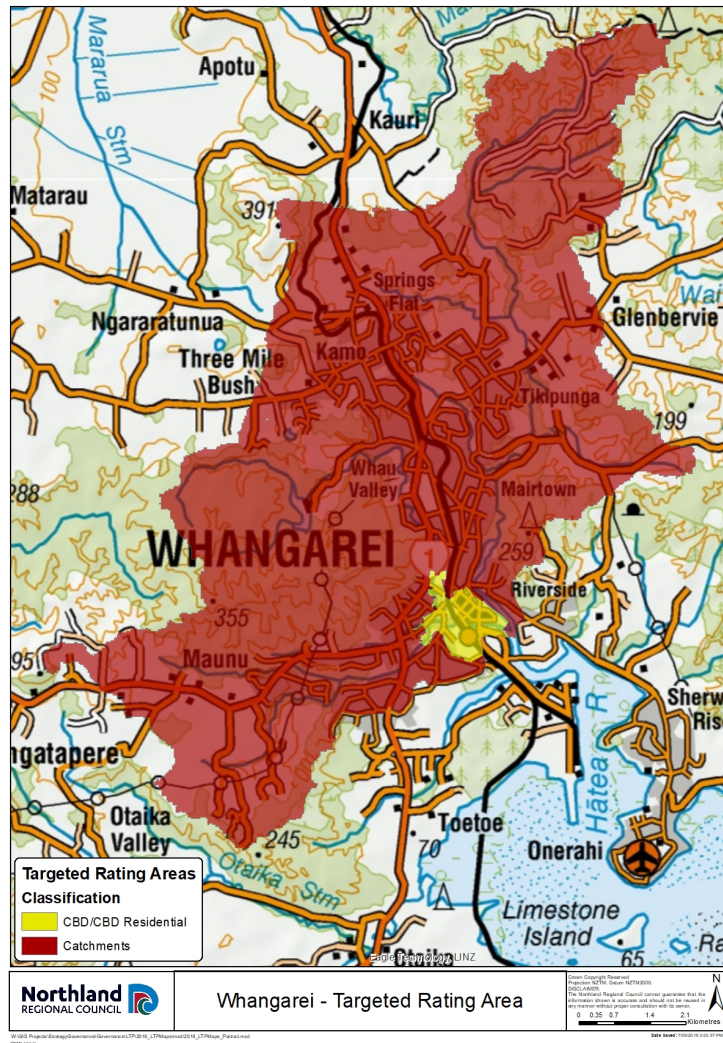
Category	Description	Rate	Rateable unit
1	Commercial properties in the Whangārei CBD flood area.	\$349.49	Per SUIP
2	Residential properties in the Whangārei CBD flood area.	\$177.56	Per SUIP
3	Properties in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River catchments).	\$42.22	Per SUIP

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

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

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

Whangārei urban rivers management rate area map



How much is the rate?

The estimated total Whangārei urban rivers management rate is \$1,142,580 in the 2021/22 financial year. The revenue sought from each category is as follows:

Whangārei urban rivers management rate

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

How is the rate applied?

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

Taumāreere rivers management rate

What it funds

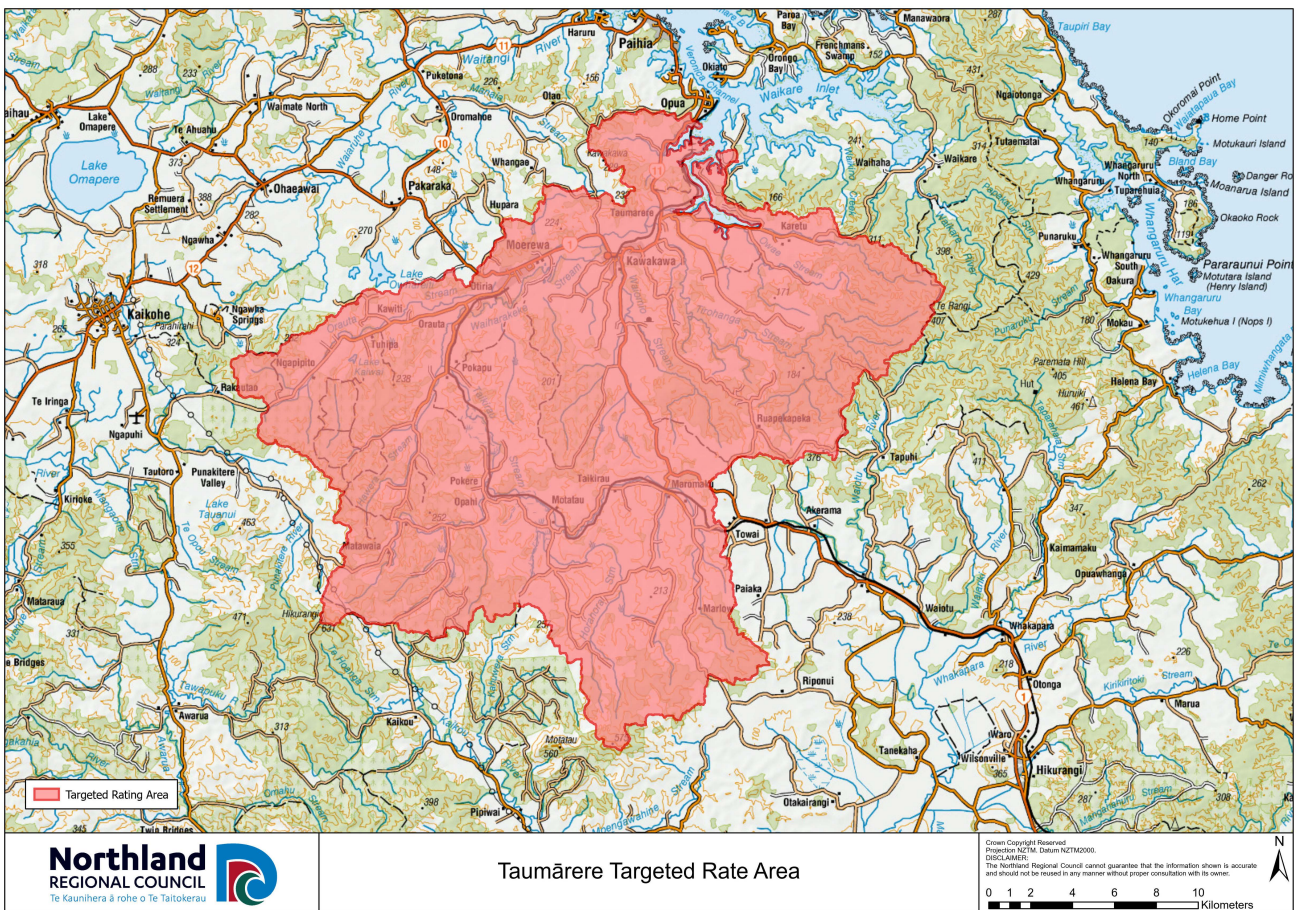
This rate funds operational and capital flood scheme works in the Taumāreere catchment to reduce flooding at Otiria and Moerewa, and Kawakawa.

How it is set

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

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

Taumāreere rivers targeted rate area



How much is the rate?

The estimated total Taumāreere rivers management rate is \$113,278 in the 2021/22 financial year. The rate is set at \$61.13 and will be assessed on each rateable separately used or inhabited part (SUIP) of a rating unit as defined above.

How is the rate applied?

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

Further rating information

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

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

Separately used or inhabited part of a rating unit definitions

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

Far North district SUIP definition

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

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

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

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

kitchen sink, etc) together with living and toilet/bathroom facilities.

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

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

Whangārei district SUIP definition

A separately used or inhabited part is defined as:

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

Examples include:

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

Postponement charges for postponed rates in the Far North district

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

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

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

Postponement charges for postponed rates in the Whangārei district

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

Equalisation of rates

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

The council services rate, pest management rate, and the emergency and hazard management rate are set by reference to the projected capital value of each

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

Inspection and objection to council’s rating information database

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

www.fndc.govt.nz

www.wdc.govt.nz

www.kaipara.govt.nz

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

Summary table of rates

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

District valuation roll

Estimate for 30 June 2021

	Gross Number of RU (Kaipara) or SUIP (others) (gross)	Net Number of RU (Kaipara) or SUIP (others) (net)	Capital Value (CV) \$(000)	Land Value (LV) \$(000)	Equalised Capital Value \$(000)	Equalised Land Value \$(000)	Equalised Capital Value (%)	Equalised Land Value (%)
Far North District	37,144	35,975	19,462,942	10,046,948	21,935,172	11,075,915	34.30%	34.05%
Kaipara District	14,114	14,010	10,456,575	5,902,988	10,456,575	5,902,988	16.35%	18.15%
Whangārei District	44,967	44,001	28,310,894	14,045,067	31,550,941	15,547,884	49.35%	47.80%
Total Valuation - Northland	96,225	93,986	58,230,410	29,995,003	63,942,689	32,526,787	100%	100%

	Rates 2021/22 (including GST)			Rates 2020/21 (including GST)		
		Total (gross) (\$)	Total (net) (\$)		Total (gross) (\$)	Total (net) (\$)
Targeted Council Services Rate						
Far North (per SUIP)	111.36	4,136,356	4,006,176	92.40	3,560,542	3,433,122
Kaipara (per RU)	136.32	1,924,021	1,909,843	125.27	1,848,860	1,770,065
Whangārei (per SUIP)	132.69	5,966,671	5,838,493	120.20	5,417,534	5,259,591
		12,027,048	11,754,512		10,826,936	10,462,778
Targeted Land and Freshwater Management Rate***						
Far North (per \$ of actual LV)	0.0003787	3,804,779	3,782,443	0.0002765	2,834,810	2,804,135
Kaipara (per \$ of actual LV)	0.0003425	2,021,774	2,015,780	0.0003132	1,588,985	1,559,135
Whangārei (per \$ of actual LV)	0.0003795	5,330,103	5,308,367	0.0002880	4,107,425	4,066,100
		11,156,656	11,106,590		8,531,220	8,429,370
Targeted Pest Management Rate						
Far North (per SUIP)	64.97	2,413,246	2,337,296	46.88	1,806,474	1,741,826
Kaipara (per RU)	79.53	1,122,486	1,114,215	63.56	938,082	898,103
Whangārei (per SUIP)	76.40	3,435,479	3,361,676	60.11	2,709,218	2,630,233
		6,971,211	6,813,187		5,453,774	5,270,162

Targeted Flood Infrastructure Rate						
Far North (per SUIP)	31.19	1,158,521	1,122,060	27.05	1,042,345	1,005,043
Kaipara (per RU)	31.19	440,216	436,972	27.05	399,231	382,216
Whangārei (per SUIP)	31.19	1,402,521	1,372,391	27.05	1,219,171	1,183,627
		<u>3,001,258</u>	<u>2,931,423</u>		<u>2,660,747</u>	<u>2,570,886</u>
Targeted Emergency and Hazard Management Rate						
Far North (per SUIP)	32.21	1,196,408	1,158,755	16.73	644,674	621,603
Kaipara (per RU)	39.43	556,515	552,414	22.67	334,587	320,327
Whangārei (per SUIP)	37.88	1,703,350	1,666,758	21.44	966,322	938,150
		<u>3,456,273</u>	<u>3,377,927</u>		<u>1,945,583</u>	<u>1,880,080</u>
Targeted Regional Sporting Facilities Rate						
Far North (per SUIP)	16.95	629,591	609,776	16.76	645,912	622,797
Kaipara (per RU)	16.95	239,232	237,470	16.76	247,392	236,849
Whangārei (per SUIP)	16.95	762,190	745,817	16.76	755,486	733,461
		<u>1,631,013</u>	<u>1,593,063</u>		<u>1,648,790</u>	<u>1,593,107</u>
Targeted Regional Infrastructure Rate						
Far North (per \$ of actual LV)	-	-	-	0.0000230	236,208	233,640
Kaipara (per \$ of actual LV)	-	-	-	0.0000261	132,422	129,926
Whangārei (per \$ of actual LV)	-	-	-	0.0000240	342,446	338,883
					<u>711,076</u>	<u>702,449</u>
Targeted Regional Economic Development Rate						
Far North (per \$ of actual LV)	0.0000240	241,127	239,269	-	-	-
Kaipara (per \$ of actual LV)	0.0000217	128,094	127,595	-	-	-
Whangārei (per \$ of actual LV)	0.0000240	337,082	335,270	-	-	-
		<u>706,303</u>	<u>702,134</u>		<u>-</u>	<u>-</u>
Targeted Emergency Services Rate						
Far North (per SUIP)	11.84	439,784	425,944	11.71	451,233	435,085
Kaipara (per RU)	11.84	167,110	165,878	11.71	172,828	165,462
Whangārei (per SUIP)	11.84	532,409	520,972	11.71	527,781	512,394
		<u>1,139,303</u>	<u>1,112,794</u>		<u>1,151,842</u>	<u>1,112,941</u>
Targeted Whangārei Transport Rate						
Rate per SUIP	23.07	<u>1,037,389</u>	<u>1,015,103</u>	23.20	<u>1,045,647</u>	<u>1,015,162</u>
Targeted Far North Transport Rate						
Far North District	8.88	<u>329,839</u>	<u>319,458</u>	8.60	<u>331,392</u>	<u>319,533</u>
Targeted Awanui River Management Rate						
Far North District - Rural		191,753	189,592		210,494	207,969

Far North District - Urban		850,705	839,195	893,471	882,383
		<u>1,042,458</u>	<u>1,028,787</u>	<u>1,103,965</u>	<u>1,090,352</u>
Targeted Kaihū River Management Rate					
Kaipara District (Kaihū river area only)		79,869	79,869	79,869	79,869
Targeted Kāeo-Whangaroa Rivers Management Rate					
Far North (Kāeo only)	54.52	121,860	118,043	123,983	116,643
Targeted Taumārere Rivers Management Rate					
Far North (Otira-Moerewa/Kawakawa only)	61.13	116,697	113,278	-	-
Targeted Whangārei Urban Rivers Management Rate					
Whangārei district only		1,152,533	1,142,580	1,164,148	1,154,250
TOTAL RATES					
		Gross (\$) *	Net (\$) **	Gross (\$) *	Net (\$) **
Far North District		15,630,666	15,261,284	12,781,539	12,423,780
Kaipara District		6,679,317	6,640,036	5,742,256	5,541,953
Whangārei District		21,659,727	21,307,428	18,255,178	17,831,851
		<u>43,969,710</u>	<u>43,208,748</u>	<u>36,778,973</u>	<u>35,797,584</u>

* Amount inclusive of GST

** Amount net of remissions and inclusive of GST

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

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

How much will my rates be?

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

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

Ratepayers in the Far North district

Far North district ratepayers will be assessed:

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

Far North

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003787	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000240	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential / Commercial / Other

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	225,000	85.21	62.22
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.40	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Total Regional Rates		368.01	287.53

Farm Property

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	2,750,000	1,041.42	760.38
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		66.00	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Total Regional Rates		1,384.84	1,043.76

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

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

Far North District - Awanui Catchment

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003787	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000240	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential & Commercial Urban

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	225,000	85.21	62.22
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.40	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60

Plus Awanui river management rates applicable to:

- Urban rate class UA (floodplain location)		311.10	326.12
- Urban rate classes UF (higher ground)		55.54	59.78
- Commercial Urban UA		933.30	978.36

Lifestyle Property - 10 hectares

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	450,000	170.42	124.43
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	10.35
Targeted Regional Economic Development Rate		10.80	
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B		712.61	747.28
- Rural Class A & B		245.61	257.88
- Rural Class C		121.61	123.88
- Rural Class E		12.11	13.18
- Rural Class F		19.81	24.08

Farm Property - 100 hectares

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	2,750,000	1,041.42	760.38
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		66.00	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60

Plus Awanui River Management Rates applicable to:

- Rural Commercial A & B		7,017.11	7,354.18
- Rural Class A & B		2,347.11	2,460.18
- Rural Class C		1,107.11	1,120.18
- Rural Class E		12.11	13.18
- Rural Class F		89.11	122.18

1. Commercial properties for the Awanui River management rate are subject to the 3:1 commercial differential: on \$311.10 for urban commercial class UA equating to \$933.30; on \$55.54 for urban commercial class UF equating to \$166.62; on \$23.55 per hectare for rural commercial class A/B equating to \$70.65; on \$10.95 per hectare for rural commercial class C equating to \$32.85; and on \$0.77 per hectare for rural commercial class F equating to \$2.31.

The rural rate also includes a single rate of \$12.11 to reflect the indirect benefit. Note that commercial and industrial activities in rural zones that have a lower area and land value will be rated less than the illustrated differentials above – refer to rating factors previously set out (and multiply by the differential factor of 3).

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

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

Far North - Kāeo-Whangaroa

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003787	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000240	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential / Commercial / Other			
Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	225,000	85.21	62.22
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.40	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Targeted Kāeo-Whangaroa Rivers Management Rate		54.52	51.36
Total Regional Rates		422.53	338.89
Farm Property			
Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	2,750,000	1,041.42	760.38
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		66.00	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Targeted Kāeo-Whangaroa Rivers Management Rate		54.52	51.36
Total Regional Rates		1,439.36	1,095.12

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

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

Far North - Taumārere

Land & Freshwater Management Rate = LV rate in the \$ = 0.0003787	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000240	(LV)	Rates	Rates
	(\$)	(\$)	(\$)

Residential / Commercial / Other

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	225,000	85.21	62.22
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.18
Targeted Regional Economic Development Rate		5.40	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Targeted Taumārere Rivers Management Rate		61.13	-
Total Regional Rates		429.14	287.54

Farm Property

Targeted Council Services Rate		111.36	92.40
Targeted Land and Freshwater Management Rate	2,750,000	1,041.42	760.38
Targeted Pest Management Rate		64.97	46.88
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		32.21	16.73
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	63.25
Targeted Regional Economic Development Rate		66.00	-
Targeted Emergency Services Rate		11.84	11.71
Targeted Far North Transport Rate		8.88	8.60
Targeted Taumārere Rivers Management Rate		61.13	-
Total Regional Rates		1,445.97	1,043.76

Ratepayers in the Kaipara district

Kaipara district ratepayers will be assessed:

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

Kaipara Urban / Rural			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003425	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000217	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property			
Targeted Council Services Rate		136.32	125.27
Targeted Land and Freshwater Management Rate	225,000	77.06	70.47
Targeted Pest Management Rate		79.53	63.56
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		39.43	22.67
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.87
Targeted Regional Economic Development Rate		4.88	-
Targeted Emergency Services Rate		11.84	11.71
Total Regional Rates		397.20	343.36
Farm Property			
Targeted Council Services Rate		136.32	125.27
Targeted Land and Freshwater Management Rate	2,750,000	941.88	861.31
Targeted Pest Management Rate		79.53	63.56
Targeted Flood Infrastructure Rate		31.19	27.05

Targeted Emergency and Hazard Management Rate	39.43	22.67
Targeted Regional Sporting Facilities Rate	16.95	16.76
Targeted Regional Infrastructure Rate	-	71.78
Targeted Regional Economic Development Rate	59.68	-
Targeted Emergency Services Rate	11.84	11.71
Total Regional Rates	1,316.82	1,200.11

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

Ratepayers in the Whangārei district

Whangārei district ratepayers will be assessed:

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

Whangārei Urban / Rural / Other			
Land & Freshwater Management Rate = LV rate in the \$ = 0.0003795	Land Value	2021/22	2020/21
Regional Economic Development Rate = LV rate in the \$ = 0.0000240	(LV)	Rates	Rates
	(\$)	(\$)	(\$)
Residential Property (non CBD)			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	225,000	85.39	64.81
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.40	-
Targeted Whangārei Transport Rate		23.07	23.20
Targeted Emergency Services Rate		11.84	11.71
Total Regional Rates		420.81	350.68

Residential Property (in CBD area)			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	225,000	85.39	64.81
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.40	-
Targeted Whangārei Transport Rate		23.07	23.20
Targeted Emergency Services Rate		11.84	11.71
Whangārei River Management Rate - CBD Residential		177.56	174.91
Total Regional Rates		598.37	525.59
Residential Property (in stormwater catchment area)			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	225,000	85.39	64.81
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	5.40
Targeted Regional Economic Development Rate		5.40	-
Targeted Whangārei Transport Rate		23.07	23.20
Targeted Emergency Services Rate		11.84	11.71
Whangārei River Management Rate - General Catchment		42.22	43.52
Total Regional Rates		463.03	394.20
Farm Property			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	2,750,000	1,043.62	792.00
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	66.00
Targeted Regional Economic Development Rate		66.00	-
Targeted Whangārei Transport Rate		23.07	23.20

Targeted Emergency Services Rate		11.84	11.71
Total Regional Rates		1,439.65	1,138.47
Commercial Property (non CBD)			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	2,000,000	759.00	576.00
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	48.00
Targeted Regional Economic Development Rate		48.00	-
Targeted Whangārei Transport Rate		23.07	23.20
Targeted Emergency Services Rate		11.84	11.71
Total Regional Rates		1,137.02	904.47
Commercial Property (in CBD area)			
Targeted Council Services Rate		132.69	120.20
Targeted Land and Freshwater Management Rate	2,000,000	759.00	576.00
Targeted Pest Management Rate		76.40	60.11
Targeted Flood Infrastructure Rate		31.19	27.05
Targeted Emergency and Hazard Management Rate		37.88	21.44
Targeted Regional Sporting Facilities Rate		16.95	16.76
Targeted Regional Infrastructure Rate		-	48.00
Targeted Regional Economic Development Rate		48.00	-
Targeted Whangārei Transport Rate		23.07	23.20
Targeted Emergency Services Rate		11.84	11.71
Whangārei River Management Rate - CBD Commercial		349.49	353.75
Total Regional Rates		1,486.51	1,258.22

Rating base information

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

	2020-21 Annual Plan	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 4 2024/25	Year 5 2025/26	Year 6 2026/27	Year 7 2027/28	Year 8 2028/29	Year 9 2029/30	Year 10 2030/31
Far North District Council	37,155	35,975	36,155	36,336	36,517	36,700	36,883	37,068	37,253	37,439	37,627
Kaipara District Council	14,130	14,010	14,080	14,150	14,221	14,292	14,364	14,436	14,508	14,580	14,653
Whangarei District Council	43,757	44,001	44,221	44,442	44,664	44,888	45,112	45,338	45,564	45,792	46,021
TOTAL Rating Units	95,042	93,986	94,456	94,928	95,403	95,880	96,359	96,841	97,325	97,812	98,301

Mahere a Pūtea Finances

Prospective financial statements

Prospective statement of comprehensive revenue and expense

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
REVENUE						
Rates	31,128	37,574	42,756	46,688	49,107	49,867
Fees and Charges	3,989	4,446	4,632	4,947	5,012	5,198
Subsidies and Grants	8,149	14,333	14,185	8,030	6,091	4,466
Interest Revenue	552	161	161	161	9	9
Other Revenue	4,805	6,210	7,099	7,687	7,452	7,330
Other Gains	1,729	9,155	4,452	4,550	4,808	5,102
TOTAL REVENUE	50,352	71,879	73,285	72,063	72,479	71,972
EXPENSES						
Personnel Costs	19,086	22,620	24,033	24,656	25,410	25,814
Depreciation and Amortisation Expense	1,839	1,986	2,270	2,390	2,433	2,496
Finance Costs	1,060	747	1,072	1,179	1,270	1,319
Other Losses	-	-	-	-	-	-
Other Expenditure on Activities	30,842	41,549	41,131	45,311	39,021	37,540
TOTAL OPERATING EXPENDITURE	52,827	66,902	68,506	73,536	68,134	67,169
SURPLUS/(DEFICIT) BEFORE TAX	(2,475)	4,977	4,779	(1,473)	4,346	4,803
Income Tax Credit/(Expense)	-	-	-	-	-	-
SURPLUS/(DEFICIT) AFTER TAX	(2,475)	4,977	4,779	(1,473)	4,346	4,803
SURPLUS/(DEFICIT) ATTRIBUTABLE TO:						
Northland Regional Council	(2,475)	4,977	4,779	(1,473)	4,346	4,803
Non-Controlling Interest	-	-	-	-	-	-
OTHER COMPREHENSIVE REVENUE AND EXPENSE						
Items that will be reclassified to surplus/(deficit)						
Financial Assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-
Items that will not be reclassified to surplus/(deficit)						
Gains/(loss) on Property Revaluations	-	-	-	-	-	-
Gains/(loss) on Infrastructure Asset revaluations	-	-	-	-	-	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE	-	-	-	-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR	(2,475)	4,977	4,779	(1,473)	4,346	4,803

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

					REVENUE
50,864	51,531	52,699	53,809	54,543	Rates
5,478	5,614	5,794	6,052	6,153	Fees and Charges
4,568	4,593	4,618	4,645	4,671	Subsidies and Grants
9	9	9	9	9	Interest Revenue
7,412	9,133	11,488	7,822	10,857	Other Revenue
5,245	5,513	5,827	6,142	6,598	Other Gains
73,576	76,393	80,435	78,479	82,831	TOTAL REVENUE
					EXPENSES
26,589	27,272	28,090	28,932	29,799	Personnel Costs
2,497	2,460	2,530	2,586	2,643	Depreciation and Amortisation Expense
1,312	1,320	1,331	1,372	1,396	Finance Costs
-	-	-	-	-	Other Losses
37,871	38,479	41,141	39,401	41,741	Other Expenditure on Activities
68,269	69,531	73,092	72,291	75,579	TOTAL OPERATING EXPENDITURE
5,307	6,862	7,343	6,188	7,252	SURPLUS/(DEFICIT) BEFORE TAX
-	-	-	-	-	Income Tax Credit/(Expense)
5,307	6,862	7,343	6,188	7,252	SURPLUS/(DEFICIT) AFTER TAX
					SURPLUS/(DEFICIT) ATTRIBUTABLE TO:
5,307	6,862	7,343	6,188	7,252	Northland Regional Council
-	-	-	-	-	Non-Controlling Interest
					OTHER COMPREHENSIVE REVENUE AND EXPENSE
					Items that will be reclassified to surplus/(deficit)
-	-	-	-	-	Financial Assets at fair value through other comprehensive revenue and expense
					Items that will not be reclassified to surplus/(deficit)
-	-	-	-	-	Gains/(loss) on Property Revaluations
-	-	-	-	-	Gains/(loss) on Infrastructure Asset revaluations
-	-	-	-	-	TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE
5,307	6,862	7,343	6,188	7,252	TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR

Prospective statement of financial position

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
ASSETS						
Current Assets						
Cash and Cash Equivalents	366	831	896	837	846	870
Other Financial Assets	936	14,441	8,827	11,279	12,988	13,597
Receivables	4,394	7,902	7,679	7,858	7,981	8,284
Inventory	3,181	203	203	203	203	203
Assets Held for Sale	2,079	715	715	715	715	715
Total Current Assets	10,956	24,092	18,320	20,892	22,733	23,669
Non Current Assets						
Receivables	6,102	0	0	0	0	0
Other Financial Assets	34,402	68,173	72,659	74,722	79,464	84,819
Infrastructure, Property, Plant and Equipment	42,426	47,433	63,095	64,079	63,327	62,269
Investment Property	71,233	50,944	52,800	52,800	52,800	53,400
Intangible Assets	582	869	994	1,118	989	858
Forestry Assets	3,264	3,157	3,157	3,157	3,157	3,157
Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company	7,828	7,828	7,828	7,828	7,828	7,828
Investment in Council Controlled Organisations	863	634	786	686	586	586
Total Non Current Assets	166,700	179,038	201,319	204,390	208,151	212,917
TOTAL ASSETS	177,656	203,130	219,639	225,282	230,884	236,586
LIABILITIES						
Current Liabilities						
Payables	6,014	7,333	7,383	7,447	7,536	7,618
Employee Entitlements	1,910	2,358	2,441	2,443	2,446	2,449
Total Current Liabilities	7,924	9,691	9,824	9,890	9,982	10,067
Non Current Liabilities						
Payables and Deferred Revenue	668	610	610	610	610	610
Borrowings and Other Financial Liabilities	19,902	21,028	32,624	39,674	40,838	41,652
Employee Entitlements	20	20	21	21	21	21
Total Non Current Liabilities	20,590	21,658	33,255	40,305	41,469	42,283
TOTAL LIABILITIES	28,514	31,349	43,079	50,195	51,451	52,350
NET ASSETS	149,142	171,781	176,560	175,087	179,433	184,236

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
periods ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Equity						
Accumulated Funds	141,836	114,725	129,951	131,749	132,451	133,458
Revaluation Reserves	3,973	3,973	3,973	3,973	3,973	3,973
Other Reserves	3,333	53,083	42,636	39,365	43,009	46,805
Total Equity	149,142	171,781	176,560	175,087	179,433	184,236
Non-controlling interests in subsidiary companies	-	-	-	-	-	-
TOTAL EQUITY	149,142	171,781	176,560	175,087	179,433	184,236

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

ASSETS					
Current Assets					
846	861	859	882	833	Cash and Cash Equivalents
14,108	15,490	18,733	22,344	25,158	Other Financial Assets
8,728	8,299	8,062	8,933	8,517	Receivables
203	203	203	203	203	Inventory
715	715	715	715	715	Assets Held for Sale
24,600	25,568	28,572	33,077	35,426	Total Current Assets
Non Current Assets					
0	0	0	0	0	Receivables
87,580	95,163	101,337	104,762	111,652	Other Financial Assets
60,952	59,737	58,496	58,200	57,120	Infrastructure, Property, Plant and Equipment
57,400	57,400	57,400	57,400	57,400	Investment Property
727	594	462	329	197	Intangible Assets
3,157	3,157	3,157	3,157	3,157	Forestry Assets
7,828	7,828	7,828	7,828	7,828	Investment in Subsidiaries (excl council controlled organisations) and Joint Venture company
586	586	586	586	586	Investment in Council Controlled Organisations
218,230	224,465	229,266	232,262	237,940	Total Non Current Assets
242,830	250,033	257,838	265,339	273,366	TOTAL ASSETS
LIABILITIES					
Current Liabilities					
7,739	7,877	8,035	8,125	8,296	Payables
2,451	2,454	2,457	2,460	2,463	Employee Entitlements

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	periods ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
10,190	10,331	10,492	10,585	10,759	Total Current Liabilities
					Non Current Liabilities
610	610	610	610	610	Payables and Deferred Revenue
42,465	42,666	42,967	44,187	44,788	Borrowings and Other Financial Liabilities
21	21	21	21	21	Employee Entitlements
43,096	43,297	43,598	44,818	45,419	Total Non Current Liabilities
53,286	53,628	54,090	55,403	56,178	TOTAL LIABILITIES
189,544	196,405	203,748	209,936	217,188	NET ASSETS
					Equity
137,812	138,173	138,612	139,955	140,621	Accumulated Funds
3,973	3,973	3,973	3,973	3,973	Revaluation Reserves
47,759	54,259	61,163	66,008	72,594	Other Reserves
189,544	196,405	203,748	209,936	217,188	Total Equity
-	-	-	-	-	Non-controlling interests in subsidiary companies
189,544	196,405	203,748	209,936	217,188	TOTAL EQUITY

Prospective statement of changes in equity

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
BALANCE at 1 July	151,617	166,805	171,781	176,560	175,087	179,433
Total Comprehensive Revenue and Expense	(2,475)	4,977	4,779	(1,473)	4,346	4,803
BALANCE at 30 June	149,142	171,781	176,560	175,087	179,433	184,236
Total Comprehensive Revenue and Expense Attributable to:						
Northland Regional Council	(2,475)	4,977	4,779	(1,473)	4,346	4,803
Non-controlling interests	-	-	-	-	-	-
TOTAL at 30 June	149,142	171,781	176,560	175,087	179,433	184,236

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
184,236	189,544	196,405	203,748	209,936	BALANCE at 1 July
5,308	6,861	7,343	6,188	7,252	Total Comprehensive Revenue and Expense
189,544	196,405	203,748	209,936	217,188	BALANCE at 30 June
Total Comprehensive Revenue and Expense Attributable to:					
5,307	6,862	7,343	6,188	7,252	Northland Regional Council
-	-	-	-	-	Non-controlling interests
189,544	196,405	203,748	209,936	217,188	TOTAL at 30 June

Prospective statement of cashflows

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
for the year ending 30 June	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Cash Flows from Operating Activities						
Receipts from rates revenue	27,353	37,094	42,203	46,111	48,494	49,224
Receipts from customers	8,894	9,513	9,367	10,219	9,865	9,822
Subsidies and grants received	8,371	15,659	16,074	9,155	7,005	5,136
GST received	3,076	3,703	5,423	5,652	6,139	6,202
Interest received	661	161	161	161	9	9
Other revenue received	1,495	3,100	3,708	3,708	3,708	3,708
Staff and suppliers	(53,791)	(70,214)	(72,247)	(77,002)	(71,435)	(70,312)
Other payments - operating	(273)	(2,722)	(564)	(468)	(476)	(491)
Interest paid	(1,060)	(747)	(1,072)	(1,179)	(1,270)	(1,319)
Net Cash Provided (or Used) in Operating Activities	(5,274)	(4,453)	3,053	(3,643)	2,039	1,979
Cash Flows from Investing Activities						
Sale of infrastructure, property, plant and equipment						
Sale of Investment Property		15,220	0	0	0	-
Other receipts - sale of investments	22,712	17,469	9,006	2,539	1,288	2,040
Purchase of Investment	-	(17,953)	(3,678)	(2,507)	(2,929)	(2,902)
Purchase of infrastructure, property, plant and equipment	(17,864)	(18,087)	(19,912)	(3,498)	(1,553)	(1,907)
Net Cash Provided (or Used) in Investing Activities	4,848	(3,351)	(14,584)	(3,466)	(3,194)	(2,769)
Cash Flows from Financing Activities						
Other receipts - financing	10,344	5,533	11,596	7,050	1,164	814
Other payments - financing	(10,000)	-	-	-	-	-
Net Cash Provided (or Used) in Financing Activities	344	5,533	11,596	7,050	1,164	814
Net Increase/(Decrease) in Cash & Cash Equivalents	(82)	(2,271)	65	(59)	9	24
Cash and Cash Equivalents at beginning of period	448	3,102	831	896	837	846
Cash and Cash Equivalents at end of period	366	831	896	837	846	870

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	for the year ending 30 June
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Cash Flows from Operating Activities					
50,188	50,798	51,941	53,024	53,731	Receipts from rates revenue
10,118	13,132	15,879	10,798	15,741	Receipts from customers
5,253	5,281	5,311	5,341	5,372	Subsidies and grants received
6,302	6,344	6,420	6,673	6,664	GST received
9	9	9	9	9	Interest received
3,708	3,708	3,708	3,708	3,708	Other revenue received
(71,527)	(73,062)	(76,972)	(75,796)	(79,399)	Staff and suppliers
(501)	(511)	(521)	(532)	(543)	Other payments - operating
(1,312)	(1,320)	(1,331)	(1,372)	(1,396)	Interest paid
2,238	4,379	4,444	1,853	3,887	Net Cash Provided (or Used) in Operating Activities
Cash Flows from Investing Activities					
Sale of infrastructure, property, plant and equipment					
-	-	-	-	-	Sale of Investment Property
5,555	(265)	(74)	2,608	392	Other receipts - sale of investments
(3,583)	(3,187)	(3,516)	(3,503)	(3,496)	Purchase of Investment
(5,048)	(1,112)	(1,156)	(2,157)	(1,431)	Purchase of infrastructure, property, plant and equipment
(3,076)	(4,564)	(4,746)	(3,052)	(4,535)	Net Cash Provided (or Used) in Investing Activities
Cash Flows from Financing Activities					
814	200	300	1,222	600	Other receipts - financing
-	-	-	-	-	Other payments - financing
814	200	300	1,222	600	Net Cash Provided (or Used) in Financing Activities
(24)	15	(2)	23	(48)	Net Increase/(Decrease) in Cash & Cash Equivalents
870	846	861	859	882	Cash and Cash Equivalents at beginning of period
846	861	859	882	833	Cash and Cash Equivalents at end of period

Significant forecasting assumptions

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

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

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

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

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

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

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

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

General assumptions

Economy and population			
<p>Covid-19 impact and recovery assumptions</p> <p>Over the five-year period 2014-2019, economic activity in Northland, as measured by real GDP, increased by 3.4% per annum on average, just below the national average growth rate of 3.5%.</p> <p>Due to the initial restrictions imposed in response to Covid-19, economic activity in Northland is estimated to have contracted by -1.1% in the year ended June 2020 compared to -1.5% nationally.</p> <p>As a result of the government's economic stimulus, strong primary sector returns, and increased domestic tourism, the Northland economy is projected to have grown by 0.7% in the year ended June 2021, considerably higher than the estimated -3% fall in national GDP. Employment has also been less affected than originally assumed, with the number of people employed in Northland in April 2021 being 5% (3436) higher than in April 2020.</p> <p>Sources: Infometrics regional database, NZ Treasury Half Year Economic and Fiscal Update 2020.</p>	<p>The economic recovery is slower than expected.</p>	<p>Likelihood: Medium</p> <p>Impact: Moderate</p> <p>A slower-than-expected economic growth rate will not have a direct impact on council's operating budget but would affect it indirectly through a variety of channels. For example, it may reduce the returns on council investments (externally managed funds, dividends and investment property) and exacerbate affordability issues, resulting in a decrease in rates collection. A 1% reduction in rating revenue (\$375,741) in 2021/22 is equivalent to 0.6% of the total operating budget.</p>	3
<p>Population</p> <p>Over the five-year period 2015-2020, the estimated resident population of Northland grew by an average of 2.5% per annum. This is slightly higher than the 2% average annual increase in the national population, and well above the Stats NZ medium growth scenario based on the 2013 Census which projected an increase of 1.3% per annum.</p> <p>It is forecast that the Northland population will increase by 1% per annum over the 10-year period 2022-2031, using the Stats NZ high-growth scenario based on the 2013 Census. This is slightly below the projected 1.2% per annum national increase.</p> <p>It is assumed that this will lead to a similar increase in separately used or inhabited parts of a property (SUIPs) and rating units. This equates to an increase of 940 SUIPs/rating units per year.</p>	<p>Population growth will be significantly different from projected.</p>	<p>Likelihood: Medium low</p> <p>Impact: Minor</p> <p>A lower (higher) rate of population growth will result in a higher (lower) average rate per SUIP/rating unit for a constant level of rating revenue required. The average rate per SUIP/rating unit for 2021/22 is \$399.78 (excl GST).</p> <p>Short-term population changes have very little impact on regional council services. Existing resources have generally coped with service demands without major adjustments. The challenges of an ageing population are largely borne by the district councils of Northland (pressures on infrastructure, matching services to demand, etc). However, a higher number of older people ageing in place (at home) will</p>	1

<p>Population growth is generally in the older age groups, e.g. 65 years and older. These people are more likely to want to age in place (at home), and retire on low, fixed incomes (predominantly reliant on superannuation in their later years).</p> <p>Source: Stats NZ, Subnational population estimates and Subnational population projections by sex and age, 2013 (base)-2043 update (released February 2017).</p>		<p>create demand for public transport/mobility to be available to access services and amenities.</p>	
Council business			
<p>Resource consents</p> <p>The conditions for existing resource consents held by council will not be significantly altered. Any resource consent due for renewal during the year will be renewed accordingly.</p>	<p>Conditions of resource consents are altered significantly or council is unable to renew existing resource consents upon expiry.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>The effect of any change to resource consent requirements would depend upon the extent of the change. A significant change in requirements could result in the council needing to spend additional funds to enable compliance. Generally, the council considers that it is fully compliant with existing resource consents and does not contemplate any material departure from these requirements.</p>	1
<p>Legislation and policy change</p> <p>No significant change to council business dictated by as-yet unknown/unconfirmed legislation or central government policy change.</p>	<p>Changes to legislation and policy significantly alter operations and activities carried out by council. The Labour government has signaled a major reform of the Resource Management Act.</p>	<p>Likelihood: Medium</p> <p>Impact: Major</p> <p>The final effect of any change to council's business would depend upon the extent of the change. A significant change could result in the council altering its activities or spending additional funds to enable compliance.</p>	3
<p>Ability to deliver on planned capital projects</p> <p>Council can procure contractors to carry out its planned capital works in accordance with the scheduled programme.</p>	<p>Ability to procure contractors is constrained by strong market demand from other councils undertaking similar capital works.</p>	<p>Likelihood: Low</p> <p>Impact: Severe</p> <p>While the impact would be significant, the likelihood is low as the capital works programme is well managed within council, the programme of works is well known to external contractors, and most are underway.</p>	2

Climate change			
<p>Emissions Trading Scheme (ETS)</p> <p>Any indirect impacts of the ETS through price increases being passed on to council are assumed to be covered by council's inflation assumptions.</p> <p>The direct impact of the ETS is that council will be required to replant its forestry holdings after any harvest. The council's forestry management plan prescribes this approach. The council has received ETS credits to financially compensate for this requirement.</p>	<p>Changes in government legislation result in charges greater than the budgeted expenditure.</p>	<p>Likelihood: Low</p> <p>Impact: Minor</p> <p>Any annual changes to the ETS will not have a material effect on the overall financial forecasts in this plan.</p>	1
<p>Climate change impacts</p> <p>The impacts of climate change (e.g. temperature and rainfall) will occur in line with the Ministry for the Environment's climate change predictions, which are based on recommendations from the International Panel on Climate Change (IPCC).</p>	<p>Climate change impacts coming earlier than expected – creating issues regarding civil defence, coastal structures, etc.</p>	<p>Likelihood: Low</p> <p>Impact: Severe</p> <p>Variations to long-term budget forecasts and levels of service will be required, and will be addressed by future Long Term Plans.</p>	2
<p>Natural disasters</p> <p>Budget provision will be adequate to address costs arising from natural disasters. The council holds insurance for its assets, including the Awanui River flood management scheme.</p>	<p>Natural or other hazard emergencies require work that cannot be funded out of normal budgetary provisions.</p>	<p>Likelihood: Medium low</p> <p>Impact: Major</p> <p>The council's financial position is strong enough to cover short-term funding requirements that may be required in the event of damage caused from natural disasters. The council may need to consult with the community retrospectively to repay any expense incurred.</p>	3

Financial assumptions

Inflation																															
<p>Opex and capex</p> <p>The BERL mid-scenario forecast opex price adjustor has been applied to all operational expenditure items subject to inflation except for salaries (see following assumption).</p> <p>The BERL mid-scenario forecast capex price adjustor has been applied to capital expenditure items subject to inflation.</p> <p>The mid-scenario forecast price adjusters for both the opex and capex forecast an annual average inflation rate of 2.5% over the 10-year period of the LTP.</p> <p>The mid-scenario forecasts are consistent with Treasury and the Reserve Bank of New Zealand (RBNZ) forecasts, and include BERL's adjustment for the historic record of time taken to recover from previous economic crises.</p> <p>Source: BERL "Local Government Cost Adjustor Forecasts: Three scenarios", 2020</p> <p>The BERL opex price adjustor forecasts have been applied to all the operational expenditure items subject to inflation, with the exception of salaries, as follows:</p> <table border="1"> <tbody> <tr> <td>Year 1⁽¹⁾</td> <td>1.5%</td> <td>Year 6</td> <td>2.5%</td> </tr> <tr> <td>Year 2</td> <td>2.9%</td> <td>Year 7</td> <td>2.6%</td> </tr> <tr> <td>Year 3</td> <td>2.5%</td> <td>Year 8</td> <td>2.7%</td> </tr> <tr> <td>Year 4</td> <td>2.5%</td> <td>Year 9</td> <td>2.7%</td> </tr> <tr> <td>Year 5</td> <td>2.5%</td> <td>Year 10</td> <td>2.6%</td> </tr> </tbody> </table> <p>1. <i>The BERL opex price adjustor is -0.6% for 2020/21 and 3.6% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1</i></p> <p>The BERL capex price adjustor forecasts have been applied to capital expenditure items as follows:</p> <table border="1"> <tbody> <tr> <td>Year 1⁽¹⁾</td> <td>1.5%</td> <td>Year 6</td> <td>2.6%</td> </tr> <tr> <td>Year 2</td> <td>3.0%</td> <td>Year 7</td> <td>2.8%</td> </tr> </tbody> </table>	Year 1 ⁽¹⁾	1.5%	Year 6	2.5%	Year 2	2.9%	Year 7	2.6%	Year 3	2.5%	Year 8	2.7%	Year 4	2.5%	Year 9	2.7%	Year 5	2.5%	Year 10	2.6%	Year 1 ⁽¹⁾	1.5%	Year 6	2.6%	Year 2	3.0%	Year 7	2.8%	<p>The actual rate of inflation varies from the assumed rate of inflation. In line with the RBNZ scenario, the risks to the assumption are mostly on the downside, i.e. that inflation will be lower than forecast.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Inflation is affected by external factors, all of which are outside of council's control and influence. Actual individual indices will at times vary from what has been assumed in this plan. The council has relied on the Reserve Bank's use of monetary controls to keep inflation within the 1-3% range.</p> <p>A 1% increase in the inflation rate over and above the BERL rates will increase council's total operating expenditure by \$409,352 in 2021/22.</p> <p>Should operating expenditure increase, and council is not able to achieve savings to offset the increase, it is likely there will be a proportional impact on council's funding and expenditure in the following year.</p>	<p>1</p>
Year 1 ⁽¹⁾	1.5%	Year 6	2.5%																												
Year 2	2.9%	Year 7	2.6%																												
Year 3	2.5%	Year 8	2.7%																												
Year 4	2.5%	Year 9	2.7%																												
Year 5	2.5%	Year 10	2.6%																												
Year 1 ⁽¹⁾	1.5%	Year 6	2.6%																												
Year 2	3.0%	Year 7	2.8%																												

Year 3	2.6%	Year 8	2.8%			
Year 4	2.6%	Year 9	2.9%			
Year 5	2.7%	Year 10	2.7%			
<p>1. The BERL capex price adjustor is -0.7% for 2020/21 and 3.7% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1</p>						
<p>Salaries</p> <p>Salaries are based on a council-led staffing initiative. Salary increases have been estimated at 3%.</p>				<p>The actual rate of salary increases is higher than the assumed rate.</p>	<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>A 1% increase in salaries over and above the rate applied will increase operating expenditure by \$226,199 in 2021/22.</p> <p>Although the actual annual salaries expenditure incurred by council may vary against its corresponding forecast, it is expected to be manageable and it is not considered that any annual salaries variance will have a material effect on the overall financial forecasts in the Long Term Plan.</p>	1
<p>Activity income</p> <p>Activity income sources subject to inflation are assumed to increase annually in line with the BERL mid-scenario forecast opex price adjustor, with the exception of Waka Kotahi NZ Transport Agency subsidies and rating income.</p> <p>Budget forecasts were developed on the basis of a council resolution to increase user fees and charges by 1.5% in 2021/22. They then increase by BERL there after.</p>				<p>The actual activity revenue is influenced by rates of inflation different than the assumed rate.</p>	<p>Likelihood: Low</p> <p>Impact: Minor</p> <p>Although activity income streams may vary annually due to factors outside of councils control, it is considered manageable and it is not considered to have a material effect on the overall financial forecasts in the Long Term Plan.</p>	1
Year 1 ⁽¹⁾	1.5%	Year 6	2.5%			
Year 2	2.9%	Year 7	2.6%			
Year 3	2.5%	Year 8	2.7%			
Year 4	2.5%	Year 9	2.7%			
Year 5	2.5%	Year 10	2.6%			
<p>1. The BERL opex price adjustor is -0.6% for 2020/21 and 3.6% for 2021/22, so the council has followed advice</p>						

Rates																									
Rates increases applied – rating income																									
<p>In order to fund the expenditure outlined throughout the Long Term Plan, the council intends to increase its rates 21.45% on average in 2021/22.</p> <table border="1"> <tr> <td>Year 1</td> <td>20.71%</td> <td>Year 6</td> <td>2.00%</td> </tr> <tr> <td>Year 2</td> <td>13.79%</td> <td>Year 7</td> <td>1.31%</td> </tr> <tr> <td>Year 3</td> <td>9.20%</td> <td>Year 8</td> <td>2.27%</td> </tr> <tr> <td>Year 4</td> <td>5.18%</td> <td>Year 9</td> <td>2.11%</td> </tr> <tr> <td>Year 5</td> <td>1.55%</td> <td>Year 10</td> <td>1.36%</td> </tr> </table>		Year 1	20.71%	Year 6	2.00%	Year 2	13.79%	Year 7	1.31%	Year 3	9.20%	Year 8	2.27%	Year 4	5.18%	Year 9	2.11%	Year 5	1.55%	Year 10	1.36%	<p>That the projected rate increases are insufficient to cover expenditure increases resulting from inflation.</p>		<p>Likelihood: Low</p> <p>Impact: Moderate</p> <p>Rate funding provides approximately 52% of council revenue, with the remaining revenue coming from investment income, user charges, grants and subsidies.</p> <p>A 1% increase in rating income in 2021/22 would provide \$375,741 additional income, while a 1% increase in operating costs would equate to an additional \$409,352 of expenditure.</p> <p>The difference between the two is considered manageable. However, it may result in a reprioritisation of council's work programme and/or an increase in funding from alternative sources.</p>	1
Year 1	20.71%	Year 6	2.00%																						
Year 2	13.79%	Year 7	1.31%																						
Year 3	9.20%	Year 8	2.27%																						
Year 4	5.18%	Year 9	2.11%																						
Year 5	1.55%	Year 10	1.36%																						
Rates collection and affordability																									
<p>Rates collection for the 10-year period of the Long Term Plan is assumed to be 92% of overall rated income, or 92 cents in the dollar.</p>		<p>Rates arrears are higher than anticipated, with possible link to new legislation managing Māori freehold land.</p>		<p>Likelihood: Medium low</p> <p>Impact: Medium</p> <p>A higher amount of unpaid rates would negatively affect council's budgeted cashflow. A 1% point decrease in rates collection in 2021/22 would result in \$375,741 less income. If the economic recovery from the Covid-19 crisis takes longer to occur than assumed, then the level of rates collection is likely to be lower than expected.</p> <p>Council has established an opex reserve to provide for such an eventuality.</p>	3																				
Investments																									
Externally managed funds																									
<p>Revenue derived from investments in externally managed funds is calculated upon an assumption of returns of 4.7% in the short-term fund and</p>		<p>Returns from externally managed funds are lower than forecast.</p>		<p>Likelihood: Medium low</p> <p>Impact: Major</p>	3																				

6.3% for the long-term fund, for years 1 to 6 of this plan. Due to the uncertainty in returns in the other years, returns have been calculated on an assumption of 3% from year 7 to 10 on both funds with any known movements accounted for.		A 1% decrease in forecast revenue received on council's externally managed funds will result in a decrease in interest and capital gains of approximately \$42,060.	
Cash investments No interest income is assumed to be derived from cash investments. The council hold working capital in managed funds and releases funds as required.	There are no risks associated with this assumption.		NA
Forestry investment revenue Forestry investment revenue will be in line with the forestry management plan.	Projected forestry returns are lower than those estimated in the plan.	Likelihood: Medium low Impact: Minor Forestry investment returns are 1.19% of council revenue. If the projected harvest return is below expectations, the council is able to defer harvesting for a number of years.	1
There will be no fair-value movements to the managed fund investment portfolio. Managed funds values will only change by investment gains earned and retained	Managed fund fair value will vary from the assumption.	Low Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.	1
The forestry is revalued annually. The valuation adjustments are provided by an independent forestry consultant. These are non-cash and as the forest is a long-term asset, the adjustments do not affect funding or expenditure requirements.	There are no risks associated with this assumption.		NA
Dividends			
Marsden Maritime Holdings Limited It is assumed that council will maintain its shareholding in Marsden Maritime Holdings Limited and that the dividend, expressed as a cents per share amount (cps), received from this shareholding will be 14.00 in year 1 and 16.75 in years 2-10. The council is not forecasting any dividends from Regional Software Holdings Limited, nor any special dividends from Marsden Maritime Holdings Limited.	The actual dividend per share in Marsden Maritime Holdings Limited is lower than the assumed amount	Likelihood: Medium Impact: Major A 1-cent-per-share movement in the declared Marsden Maritime Holdings Limited dividend will have an impact on council's dividend income by \$221,429. If the actual dividend income is lower than the forecast, other funding sources or savings will be considered	3

		to offset the difference. Council has established an opex reserve to provide for such an eventuality.	
Investment property			
<p>Rental income</p> <p>It is assumed that council's investment property portfolio will be tenanted throughout the year at the current occupancy rates, and that rents will be maintained.</p>	Occupancy rates decline, resulting in lower-than-forecast rental income.	<p>Likelihood: Medium low</p> <p>Impact: Moderate</p> <p>A 1% reduction in council's investment property rental income equates to \$28,058 in 2021/22.</p> <p>All investment property rentals are subject to contractual obligations, which have varying renewal and review periods. Most rental properties have 5, 7 and 21-year lease reviews, and the reviews falling due in any one year will not have a material impact on the annual rental income.</p>	2
<p>Commercial property sales</p> <p>The proceeds from any investment property sale will be reinvested in an investment that provides a return of 6.3% per annum.</p>	That the return on reinvestment is lower than forecast.	<p>Likelihood: Medium low</p> <p>Impact: Minor</p>	1
<p>Revaluation of investment properties</p> <p>The values of council's investment properties is assumed not to change.</p> <p>This assumption is consistent with the expectation that Northland's population and economy will grow more slowly than the national average.</p>	That the actual revaluation movements will vary from those assumed.	<p>Likelihood: Medium low</p> <p>Impact: Inconsequential</p> <p>A 1% increase in council's investment property portfolio equates to an estimated increase of \$509,439 in the value of the portfolio.</p> <p>Any investment revaluations are non-cash in nature, so will have no material impact on council's funding sources.</p> <p>There is no impact on depreciation as investment properties are not depreciated.</p>	1

Borrowing costs			
<p>External borrowing costs</p> <p>The cost of existing external borrowing (\$19,558,000 at 1 July 2020) is assumed to continue at the current borrowing rates, and that the cost of new debt (from 1 July 2021) is 3.25%.</p>	<p>The prevailing interest rate is higher than that assumed.</p>	<p>Likelihood: Medium low</p> <p>Impact: Moderate</p> <p>Borrowing costs increase or decrease. Small changes are unlikely to affect rates. Large changes, however, may result in an increase or decrease to associated rates.</p>	2
<p>Internal borrowing costs</p> <p>Internal borrowing rates are outlined in the Financial Strategy. The actual internal borrowing rate may be subject to change and will be based upon the cost of borrowing and available investment returns at the time of borrowing.</p>	<p>The internal borrowing rate is higher than that assumed.</p>	<p>Likelihood: Low</p> <p>Impact: Inconsequential</p> <p>Interest expense and interest income associated with internal borrowing offset each other in the financial forecasts.</p>	1
Building and assets			
<p>Revaluation of land and buildings</p> <p>The values of council's land and buildings will not change.</p>	<p>The actual revaluation movements will vary from those assumed.</p>	<p>Likelihood: Medium low</p> <p>Impact: Inconsequential</p> <p>Any land and building revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p> <p>For land assets, there is no impact on depreciation as these assets are not depreciated.</p> <p>If the building revaluations are different from those assumed, it will affect the fixed asset values and flow through to changed levels of depreciation expense. A 1% increase in building asset values will equate to a minimal increase in depreciation.</p>	1
<p>Revaluation of infrastructure assets</p> <p>The values of the council's infrastructure assets will not change.</p>	<p>The actual revaluation movements will be significantly different from those forecasted.</p>	<p>Likelihood: Medium low</p> <p>Impact: Inconsequential</p> <p>Any infrastructure asset revaluations are non-cash in nature so will have no material impact on the council's funding sources.</p>	1

		For land assets, there is no impact on depreciation as these assets are not depreciated.	
<p>Asset replacement</p> <p>It is assumed that sufficient sources of funds for the future replacement of significant assets will be available at the end of their useful life.</p>	Insufficient funds will be available to replace significant assets at the end of their useful lives.	<p>Likelihood: Medium low</p> <p>Impact: Major</p> <p>Targeted regional-wide rates, user charges and other targeted rates will increase to achieve the funding requirements. The council may use borrowings in accordance with the revenue and financing policy, liability management policy and treasury management policy.</p>	3
<p>Useful lives of significant assets</p> <p>The useful lives of significant assets are shown in council's statement of accounting policies.</p> <p>It is assumed that no significant assets will fail before the end of their useful lives as set out in the council's accounting policy. The council is aware of all planned asset acquisitions and all asset acquisitions (as per the capital expenditure programme) shall be depreciated on the same basis as existing assets.</p>	That council assets wear out earlier or later than estimated.	<p>Likelihood: Low</p> <p>Impact: Severe</p> <p>The council has several major infrastructural assets. As part of its asset management planning process, council identifies the capacity and condition of such assets and plans its replacement programme accordingly.</p> <p>Depreciation and interest costs (if borrowing was required) would increase if capital expenditure was required earlier than anticipated, and any earlier replacement may result in the deferral of other discretionary capital projects.</p>	2
	That the council changes activities, resulting in decisions not to replace certain existing assets.	Where a decision is made not to replace an asset, this will be factored into the capital expenditure projections.	
<p>Vested assets</p> <p>It is assumed that no vesting or divesting of assets occurs.</p>	Assets will be vested with the council.	<p>Likelihood: Low</p> <p>Impact: Major</p> <p>Vested assets have an associated depreciation expense and this will increase the level of rating required if the council decide that the asset would be replaced at the end of its useful life.</p>	1

1. *The BERL opex price adjustor is -0.6% for 2020/21 and 3.6% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1*
1. *The BERL capex price adjustor is -0.7% for 2020/21 and 3.7% for 2021/22, so the council has followed advice and taken an average of the rates for these two years to smooth the effect of Covid-19 and give a more realistic % for Year 1*
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Depreciation by activity

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

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

Capital expenditure

	Annual Plan	Year 1	Year 2	Year 3	Year 4	Year 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Community Resilience						
Improvement	-	-	4,500	1,685	-	-
Replacement	36	1,201	2,618	38	39	40
Natural Environmental						
Improvement	610	398	1,005	474	192	252
Replacement	425	117	95	336	130	261
River Management						
Improvement	3,351	6,704	8,783	4	600	250
Replacement	104	-	-	-	-	-
Regional Leadership						
Improvement	7,704	9,304	2,492	507	76	668
Replacement	5,634	363	419	454	516	436
TOTAL CAPITAL EXPENDITURE	17,864	18,087	19,912	3,498	1,553	1,907

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Community Resilience
-	-	0	0	0	Improvement
41	42	43	44	46	Replacement
					Natural Environmental
73	169	231	85	92	Improvement
162	208	62	209	162	Replacement
					River Management
252	200	300	1,221	600	Improvement
-	-	-	-	-	Replacement
					Regional Leadership
4,069	75	73	75	81	Improvement
451	418	447	523	450	Replacement
5,048	1,112	1,156	2,157	1,431	TOTAL CAPITAL EXPENDITURE

Schedule of reserves

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Awanui River Reserve					
Opening Balance as at 1 July	(637)	(507)	(380)	(325)	(275)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	130	127	55	50	44
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(507)	(380)	(325)	(275)	(231)
Kaihu River Reserve					
Opening Balance as at 1 July	29	29	28	24	19
Increase /(Decrease) in Reserve throughout the year (operational transfer)	0	(1)	(4)	(5)	(7)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	29	28	24	19	12
Kaeo Whangaroa Rivers Reserve					
Opening Balance as at 1 July	125	122	115	104	89
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(3)	(7)	(11)	(15)	(19)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	122	115	104	89	70
Whangarei Urban River Reserve					
Opening Balance as at 1 July	(8,152)	(7,654)	(7,144)	(6,641)	(6,135)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	498	510	503	506	528
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(7,654)	(7,144)	(6,641)	(6,135)	(5,607)
Kerikeri Waipapa Rivers Reserve					
Opening Balance as at 1 July	239	195	151	105	58
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(44)	(44)	(46)	(47)	(48)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	195	151	105	58	10

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Awanui River Reserve					
(231)	(197)	(170)	(150)	(139)	Opening Balance as at 1 July
34	27	20	11	3	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(197)	(170)	(150)	(139)	(136)	Closing Balance as at 30 June
Kaihu River Reserve					
12	3	(8)	(21)	(36)	Opening Balance as at 1 July
(9)	(11)	(13)	(15)	(18)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
3	(8)	(21)	(36)	(54)	Closing Balance as at 30 June
Kaeo Whangaroa Rivers Reserve					
70	46	16	(19)	(58)	Opening Balance as at 1 July
(24)	(30)	(35)	(39)	(45)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
46	16	(19)	(58)	(103)	Closing Balance as at 30 June
Whangarei Urban River Reserve					
(5,607)	(5,073)	(4,522)	(3,963)	(3,394)	Opening Balance as at 1 July
534	551	559	569	578	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(5,073)	(4,522)	(3,963)	(3,394)	(2,816)	Closing Balance as at 30 June
Kerikeri Waipapa Rivers Reserve					
10	(40)	(90)	(143)	(196)	Opening Balance as at 1 July
(50)	(50)	(53)	(53)	(55)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(40)	(90)	(143)	(196)	(251)	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Flood Infrastructure Reserve					
Opening Balance as at 1 July	(3,576)	(4,830)	(6,888)	(6,421)	(6,320)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	3,232	4,037	467	521	528
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(4,486)	(6,095)	-	(420)	(175)
Closing Balance as at 30 June	(4,830)	(6,888)	(6,421)	(6,320)	(5,967)
Whangarei Flood Infrastructure Reserve					
Opening Balance as at 1 July	20	(19)	3	43	85
Increase /(Decrease) in Reserve throughout the year (operational transfer)	36	37	40	42	45
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(75)	(15)	-	-	-
Closing Balance as at 30 June	(19)	3	43	85	130
Awanui Flood Infrastructure Reserve					
Opening Balance as at 1 July	(412)	(779)	(1,293)	(1,270)	(1,243)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	922	1,033	23	27	30
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(1,289)	(1,547)	-	-	-
Closing Balance as at 30 June	(779)	(1,293)	(1,270)	(1,243)	(1,213)
Taumāreke Flood Infrastructure Reserve					
Opening Balance as at 1 July	-	(29)	(528)	(503)	(623)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	421	551	25	45	41
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(450)	(1,050)	-	(165)	-
Closing Balance as at 30 June	(29)	(528)	(503)	(623)	(582)
Kaero Whangaroa Flood Infrastructure Reserve					
Opening Balance as at 1 July	(69)	(163)	(149)	(134)	(134)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	14	14	15	15	10
Increase /(Decrease) in Reserve throughout the year (capital transfer)	(108)	-	-	(15)	(75)
Closing Balance as at 30 June	(163)	(149)	(134)	(134)	(199)

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Flood Infrastructure Reserve					
(5,967)	(5,585)	(5,136)	(4,725)	(4,947)	Opening Balance as at 1 July
557	589	621	633	659	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(175)	(140)	(210)	(855)	(420)	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(5,585)	(5,136)	(4,725)	(4,947)	(4,708)	Closing Balance as at 30 June
Whangarei Flood Infrastructure Reserve					
130	177	228	217	43	Opening Balance as at 1 July
47	51	49	36	26	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	(60)	(210)	(180)	Increase /(Decrease) in Reserve throughout the year (capital transfer)
177	228	217	43	(111)	Closing Balance as at 30 June
Awanui Flood Infrastructure Reserve					
(1,213)	(1,179)	(1,139)	(1,127)	(1,245)	Opening Balance as at 1 July
34	40	42	39	43	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	(30)	(157)	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(1,179)	(1,139)	(1,127)	(1,245)	(1,202)	Closing Balance as at 30 June
Taumāreere Flood Infrastructure Reserve					
(582)	(536)	(486)	(431)	(370)	Opening Balance as at 1 July
46	50	55	61	66	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(536)	(486)	(431)	(370)	(304)	Closing Balance as at 30 June
Kaeo Whangaroa Flood Infrastructure Reserve					
(199)	(269)	(327)	(326)	(325)	Opening Balance as at 1 July
5	2	1	1	2	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(75)	(60)	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(269)	(327)	(326)	(325)	(323)	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Property Reinvestment Fund Reserve					
Opening Balance as at 1 July	25,333	32,820	31,406	32,170	32,953
Increase /(Decrease) in Reserve throughout the year (operational transfer)	577	442	764	783	795
Increase /(Decrease) in Reserve throughout the year (capital transfer)	6,910	(1,856)	-	-	(600)
Closing Balance as at 30 June	32,820	31,406	32,170	32,953	33,148
Regional Projects Reserve					
Opening Balance as at 1 July	15,804	16,034	16,264	16,658	17,072
Increase /(Decrease) in Reserve throughout the year (operational transfer)	230	230	394	414	426
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	16,034	16,264	16,658	17,072	17,498
Equalisation Fund Reserve					
Opening Balance as at 1 July	1,476	1,378	1,070	983	913
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(98)	(308)	(87)	(70)	(310)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	1,378	1,070	983	913	603
Hatea River Reserve					
Opening Balance as at 1 July	109	50	50	50	50
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(59)	-	-	-	-
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	50	50	50	50	50
Investment and Growth Reserve					
Opening Balance as at 1 July	1,122	2	9	15	22
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(1,120)	6,943	6,350	6,503	6,660
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	2	9	15	22	29

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Property Reinvestment Fund Reserve					
33,148	29,903	30,695	31,528	32,401	Opening Balance as at 1 July
755	792	833	873	917	Increase /(Decrease) in Reserve throughout the year (operational transfer)
(4,000)	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
29,903	30,695	31,528	32,401	33,318	Closing Balance as at 30 June
Regional Projects Reserve					
17,498	17,933	18,382	18,844	19,320	Opening Balance as at 1 July
435	449	462	476	491	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
17,933	18,382	18,844	19,320	19,811	Closing Balance as at 30 June
Equalisation Fund Reserve					
603	544	986	1,933	1,682	Opening Balance as at 1 July
(59)	442	947	(251)	1,081	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
544	986	1,933	1,682	2,763	Closing Balance as at 30 June
Hatea River Reserve					
50	50	50	50	50	Opening Balance as at 1 July
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
50	50	50	50	50	Closing Balance as at 30 June
Investment and Growth Reserve					
29	29	29	29	29	Opening Balance as at 1 July
0	(0)	(0)	(0)	0	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
29	29	29	29	29	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Whangarei Transport Reserve					
Opening Balance as at 1 July	(40)	(37)	(34)	(31)	(28)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	3	3	3	3	3
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(37)	(34)	(31)	(28)	(25)
Far North Bus Reserve					
Opening Balance as at 1 July	217	213	209	206	202
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4)	(4)	(3)	(4)	(4)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	213	209	206	202	198
Economic Development Reserve					
Opening Balance as at 1 July	17,030	17,433	17,667	18,080	18,503
Increase /(Decrease) in Reserve throughout the year (operational transfer)	403	234	413	423	433
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	17,433	17,667	18,080	18,503	18,936
Operational Reserve					
Opening Balance as at 1 July	2,259	2,259	2,359	2,659	2,859
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	100	300	200	700
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	2,259	2,359	2,659	2,859	3,559
Kaipara Moana Remediation Reserve					
Opening Balance as at 1 July	-	(440)	(701)	(944)	(1,171)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(440)	(261)	(243)	(227)	(213)
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	(440)	(701)	(944)	(1,171)	(1,384)

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
Whangarei Transport Reserve					
(25)	(22)	(19)	(16)	(13)	Opening Balance as at 1 July
3	3	3	3	3	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(22)	(19)	(16)	(13)	(10)	Closing Balance as at 30 June
Far North Bus Reserve					
198	194	190	186	182	Opening Balance as at 1 July
(4)	(4)	(4)	(4)	(3)	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
194	190	186	182	179	Closing Balance as at 30 June
Economic Development Reserve					
18,936	19,525	20,133	20,761	21,410	Opening Balance as at 1 July
589	608	628	649	670	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
19,525	20,133	20,761	21,410	22,080	Closing Balance as at 30 June
Operational Reserve					
3,559	4,359	5,059	5,559	5,959	Opening Balance as at 1 July
800	700	500	400	0	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
4,359	5,059	5,559	5,959	5,959	Closing Balance as at 30 June
Kaipara Moana Remediation Reserve					
(1,384)	(1,584)	(757)	108	1,008	Opening Balance as at 1 July
(200)	827	865	900	933	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(1,584)	(757)	108	1,008	1,941	Closing Balance as at 30 June

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Enterprise System Reserve					
Opening Balance as at 1 July	1,554	(3,162)	(5,588)	(5,394)	(4,660)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	(4,716)	(2,426)	194	734	775
Increase /(Decrease) in Reserve throughout the year (capital transfer)	0	0	0	0	0
Closing Balance as at 30 June	(3,162)	(5,588)	(5,394)	(4,660)	(3,885)
CDEM Joint Emergency Centre					
Opening Balance as at 1 July	-	-	(4,203)	(4,910)	(4,603)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	297	978	307	321
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	(4,500)	(1,685)	-	-
Closing Balance as at 30 June	-	(4,203)	(4,910)	(4,603)	(4,282)
Oruku Landing Conference & Event Centre					
Opening Balance as at 1 July	-	-	-	(5,415)	(4,924)
Increase /(Decrease) in Reserve throughout the year (operational transfer)	-	-	(5,415)	491	517
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	-	-	(5,415)	(4,924)	(4,407)
Emergency Services reserve					
Opening Balance as at 1 July	125	169	212	256	299
Increase /(Decrease) in Reserve throughout the year (operational transfer)	44	43	44	43	44
Increase /(Decrease) in Reserve throughout the year (capital transfer)	-	-	-	-	-
Closing Balance as at 30 June	169	212	256	299	343
TOTAL SPECIAL RESERVES CLOSING BALANCE	53,083	42,636	39,365	43,009	46,805

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
					Enterprise System Reserve
(3,885)	(3,101)	(2,308)	(1,499)	(683)	Opening Balance as at 1 July
784	793	809	816	826	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,101)	(2,308)	(1,499)	(683)	143	Closing Balance as at 30 June
					CDEM Joint Emergency Centre
(4,282)	(3,944)	(3,590)	(3,218)	(2,828)	Opening Balance as at 1 July
338	354	372	390	410	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,944)	(3,590)	(3,218)	(2,828)	(2,418)	Closing Balance as at 30 June
					Oroku Landing Conference & Event Centre
(4,407)	(3,862)	(3,387)	(2,887)	(2,360)	Opening Balance as at 1 July
545	475	500	527	555	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
(3,862)	(3,387)	(2,887)	(2,360)	(1,805)	Closing Balance as at 30 June
					Emergency Services reserve
343	386	430	473	517	Opening Balance as at 1 July
43	44	43	44	43	Increase /(Decrease) in Reserve throughout the year (operational transfer)
-	-	-	-	-	Increase /(Decrease) in Reserve throughout the year (capital transfer)
386	430	473	517	560	Closing Balance as at 30 June
47,759	54,259	61,163	66,008	72,594	TOTAL SPECIAL RESERVES CLOSING BALANCE

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

The components of equity are:

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

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

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

About council's reserves

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

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

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

Reserve name	Purpose	Activities that may be funded from reserve
Kaipara moana remediation reserve	This reserve represents the shortfall in funding relating to the required contribution to the Kaipara Moana Remediation program. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Kaipara Moana Remediation Program
Enterprise system reserve	This reserve represents the shortfall in funding relating to the enterprise system. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Enterprise System
CDEM joint emergency centre reserve	This reserve represents the shortfall in funding relating to the CDEM joint emergency centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	CDEM Joint Emergency Centre
Oroku landing conference and event centre reserve	This reserve represents the shortfall in funding relating to the fit out for the oruku landing conference and event centre. Any deficit balance in this reserve will be restored to a positive balance from future rates collected. From then on any rates collected over the life of the program will accumulate and be held to repay the borrowing at the end of the loan term.	Oroku landing conference and event centre

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

Investment and growth reserve

	Year 1	Year 2	Year 3	Year 4	Year 5
	2021/22	2022/23	2023/24	2024/25	2025/26
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Forecast Opening Balance	1,122	2	1	1	1
Northland Regional Council investment revenue transferred to reserve	0	370	429	278	90
Economic Development Fund investment revenue transferred to reserve	651	838	673	689	705
Economic Development Rate revenue transferred to reserve	611	686	835	1,017	1,238
Territorial Authority Contributions	111	230	335	456	562
Payment to Northland Inc. Limited as operational funding	(1,637)	(1,737)	(1,877)	(1,924)	(1,972)
Payment to fund capital expenditure	-	-	-	-	-
Payments to fund projects	(300)	(300)	(300)	(300)	(300)
Payments for enabling	(35)	(88)	(96)	(216)	(324)
Other withdrawals	(533)	-	-	-	-
Gains/Interest reinvested	12	0	0	0	0
Forecast Closing Balance	2	1	1	1	1

Year 6	Year 7	Year 8	Year 9	Year 10	
2026/27	2027/28	2028/29	2029/30	2030/31	
\$(000)	\$(000)	\$(000)	\$(000)	\$(000)	
1	1	1	1	000	Forecast Opening Balance
-	-	-	-	-	Northland Regional Council investment revenue transferred to reserve
577	592	608	624	640	Economic Development Fund investment revenue transferred to reserve
1,507	1,547	1,588	1,631	1,674	Economic Development Rate revenue transferred to reserve
680	698	717	736	755	Territorial Authority Contributions
(2,021)	(2,074)	(2,130)	(2,187)	(2,244)	Payment to Northland Inc. Limited as operational funding
-	-	-	-	-	Payment to fund capital expenditure
(300)	(300)	(300)	(300)	(300)	Payments to fund projects
(443)	(462)	(483)	(504)	(525)	Payments for enabling
-	-	-	-	-	Other withdrawals
0	-	-	-	-	Gains/Interest reinvested
1	1	1	0	1	Forecast Closing Balance

Financial prudence

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

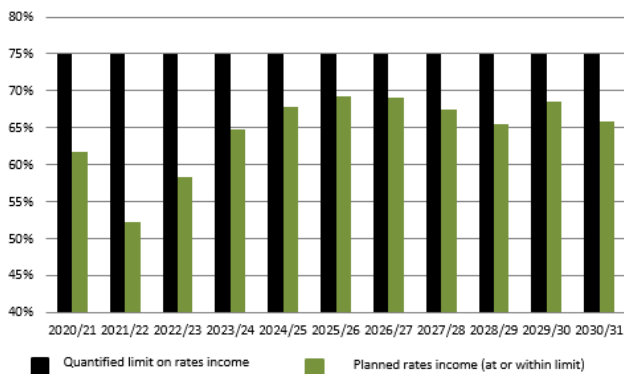
Rates affordability benchmarks

The council meets the rates affordability benchmark if:

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

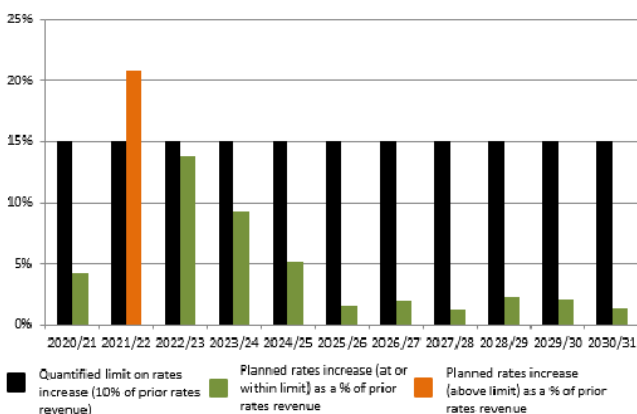
Rates income affordability

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



Rates increases affordability

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



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

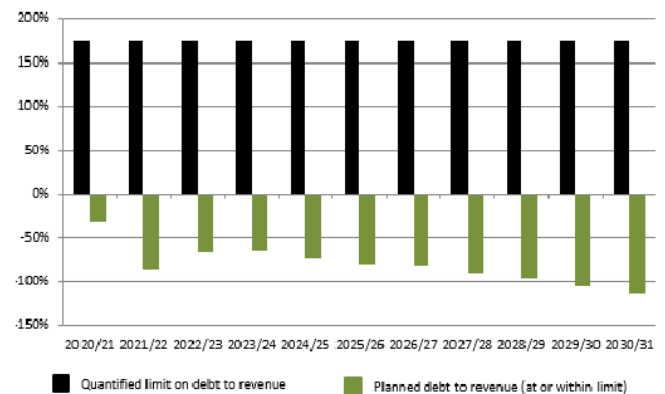
Debt affordability benchmarks

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graphs compare council's planned borrowing with quantified limits on borrowing stated in the financial strategy within the council's Long Term Plan.

Net debt to total revenue

The quantified limit for net debt as a proportion of total revenue is 175%.

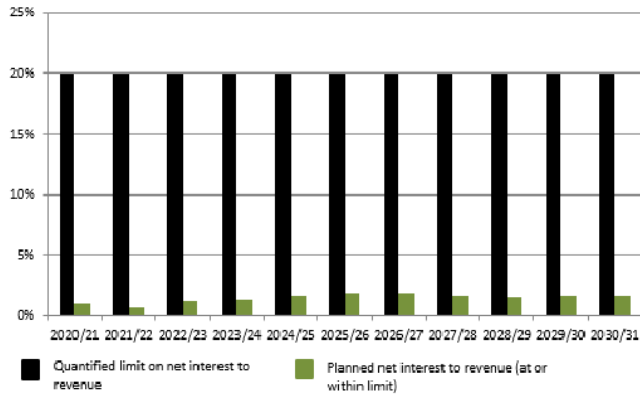


Northland Regional Council carries a significant value of investments categorised as non-current that could be liquidated if required.

The increase in the planned debt-to-revenue percentage is due to increased revenue and mostly static net debt during the Long Term Plan reporting periods.

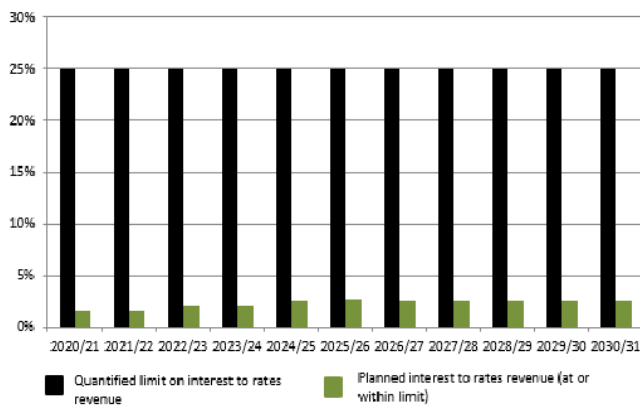
Net interest to total revenue

The quantified limit for net interest as a proportion of total revenue is 20%.



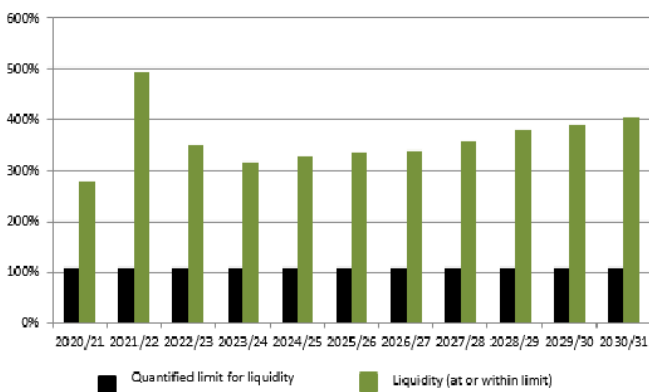
Net interest to annual rates revenue

The quantified limit for net interest as a proportion of annual rates revenue is 25%.



Liquidity

The quantified limit for liquidity is set as a minimum of 110%.



Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark is represented by the black line.

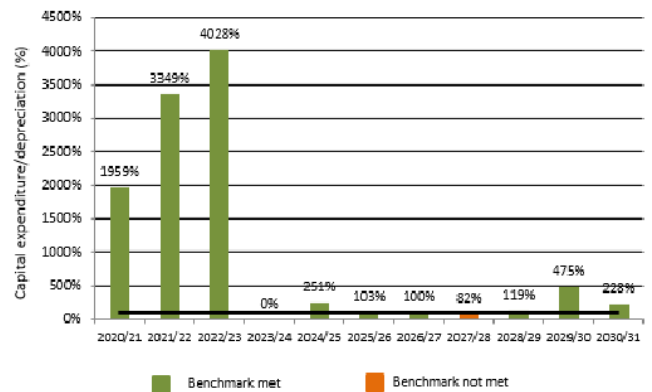
Note: 2023/24 includes the potential Oruku Landing conference and events centre contribution of \$6M, which is covered by borrowings.



Essential services benchmark

The following graph displays the council's planned capital expenditure on network services (flood protection) as a proportion of depreciation on network services.

The council meets this benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services. The benchmark is represented by the black line.

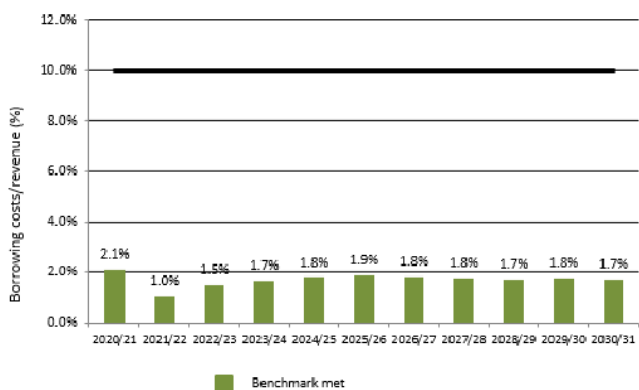


The 2023/24 and 2027/28 years don't include high capital expenditure on flood protection, and so fall below the benchmark.

Debt servicing benchmark

The following graph displays the council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

Because Stats NZ projects the council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. The benchmark is represented by the black line.



Ngā kaupapa here Policies

This section sets out the policies that we consulted on as part of our long term plan consultation process.

These are our:

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

User Fees and charges

Our user fees and charges, including our principles and policies on charging, were consulted on concurrently with the long term plan process. The final policy and charges are a separate document that can be found on our website: www.nrc.govt.nz

Remission and postponement of rates and penalties

We adopt policies on the remission and postponement of rates and penalties, and early payment of rates, that are the same as the Far North, Kaipara and Whangārei district councils. We do this because the district councils collect rates on our behalf. We don't

adopt any policies or parts of policies that don't relate to the rates collected on our behalf (for example a policy related solely to water rates).

The full list of policies on the remission and postponement of rates and penalties that relate to regional council activities can also be found on our website: www.nrc.govt.nz



Other supporting policies

We maintain other policies that are not included in this long term plan, but which may be of interest or provide further support to the information in this document:

- Significant accounting policies
- Treasury management policy
- Liability management policy
- Investment policy
- Policy on the appointment of directors to council organisations

These can be found on our website, www.nrc.govt.nz

Revenue and financing policy

Overview

The Local Government Act 2002 (LGA) requires the council to adopt a Revenue and Financing Policy, outlining the council's approach to funding its operating and capital expenses – in other words, how the council pays for what it does.

The council must manage its finances prudently and in a manner that promotes the current and future interests of the community. Generally, the council must make sure it has a "balanced budget", ensuring that operating revenue covers operating expenses.

The council can fund its activities from a range of sources outlined in section 103 of the Local Government Act. The council usually pays for activities from the following:

1. Targeted region-wide rates.
2. Specific targeted rates.
3. Income from investments.
4. Fees and charges.
5. Grants and subsidies.

The council also uses borrowing to fund some of its activities.

Sources of funding for operating expenses

Targeted region-wide rates

The council typically uses targeted region-wide rates to fund activities that provide a community benefit or public good, not benefits for specific users. In these cases it is usually impossible or impractical to identify customers or users, or to fully recover costs from those who benefit, or those who make the situation worse.

The council has elected to use six targeted region-wide rates, as it considers these to be a fairer approach than setting a general rate and uniform annual general charge. The level of targeted region-wide rates is based on the funding required to provide agreed council activities after identifying other income sources.

Specific targeted rates

The council uses specific targeted rates where it provides services to a certain area or group within the regional community, but there is no mechanism to directly charge them. The activities funded may have a wider community benefit or public good, but

a group derives a direct or greater benefit from the provision of the activity. Where it is appropriate, only this group will be targeted to pay for some or all of the service.

The council may also set a specific targeted rate for transparency and accountability.

Income from investments

The council uses its investment returns (dividends, interest and rent) to reduce targeted region-wide rates. For the purposes of this policy, we group investment returns with targeted region-wide rates, and refer to this group as 'rates/general funds'.

Some investment revenue will be diverted to the Investment and Growth Reserve to fund economic development activity.

Fees and charges

User charges are direct charges to identified individuals and/or groups:

- who use certain council services, or
- whose actions or inactions cause the council to provide the service.

In these instances, a benefit exists to clearly identifiable people and/or groups, so they are required to pay for all or part of the cost of using that service.

Fees and charges are set based on recovering either the full cost of the service, the marginal cost added by users, or a rate that the market will reasonably pay. Fees and charges are set in accordance with the council's charging policy.

License fees may be set by the council or by regulation, and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.

Borrowing

The council may use internal or external borrowing as per its Liability Management Policy to bring forward or accelerate operating expenditure and to fund large projects that don't involve Council acquiring an asset when it is deemed prudent to do so. The cost and repayment of borrowing is to be funded from the same funding sources available to fund the specified activity.

Reserves and special funds

Reserve funds may be used to fund expenditure for specific purposes. In some circumstances, the reserves are a legal requirement. The council may establish additional reserves as and when required. Any funding surplus or deficit resulting from activities funded through targeted rates is set aside in a specified reserve to be used or repaid in subsequent financial years. Subject to meeting any specified conditions associated with these reserves, the council may spend money of an operating or capital nature from these reserves.

Proceeds from asset sales

Proceeds from asset sales will usually be used to provide funding to acquire assets of a similar nature. The council may also choose to use the proceeds of asset sales to fund operating expenditure. Keeping strategic and investment assets, and using investment returns (operating) to promote economic wellbeing, provides intergenerational equity. Unless the council resolves otherwise, proceeds from the sale of investment assets will be set aside for future reinvestment.

Financial contributions

The council does not require financial contributions.

Grants and subsidies

Central government and other third-party agencies provide various grants and subsidies for specified activities and projects.

Other funding sources: use of surpluses from previous financial periods

Where the council has recorded an actual surplus in one financial period, it may pass this benefit on to ratepayers in a subsequent financial period. The council will not normally carry forward surpluses in relation to the sale of assets or revenue received for capital purposes.

Sources of funding for capital expenditure

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

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

- Replacement of an asset: funded out of rates charged to recover depreciation. If funds are insufficient, then reserves or borrowing may be used to provide funding.
- New asset or the upgrade or increase in service potential of an existing asset: internal or external borrowings.

The funding of capital expenditure from the sale of surplus assets, restricted or special funds is decided on a case-by-case basis.

If an approved capital expenditure project is not completed by the end of the financial period, the unspent funds may be carried forward to the next financial period. The council may impose a targeted rate to fund capital expenditure or repay the borrowings on an asset at a faster rate than over the full life of the asset.

Revenue and financing sources and mechanisms for the council's activities

The following table shows a summary of the funding sources for each activity, and the council's consideration of the factors under Section 101(3) of the Local Government Act 2002 when determining the appropriate funding sources for each activity. The factors considered for each activity were:

- The community outcomes to which it primarily contributes.
- The distribution of benefits between:
 - the community as a whole
 - any identifiable parts of the community, and
 - individuals.
- The period the benefits are expected to occur.
- How much the actions or inaction of individuals or a group contribute to the need for the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

We have also considered the overall impact on the community of any allocation of liability for revenue needs. Over the course of this Long Term Plan, the council will borrow funds to pay for the capital infrastructure of our river management schemes. The maximum period of these loans is 30 years, and actual loan periods are determined after considering the extent of the capital works and the period of benefit, affordability and commitment of future generations.

Specific targeted rates will be collected from 2021/22 to ensure the council has sufficient funds to repay these loans as they fall due. The council will invest rates collected in managed funds until the loans are due to be repaid. By collecting rates immediately, the council receives investment returns that will offset the borrowing costs. This approach ensures the financial cost of borrowing, and hence the impact on the community (via the targeted rates they are required to pay each year), is reasonable.

Explanation of notations made in the table

Rates/general funds: includes targeted region-wide rates and general funding (including income from investments).

Full: All, or almost all, the cost of the activity is funded from that source.

If the comment is made regarding rates/general funds, it does not preclude making minor charges for the service, but indicates that the charges are a negligible part of the total funding.

Majority: Most of the service is funded from this source.

When used in reference to fees and charges, it reflects the view that the services should be recovered from users, but that legislation imposes some constraints that may mean that full recovery is not possible.

Residual: A portion of funds comes from this source.

When used in reference to fees and charges, it reflects that in some circumstances there are constraints on council charges, or that the alternative revenue source may include enforcement revenue that is imposed to achieve compliance and may not always cover the costs of enforcement.

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
Natural environment		
<p>The entire community desires a well-structured and effective region, and benefits from integrated regional policies and plans that provide for the sustainable management of Northland's resources. This activity is a public good, which supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue both in the immediate and long term.</p>	<p>Planning and Policy</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>For certain activities, applicants must seek consent under the Resource Management Act 1991(RMA)and the Building Act 2004. This process contributes towards safe and resilient communities, and continuous improvement in water quality and security of supply. The regional community gains assurance that activities requiring consent are in accordance with regional policies and the RMA. RMA and building (dams) consent holders directly benefit from gaining compliance and holding consent. The benefits of these services accrue both in the immediate and long term. Processing resource consent applications is considered to be largely private good, with an element of public benefit. The allocation of costs to those who benefit from the services or cause such costs is beneficial, as the community does not have to bear such costs.</p> <p>Capital costs are minor and as they do not directly relate to individual consent applications, they are funded from rates/general funds for efficiency reasons.</p>	<p>Consents activity: Consent applications</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Fee/subsidy - Majority ● Rates/general funds - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>Individuals may require information and advice on the lawfulness of intended, proposed or existing activities. The regional community benefits from informed participation and decision making. Resource users benefit from guidance on regulation, appropriate use and development of resources. These services support safe and resilient communities, and efficient and effective service delivery, and the benefits accrue both in the immediate and long term. We consider the provision of consents advice and information to be a public and private good. The public good is served by the informed ease of transacting and engaging with the council. Private good exists where advice relates to applications where individuals derive a direct benefit. Fees can be charged for some advice, as per the council's charging policy.</p>	<p>Consents activity: Consents advice and information</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The regional community benefits from improved knowledge and management of the regional environment. This activity is a public good that supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits accrue in the immediate and long term.</p>	<p>Science: State of the Environment monitoring</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>Need is created by individuals who have consents and those whose actions or inactions risk or harm the environment. The local and regional communities benefit from environmental protection via the</p>	<p>Compliance monitoring</p>	<p><i>Operating expenditure:</i></p>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>monitoring, enforcement and clean-up actions carried out by the council. This activity supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The benefits of these services accrue both in the immediate and long term. This activity is mostly a private good, however compliance provides public benefit. The allocation of costs to those who benefit from the services, or those who cause such costs, is beneficial to the community, as the community does not have to bear such costs.</p>		<ul style="list-style-type: none"> ● Fee/subsidy - Majority (Licence and Enforcement fees) ● Rates/general funds - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
	<p>Compliance monitoring: Environmental incidents response</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
	<p>Compliance monitoring: Waste management and contaminated sites</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <p>Rates/general funds - Full</p>
<p>The community wants advanced warning of water risks, and to have our water resource sustainably managed. Hydrology monitors and reports on water quantity (rainfall, groundwater, surface water, rivers and lakes), which contributes to continuous improvement in water quality and security of supply, and safe and resilient communities. Individuals and the community benefit from early notification of rainfall in significant rivers, and management of Northland's water resources. There is community-wide benefit from monitoring and understanding our various water resources and information. The benefits of these services accrue both in the immediate and long term. Hydrology activity is primarily a public good with an element of private benefit to individuals and groups of individuals. Fees and charges are levied for compliance-related activities.</p>	<p>Science: Hydrology</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community wants animal and plant pests to be controlled, and our region's unique ecosystems to be protected. The regional community benefits both in the immediate and long term from the enhancement of indigenous biodiversity and biosecurity in Northland, and from the contribution towards a thriving regional economy through increased land productivity. We consider the provision of biosecurity activities to be largely a public good, with an element of private benefit, where pest control is provided to individuals and/or groups of individuals.</p>	<p>Biosecurity</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources. The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of biodiversity activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.</p>	Biodiversity	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>Individuals and the community may compromise the environment, or may wish to foster and enhance the environment. They benefit in the immediate and long term from improved image, retention/enhancement of productive values of land, reduction in adverse effects, and enhancement of priority ecosystems/natural resources(improved water quality, reduced run-off and sedimentation, and reduced frequency of flooding). The wider community benefits from the enhancement of indigenous biodiversity and biosecurity. The provision of land and water activity is considered to be a public good. However, there can be an element of private benefit, where Environment Fund grants and activities are provided to individuals or a group of individuals. Beneficiaries of the Environment Fund must also provide a significant contribution towards the projects.</p>	Catchment management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<h2>Community resilience</h2>		
<p>Individuals and the public require flood risk reduction when living or undertaking developments in flood risk areas. The community benefits from reduced incidence of damaging floods in Northland. Individual landowners benefit from the reduction in property damage and primary projection losses. The benefits of these services support safe and resilient communities, and accrue both in the immediate and long term. We consider river management works to be both a private and public good. Where specific works are carried out, the council considers the public good element to be paramount, and also considers each community's ability to pay additional targeted rates. As such, rates/general funds fund the majority of these works.</p> <p>The use of targeted rates to partially fund each river scheme promotes accountability and affordability, as residents and business weigh up the costs of flood protection works against the level of risk. The council recognises it may not be realistic or cost effective to precisely identify either direct beneficiaries on the floodplain or indirect beneficiaries in the economic catchment, and proxies will need to be used. It will not always be feasible for the council to recoup costs from some types of beneficiaries. Exception: should the cost of collecting a separate targeted rate on small schemes exceed the benefits, then those works will be funded from rates/general funds.</p> <p>Capital expenditure includes any interest and capital repayments where debt is raised. This includes river management infrastructure.</p>	Flood protection	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Targeted rates - Residual ● Fee/subsidy - Residual <p><i>Capital expenditure on river asset infrastructure is undertaken as part of this activity:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Targeted rates - Residual

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>Individuals and communities live or plan development in areas that are subject to natural hazards. Natural hazard management supports safe and resilient communities, and the benefits accrue immediately and in the long term. Individuals and the community benefit from reduced risk to property, projection losses and loss of life. Community-wide benefits include hazard identification and risk reduction analysis throughout the region. Hazard management is primarily a public good, with an element of private benefit to individuals and groups of individuals.</p>	Climate Change resilience	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community desires the response capability and advanced warning provided in emergency events, and benefits from these services. Maintaining a response capability and planning for major emergency events benefit the regional and national community. The benefits of these services accrue both in the immediate and long term. Civil defence and emergency response is a public good, which supports safe and resilient communities. It benefits all individuals and landowners during emergency events, so the majority is funded from rates/general funds.</p>	Emergency Management	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community wants to have access to emergency and rescue services, and the ongoing provision of other community projects. We consider these activities to be public goods that contribute to safe and resilient communities. The wider community benefits include reduced risk to loss of life and having a safer region, and occur both immediately and in the long term.</p> <p>Given the reasonably small amount of funding, the council has deemed it appropriate to use rates/general funds to fund community organisations via the non-contestable funding process.</p> <p>To provide transparency to the ratepayers, council has deemed it appropriate to set a targeted rate for the funding of organisations involved in volunteer emergency services activities in the region.</p>	Emergency Management: Funding for community projects and volunteer emergency services	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Targeted rates - Majority ● Rates/general funds - Residual
<p>Fuel tankers visit Marsden Point Oil Refinery, which constitutes a major oil spill risk. The local commercial tourism service, fishing fleets and the substantial recreational vessel fleet use the region's coastal waters and associated refuelling facilities. The council's Oil Pollution Response supports safe and resilient communities, and a thriving regional economy. The regional and wider communities benefit from clean seas and coastal environments, and commercial shipping benefits from a spill response system and the availability of resources for cleaning up spills. The benefits of these services accrue both in the immediate and long term. Where evidence permits, the council will seek to charge the exacerbator, however it is not always feasible or cost effective to do so.</p>	Oil Pollution Response	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Fee/subsidy - Majority ● Rates/general funds - Residual <p><i>Capital expenditure may be required:</i></p> <p>Rates/general funds - Full</p>
<p>Recreational and commercial coastal water users create a need for harbour safety and navigation, which supports safe and resilient communities. Offering harbour safety and navigation services provides both public and private benefits, which accrue both in the immediate and long term. The regional community benefits from safer coastal areas for recreation. The public, including commercial and recreational</p>	Harbour Safety and Navigation	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Fee/subsidy - Majority ● Rates/general funds - Residual

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>users, benefits from safe water transport and the provision of services. Charges are levied on larger vessel and coastal structure owners, as direct beneficiaries, in accordance with the Navigation, Water Transport and Maritime Safety bylaw and the council's charging policy. The application of user charges promotes transparency and accountability, and reduces the rating requirement on the community.</p> <p>Capital expenditure is required for property plant and equipment (including cyclical renewal of vessels, vehicles and navigational aids) to carry out this activity.</p>		<p><i>Capital expenditure is required:</i></p> <ul style="list-style-type: none"> • Rates/general funds - Full
<p>Legislation requires, and the community desires, an integrated transport network. Regional transport management is a public good that supports efficient and effective land transport policies and public transport, and safe and resilient communities. The regional community benefits from the provision of an affordable, integrated, safe, responsive and sustainable transport system. The benefits are ongoing, however there is immediate benefit to the transport users.</p>	<p>Transport: Regional Transport Management</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> • Rates/general funds - Majority • Fee/subsidy - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> • Rates/general funds - Full
<p>The community desires access to public transport services and total mobility schemes. Passenger transport administration supports efficient and effective land transport policies and public transport, and safe and resilient communities. The entire Whangārei district benefits from the provision of community passenger transport services, including the flow-on effects of reduced congestion and improved road safety in Whangārei urban areas where passenger services operate.</p> <p>Where public transport is provided in other areas across the region, there is both community and individual benefit. The community benefits from having individuals being able to engage in day-to-day activities. The individual benefits from being able to travel and access the community when they otherwise might not be able to do so. The benefits of these services are immediate at the time of using the service/transport. The region benefits from the provision of a passenger transport system.</p> <p>Each bus service is funded from a combination of central government funding (where available), user fees and charges, and a targeted rate. This combination of funding promotes affordability and transparency, and allows the council to take advantage of available subsidies. Setting user fees at an affordable level is intended to encourage and promote use of the bus service.</p>	<p>Transport: Passenger Transport Administration</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> • Fee/subsidy - Majority • Rates/general funds - Residual • Targeted rates - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> • Rates/general funds - Full
<h2>Regional leadership</h2>		
<p>The Local Government Act 2002 requires councils to work with the community to make and implement key decisions. Both the community and council benefit immediately and in the long term from the community's contribution towards the council's decision-making. Community representation is a public good that contributes to safe and resilient communities.</p>	<p>Governance: Community Representation</p>	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> • Rates/general funds - Full <p><i>Minor capital expenditure may be required:</i></p>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
		<ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The Local Government Act 2002 requires councils to work with Māori to make and implement key decisions. Māori Engagement is a public good, which contributes to prosperous relationships with tangata whenua, and ensures safe and resilient communities. Both the community and council benefit immediately and in the long term from improved decision making and representation.</p>	Māori partnerships	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Communication is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.</p>	Community engagement: Communication	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community desires knowledge of, and involvement in, council activity. The council needs community buy-in with its activities. Online communication and engagement is a public good that contributes to safe and resilient communities. Both the council and community benefit in the immediate and long term from better community understanding of, and engagement and involvement in, council activities.</p>	Community engagement: Online	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community wants the environment to be maintained or improved. Environmental education supports the enhancement of indigenous biodiversity and biosecurity, and continuous improvement in water quality and security of supply. The community benefits from the opportunity to learn about and participate in the sustainable use, development and protection of the region's resources. The benefits are ongoing, but there is immediate benefit to the recipients. While some individuals (children and schools) may derive private benefit, the cost of providing this activity by imposing user charges on the recipients would potentially make the programme unaffordable for the direct recipients.</p>	Community engagement: Environmental Education	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Minor capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community wants to improve regional wealth. Economic development activities support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved economic climate and the flow-on effect of increased economic growth, which includes improved economic activity, employment and income opportunities. Individuals and businesses benefit directly from increased economic opportunities, and the tourism sector benefits from sector support and promotion. Targeted rates may be set to provide transparency and accountability regarding the provision of specific activities.</p>	Economic Development: Economic Development Activities	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds (Investment and Growth Reserve) - Majority ● Income from Economic Development Reserve - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>The community wants to improve regional wealth. Economic development projects support Northland having a thriving regional economy, and have public and private benefit in both the immediate and long term. The regional community benefits from an improved</p>	Economic Development: Projects	<p><i>Operating expenditure:</i></p>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>economic climate and the flow-on effect of increased economic growth. Individuals and individual businesses benefit directly from increased economic opportunities flowing out of specific initiatives. Funding these projects from targeted rates ensures transparency and accountability.</p>		<ul style="list-style-type: none"> ● Targeted rate - Majority ● Rates/general funds (Investment and Growth Reserve) - Residual <p><i>Capital expenditure may be required:</i></p> <ul style="list-style-type: none"> ● Targeted rates - Full
<p>The community desires regional infrastructure, including sporting facilities. The regional community benefits from improved infrastructure and economic activity, contributing to a thriving regional economy. Individuals and businesses will benefit from direct use of the infrastructure. The benefits accrue both in the immediate and long term. Funding from targeted rates ensures transparency and accountability.</p>	Economic Development: Infrastructure	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Targeted rates - Full <p><i>Capital expenditure:</i></p> <ul style="list-style-type: none"> ● Targeted rates - Full
<p>The community wants to access council information and services, and to transact with the council. The provision of customer services supports efficient and effective service delivery, and is also used to support prosperous relationships with tangata whenua. The community benefits from having easy access to council information and services, and the council benefits from closer relationships with the community and improvement in its reputation. These benefits accrue immediately and in the long term. We consider customer services to be largely a public good, with an element of private benefit, where information and support is provided to individuals.</p>	Customer Services	<p><i>Operating expenditure:</i></p> <p>Rates/general funds - Full</p>
<p>Corporate excellence provides corporate services to the rest of the council, including finance, human resources, health and safety, continuous improvement, information management, information technology, the Chief Executive Officer (CEO) Office and property. This activity is a public good that supports efficient and effective service delivery. Corporate services are allocated to activities based on relevant cost drivers.</p>	Corporate Services: All except Commercial Investments and Regional Sporting Facilities	<p><i>Operating expenditure:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p><i>Capital expenditure is required:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Full
<p>Commercial investment activity supports improved returns on council investments, and a thriving regional economy. The community desires that the council's commercial investments are managed prudently for the benefit of current and future ratepayers. The regional community benefits immediately and in the long term from the direct investment income generated from commercial investments, as this revenue is applied to fund council operations, including economic development, and helps to keep rates affordable. The community also benefits from any wider economic development gains that may accrue from investment and commercial decisions.</p> <p>Operating: We consider the entire revenue stream and capital growth associated with investment activities are a public good.</p>	Corporate excellence: Commercial Investments	<p><i>Operating:</i></p> <ul style="list-style-type: none"> ● Rates/general funds - Majority ● Fee/subsidy - Residual <p>Commercial investment provides net investment revenue funding to contribute towards rates/general funds</p> <p><i>Capital expenditure may relate to specific commercial development projects:</i></p>

Group of activities and analysis	Activity: sub-activity	Funding sources and mechanisms
<p>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, which ensures assets are available for the future benefit of the community.</p>		<ul style="list-style-type: none"> • Rates/general funds - Full
<p>The community desires sporting facilities across the region. This is demonstrated by the development of the Regional Sports Facilities Plan. Supporting the development of regional sporting facilities has public and private benefit both in the immediate and long term. The regional community benefits from an increased number of sporting facilities that are suitable for regional use. Individuals benefit from improved access to sporting facilities, which can benefit their health and social outcomes. Funding from targeted rates ensures transparency and accountability.</p>	<p>Corporate excellence: Regional Sporting Facilities</p>	<p><i>Operating:</i> Targeted rates - Full</p>

Financial contributions policy

This policy describes Northland regional Councils approach to development and financial contributions.

Development contributions

Northland Regional Council will not be seeking any development contributions as provided for under the Local Government Act 2002. The power to levy such contributions is restricted to territorial authorities.

Financial contributions

Northland Regional Council does not have any provisions in its regional plans prepared under the Resource Management Act 1991 to levy financial contributions. The inclusion of such contributions may be reconsidered as part of any review of the regional plans. No financial contributions can be levied by Northland Regional Council unless they are included within a regional plan.

Policy on fostering Māori participation in council processes

Kaupapa here whakaurunga mo te iwi Māori

Te Horopaki Ture

Ko te Ture a te Komihana 2002 (LGA) e mōhio ana i te whanaungatanga i waenganui i te Māori me te Karauna i raro i te Tiriti o Waitangi. Ko te wāhanga 4 o te LGA e kii ana:

Kia mōhio ai, kia whakaute hoki te kawenga ā te Karauna ki te tango i ngā kōrero tika mō ngā kaupapa o te Tiriti o Waitangi me te whakapai me te whakapai ake i ngā whai wāhitanga mō ngā Māori ki te uru atu ki ngā tukanga whakatau kaupapa ā te kāwanatanga, kei roto i ngā Wāhanga 2 me te Wāhanga 6 ngā tikanga me ngā whakaritenga mō ngā kaunihera ā rohe ko ngā mea e hiahiatia ana hei whakauru i te whai wāhi ā ngā Māori i roto i ngā tukanga whakataunga ā te rohe. Me whakarato e te Kaunihera ngā tikanga me ngā whakaritenga ā te LGA hei whakauru i te whai wāhi a ngā Māori i roto i ngā whakahaere whakatau ā rohe.

Ko te Wāhanga 81 o te LGA e whakarato ana i te whai wāhi a ngā Māori ki te whakatau kaupapa mā te tono i ngā mana o te rohe ki te:

- Whakarite me te pupuri i ngā tukanga ki te whakarato i ngā whai wāhitanga mō ngā Māori ki te whai wāhi ki ngā tukanga whakataunga o te mana o te rohe; ā
- Whakaarohia ngā huarahi hei whakatairanga i te whakawhanaketanga o te raukaha o te Māori ki te whai wāhi ki ngā tukanga whakataunga o te mana o te rohe; ā
- Te whakarato i ngā kōrero tika ki te Māori mō ngā kaupapa o ngā kōwae (a) me (b).

Me whakarite e te kaunihera ki te whakaatu i roto i Te Mahere Roa, ngā huarahi katoa e hiahiatia ana rātou ki te kawhe ki te whakatairanga i te whakawhanaketanga o te kaha o te Māori kia whai wāhi ai ki ngā whakatau ā te kaunihera.

Ko te Ture Whakahaere Rauemi 1991 (RMA) e whakatairanga ana i te whakahaere taumau o nga rauemi taiao me te orange tinana. E mohio ana hoki te RMA i te whanaungatanga i waenga i te Māori me te Karauna, me ngā kaunihera ki te whakaaro ki ngā kaupapa o te Tiriti o Waitangi (wāhanga 8) i te wā e mahi ana i ngā mahi.

Legislative context

The Local Government Act 2002 (LGA) recognises the relationship between Māori and the Crown under the Treaty of Waitangi. Section 4 of the LGA states:

'In order to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes, Parts 2 and 6 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes.'

Councils must provide for the principles and requirements of the LGA to facilitate participation by Māori in local authority decision-making processes.

Section 81 of the LGA provides for Māori participation in decision-making by requiring local authorities to:

1. *establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and*
2. *consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority; and*
3. *provide relevant information to Māori for the purposes of paragraphs 1 and 2.*

Councils are required to outline in their Long Term Plan, any steps that they intend to take to foster the development of Māori capacity in order to contribute to council decision-making.

The Resource Management Act 1991 (RMA) promotes the sustainable management of natural and physical resources. The RMA also recognises the relationship between Māori and the Crown and requires councils to take into account the principles of the Treaty of Waitangi (section 8) when undertaking its functions.

Ngā uara a te Kaunihera

E ai ki te whaingā matua ā te Kaunihera 'Te mahi tahi ki te hanga i te taiao hauora, te kaha o te ahumahi, me ngā hapori whaitake'.

Ko te tirohanga ā te Kaunihera e whakaatu ana i tētahi rohe e mahi ngātahi ana hei oranga mō te heke mai. I runga i ngā kawenga ture ki ngā Māori, ki te whakauru i a rātou ki te whakauru atu ki ngā tukanga ā te kawanatanga, ko te kaupapa arotahi mo te kaunihera ko te whakatairanga i te 'Te mauritau hononga me te tangata whenua'.

Me whai whakaaro tēnei tika ki ngā mea katoa o te pakihi a te kaunihera. Hei awhina i te kaunihera me ngā kaimahi, me te whai hua, ka mahi te kaunihera ki te whakarite i ngā Māori (o mua, a mua me o rānei) ka whakanuihia a rātou ahurea me o rātou tikanga ki a mātou mahi.

Te Tiriti o Waitangi

Ko Te Taitokerau te iwi tuarua o ngā kaunihera rohe puta noa i Aotearoa, hautoru o nga roopū o te rohe e tohu ana he Māori.

Ka tautoko te Kaunihera i te hiahia a te Karauna ki te tautoko i ngā kaupapa o te Tiriti o Waitangi, kia rite ki ngā tikanga o te kawanatanga me te ture whakataunga Tiriti.

Ko ēnei whanaungatanga me tō rātou mōhiotanga e hiahia ana te Kaunihera ki te mahi me te Māori ki te whakatenatena, ki te whakauru i te whakauru ā te Māori i roto i ngā whakahaere ā te kaunihera ki ngā huarahi hei whakatutuki i ō rātou hiahia me ō wawata, me ngā putanga ā-rohe.

Whanaungatanga

Ka mōhio te Kaunihera ki te hiahia kia whakapumautia te whanaungatanga kia taea ai te whakauru i ngā Māori ki roto i tana whakataunga. Ki tēnei ko te whakaaro, kua whakaturia e te Kaunihera he maha o ngā hononga matua puta noa i te ao, a, ka kaha ki te pupuri me te whakapakari i ēnei.

Ko te whanaungatanga matua ko te Roopū Mahi Tai Tokerau me te Kaunihera (Te Taitokerau Māori and Council - TTMAC). Ko te roopu mahi kaha 30 ko ngā mema o te iwi me te hapū me ngā kaitohutohu, me te kaupapa matua kia 'whakatairanga i te taura o te mahi Māori e tautoko ana i ngā kaupapa o te taiao me te hauora puta noa i te rohe'.

Ko te Kaunihera anō hoki i te timatanga o te hanganga o te hononga ā rohe me ngā Heamana ā Iwi, ka kaha ake te whakapakari i te hononga ki ngā rohe o ngā Iwi Chief Executives.

Council's values

Council's mission says 'Working together to create a healthy environment, strong economy and resilient communities'.

Council's vision articulates a region working together for a sustainable and thriving future. With statutory obligations to Māori, to empower them to participate in local government processes, a key focus area for council is through fostering 'Meaningful partnerships with tangata whenua'

This commitment needs to be reflected across all aspects of council business. To help guide council and staff, and be effective, council will work towards ensuring Māori (past, present and future), and their culture and traditions, are valued and reflected in our work.

Treaty of Waitangi

Te Taitokerau has the second-largest Māori population of regional councils across New Zealand, with approximately a third of the region's population identifying as Māori.

Council supports the intention of the Crown to uphold the principles of the Treaty of Waitangi as prescribed in local government and Treaty settlement legislation.

These relationships and their recognition require council to work with Māori to encourage and enable the participation of Māori in council processes in ways that meet their needs and aspirations as well as regional outcomes.

Relationships

Council will continue to develop genuine relationships with Māori that will underpin and facilitate the inclusion of Māori in its decision-making processes. Council will remain committed to maintaining and strengthening these relationships.

The Tai Tokerau Māori and Council (TTMAC) Working Party is a key relationship mechanism that is facilitating the inclusion of Māori in Council's decision-making processes. The 30 strong working party consists of iwi and hapū members (appointed members) and councillors (elected members). The working parties key purpose is 'to advance a model of Māori engagement that supports environmental, economic, social, cultural and spiritual priorities across the region'.

Council is also in the early stages of establishing a regional level relationship with Iwi Chairs which will further strengthen existing relationship with the regions Iwi Chief Executives.

Te honohono me ngā kōrero

E mōhio ana te Kaunihera kia pai ai te uru o te Māori ki roto i ngā whakataunga ā te kaunihera kia whakaratohia ngā kōrero whaitake me ngāwari kia mōhiohia i te wā e tika ana me te āhua e tika ana.

Ka whakaae hoki te Kaunihera kia hiahiatia ngā kaimahi me ngā tikanga tika kia taea ai te rere o ngā kōrero me te taunekeneke ki te iwi Māori.

Te whakatairanga i te whai wāhi a te Māori

Ko ngā mahinga o te kaunihera ki te whakanui i te kaha me te whakarato i ngā whai wāhitanga mo ngā Māori ki te whai ki ngā whakataunga ā te kaunihera:

- Te tautoko me te mahi ā te Roopū Mahi TTMAC hei huarahi mo te whakauru ki te whakatau whakatau ā te kaunihera; me te huarahi hei hanga i te kaha o te hapori whānui Māori ki te whai ki ngā whakatau ā te kaunihera.
- Whakaaauau tonu ki te tautoko i te whakahaere tonu a te Rangahau Whakangungu Hangarau Māori (he roopū o te TTMAC Working Group), ki te whakarato i ngā whakauru hangarau wawe ki ngā mahere ā te kaunihera.
- Whakamahia i mua i te whiriwhiringa me ngā Māori ki ngā tukanga whakamahere RMA katoa.
- Te whakatenatena me te tautoko i te whanaungatanga whanaketanga whakawhanake me ngā rohe o ngā Iwi.
- Kia mau tonu, kia tupu te whanaungatanga i waenga i ngā Kaiwhakahaere Matua o ngā rohe Mana Whenua me te Kaunihera, me te akiaki i ngā kaunihera rohe katoa kia uru mai.
- Whakamahia he hōtaka hei whakarei i te mana ahurea o te kaunihera.
- Te haere tonu ki te whakarato i te tautoko moni mō te tuhi me te arotake i ngā mahere whakahaere a te iwi me te hapori (e mōhiohia ana e te mana o te iwi).
- Whakaritea tonu te whakahaere i tētahi papaaratu whakapiri whakawhitinga reo Māori hei whakahaere, hei whakahoahoatanga hoki i waenga i te Kaunihera me te Māori.
- Tuhia ngā kape o ngā whakaaetanga rauemi ki ngā marae (hapū me ngā iwi) e uru ana ki te kaunihera.
- Me whakarite i te taumata tika o te hangarau ahumahi me te tautoko ahurea e whakaratohia ana mō ngā kaimahi me ngā kaunihera.

Liaison and information

For Māori to have effective input into council's decision-making processes, relevant information must be communicated accurately, in a timely manner, and in a form that is appropriate to the decision making process and audience.

Council staff will continue to develop its processes and mechanisms to enable effective communication and positive interactions with Māori.

Fostering Māori participation

Specific steps council will take to foster capacity and provide opportunities for Māori to contribute to council's decisions are:

- *Continue to support continuation and operation of the TTMAC Working Party as an avenue for input into council's decision-making processes; and as an avenue to build the capacity of the wider Māori community to contribute to the decisions of council.*
- *Continue to support the ongoing operation of the Māori Technical Advisory Group (a sub-group of the TTMAC Working Party), to provide early technical input into council's plans and processes.*
- *Undertake early pre-consultation with Māori on all RMA planning processes.*
- *Encourage and support the developing governance relationship with the region's Iwi Chairs.*
- *Maintain and grow the relationship between the chief executives of the region's iwi authorities and councils, encouraging all of the region's councils to participate.*
- *Implement a programme to enhance the cultural competency of council.*
- *Continue to provide funding support for writing or reviewing iwi and hapū environmental management plans (recognised by an iwi authority).*
- *Continue to manage a centralised Māori contact database to facilitate and enable contact between council and Māori.*
- *Distribute copies of resource consents to relevant marae (hapū and iwi) lodged with council.*
- *Ensure an appropriate level of specialist technical and cultural support is provided for staff and councillors.*

Significance and engagement policy

Council makes decisions every day, ranging from day-to-day matters to those with a very high level of importance, impact, or public interest. This policy sets out when and how our communities can expect to be engaged in our decision-making processes. ⁽¹⁾ The policy:

- tells our community **when and how we will engage** with them on an issue or proposal; and
- provides us with a tool for defining **what is significant** ⁽²⁾ helping to determine where a greater level of community engagement will result in better decision making.

Our approach to community engagement

Community engagement means connecting with other people in a decision-making process, to share ideas and build understanding. It involves a range of different approaches.

We are elected to make decisions on your behalf, however, when we're engaging communities, or deciding the extent of engagement, we will be guided by the following principles:

We will:

- seek community views on significant issues, to ensure we have enough information to make our decisions;
- give you the information you need to be involved;
- listen to your views and consider them with an open mind;
- continue to improve how we engage with Māori and enable input into our decisions;
- target our engagement to those directly affected or interested in the decision;
- do our best to provide opportunities for you to present your views in a way that suits you;
- let you know what decisions we make and why;
- continue to improve how we engage with you.

When and how we will engage

Different levels of community engagement will be used in different situations. Sometimes we already have a good understanding of community views and preferences, but at other times we may need more information. Wherever possible we will endeavour to engage with communities on their turf, and at a time that best meets their needs, to make it as simple as we can for you to have your say.

Consulting

We will **consult** when we are required to by law, when a proposal is considered significant (as defined later in this policy) and when we need more information on options for responding to an issue.

When we **consult** we will make information about the issue or proposal available to the relevant communities, present options where relevant, tell them how our process works, and how they can provide feedback. We will offer an opportunity to talk to councillors, or independent commissioners, face-to-face. We will collect information and feedback on the proposal or issue from our communities and use this to guide decision-making. This will often follow a formal process set out in legislation.

Involving and collaborating

We will **involve** or **collaborate** with our communities in decision-making when we need more information on community views to fully understand an issue and develop a proposal for dealing with that issue; or where we can be more effective and efficient in achieving our priorities through working with others.

When we **involve** or **collaborate** we will approach those that are likely to be affected by the proposal and invite them to share their thoughts and ideas. This will guide our decision-making, and in some cases help us to decide if we need to consult. We'll also work with already established groups to achieve shared goals.

1 This policy is intended to meet the requirements of the Local Government Act 2002 (Section 76AA) for a Significance and Engagement Policy.

2 Significance (as defined by the Local Government Act 2002) means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for: (a) The district or region; (b) Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.

Informing

We will inform our communities about decisions made when we believe there is some interest in the decision and/or people may be affected by the decision, but further engagement is not warranted.

When we inform, we will let you know what we have decided to do, where you can find out more and who to talk to if you have questions and advise you of any timeframes that might be relevant.

No engagement

When there is a need for confidentiality or the matters concern internal operational issues, we won't engage. In this case we will follow all procedures required by law to ensure that decisions are made in a lawful way.

We will always consider:

- The likely impact on, and consequences for, the environmental, social, cultural and economic well-being of the region.
- Who is affected by or likely to have an interest in or want to be involved in decision making on the issue and what we know about their preferences for engagement.
- The importance of the matter to both us as the council, and those affected.
- The impact on Māori and their relationship with ancestral land, water, sites, wāhi tapu, valued flora and fauna and other taonga.
- How to engage Māori in a way that is meaningful to them.
- What we already know about community views.
- The circumstances in which the issue has arisen.
- Options, benefits and costs (current and future).
- The extent to which options will achieve or promote council objectives.
- The extent to which any costs outweigh the benefits of engagement methods.
- The impact on council's capability to fulfil its statutory responsibilities.
- The likely impact on service delivery, levels of service or any of council's strategic assets.
- The degree of information / research required to inform decision-making.
- How we'll inform you of the final outcome of the decision or issue.

Defining which issues and decisions are significant

Distinguishing which decisions are significant and which are not, is not always black and white. The significance of an issue, proposal, asset, decision or activity (referred to in this document as a "matter") lies somewhere on a continuum from low to high, and its significance will influence the level of engagement that council undertakes.

We will consider the significance of each matter on a case-by-case basis. When considering whether any matter is significant, we will consider a combination of factors as detailed in the following table:

Does the matter being considered involve:		Degree of significance	What this means
Rates Setting a new rate; or Increasing an existing specific targeted rate; or Increasing an existing region-wide targeted rate by more than 2% (annually) above that previously approved in the most recent Long Term Plan?		SIGNIFICANT	We will consult with our communities
Assets The transfer, replacement or abandonment of a strategic asset?		SIGNIFICANT	We will consult with our communities
Level of Service A proposal to begin a new activity or cease an existing activity? ⁽¹⁾		SIGNIFICANT	We will consult with our communities
Legislation A legislative requirement to consult?		SIGNIFICANT	We will consult with our communities
Thresholds The matter triggers two or more of the following thresholds:	Is substantially inconsistent with existing policies, strategies or decisions.	LIKELY TO BE SIGNIFICANT	We will determine the best approach, which may be to: <ul style="list-style-type: none"> ● consult ● involve/collaborate ● inform
	Incurs high capital or operational expenditure, or a financial transaction, with a value greater than \$750,000. ⁽²⁾		
	Large divisions in community interest or high levels of prior public interest.		
	The decision is irreversible, has a high degree of risk, or significance of the decision is largely unknown.		
	The decision has a large impact on a moderate number of people or a moderate impact on a large number of people. ⁽³⁾		
Everyday operations The matter is part of normal day-to-day operations of council or is provided for in the Long Term Plan or Annual Plan.		NOT SIGNIFICANT	We will follow usual decision-making procedures

1. Activities as set out in the 'Groups of activities' section of the Long Term Plan 2018-2028
2. This limit covers a single issue, asset or matter as well as a package of the same aligned to deliver a single outcome or objective. This limit does not apply to expenditure funded from the Investment and Growth Reserve, regional projects reserve, or changes to the council's investment portfolio. Note that these investments will need to meet the criteria of council's Investment Policy, pursuant to section 102 of the Local Government Act.
3. As a guide: a moderate number of people is considered to be 4000-8000, and a large number of people is considered to be greater than 8000.

Every report to the council or decision-making body will include an assessment of the significance of the matter, the degree of engagement proposed, the engagement plan proposed and a clear recommendation.

Strategic assets

A strategic asset (as defined by the Local Government Act 2002) means an asset or group of assets that the local authority needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

The Northland Regional Council's strategic assets as defined in this policy are:

- its interests in Marsden Maritime Holdings Ltd;
- the Awanui river scheme;
- Hopua te Nihotetea (the Kotuku Street Dam in the Whangārei urban rivers scheme) and the land which the dam structure occupies;
- the Kāeo stopbank scheme;
- other river scheme assets as they are constructed.

A decision to transfer the ownership or control of a strategic asset to or from the regional council can only be taken if it has been provided for in its Long Term Plan and, therefore, will be the subject of the Local Government special consultative procedure.

Reviewing this policy

Council intends to review this policy every three years after the local body elections. Any consultation required would likely occur concurrently with a future Annual or Long Term Plan.

Ngā roopu whakahaere Related organisations

Group structure

Ehara taku toa, i te toa takitahi, engari he toa takitini

Success is not the work of one, but the work of many



A council-controlled organisation (CCO) is a company or organisation in which a council or councils hold 50% or more of the voting rights or can appoint 50% or more of the trustees, directors or managers. A council-controlled trading organisation (CCTO) is a company or organisation that operates a trading operation for the purpose of making a profit.

CCOs and CCTOs are required to complete a statement of intent, and report against their policies, objectives and performance in their annual reports, unless an exemption has been granted.

This section provides the information required under the Local Government Act 2002 for Northland Inc. Limited and Regional Software Holdings Limited. Marsden Maritime Holdings Limited is also a subsidiary organisation but is exempt from the CCO provisions of the Local Government Act 2002 and is not required to publish a statement of intent.

Council-controlled organisations

Council has two council-controlled organisations: Northland Inc Limited and Regional Software Holdings Limited.

Northland Inc Limited

Northland Inc Limited, established in July 2012, is the region's economic development agency and regional tourism organisation.

Policies and objectives

Prior to 1 July 2021, Northland Inc was 100% owned by Northland Regional Council. Following public consultation as part of their respective Long Term Plan 2021–2031 consultation processes, Kaipara District Council (KDC) and the Far North District Council (FNDC) have agreed to become joint owners of Northland Inc, effective 1 July 2021. Each council holds an equal shareholding in Northland Inc.

A joint committee has been established to co-ordinate the responsibilities, duties and powers of councils as shareholders in Northland Inc. Furthermore, all three councils have committed to an annual level of funding for economic development in their Long Term Plans 2021–2031, which will be transferred into, and subsequently allocated from, Northland Regional Council's Investment and Growth Reserve.

Northland Inc receives a base level of operational funding from the Investment and Growth Reserve. It is project-funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed on a fixed-term basis by the joint committee. A chief executive office leads operational activity.

The six objectives (pou) of Northland Inc are as follows:

- Pou tahi: Māori economic development
- Pou rua: Environmental sustainability
- Pou toru: Regional investment
- Pou whā: Destination management and marketing
- Pou rima: Advocacy and profile for Tai Tokerau economic development
- Pou ono: Organisational culture

Nature and scope of activities

The nature and scope of Northland Inc's activities are described below. The Māori economic development, environmental sustainability, and organisational culture pou are embedded across the three work programmes.

Regional Investment

Grow investment and business support services such that regional economic activity improves consistently year on year. Following assessment and review, Northland Inc will prioritise activities and ideas, with a view to applying their resources to engage in focused impactful projects reflecting the organisational capacity at this time.

Destination Management

To lead the implementation of a regional Destination Management Plan in partnership with relevant stakeholders, industry, iwi and hapū. Through a programme of investment and development, Northland Inc will deliver destination management and marketing activity to position Northland within target markets as a desirable place to visit and support a visitor economy that values shared benefit across the region, environmental sustainability, heritage and culture.

Profile and Advocacy of Economic Development

To develop and improve the profile of economic development and Northland Inc to ensure that Te Tai Tokerau Northland understands and values the efforts of Northland Inc to improve the economic well-being of the region, to support strong communities and environmental sustainability.

Key performance measures

Objective	How we will measure	2021/22	2022/23	2023/24
Māori economic development	Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g. marae, land trusts, etc that have led to a positive outcome	10	15	20
	Proportion of Māori organisations satisfied with Northland Inc support	>50%	>50%	>50%
Environmental sustainability	Number of workshops/events that help promote or support environmental sustainability values and culture in Tai Tokerau	4	5	6
	Proportion of businesses/projects Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	90%	100%
	Change in carbon footprint of Northland Inc	Initial carbon footprint audit completed	5% net reduction in footprint, measured in tonnes	10% net reduction in footprint, measured in tonnes
Regional investment	Number of unique businesses assisted (reporting by territorial authority and industry)	230	240	250
	Proportion of those businesses assisted that are Māori (reporting by territorial authority and industry)	20%	30%	40%
	Number of inward delegations hosted	3	3	3
	Client satisfaction with business assistance provided by Northland Inc as measures by Net Promoter Score (NPS)	NPS>50	NPS>50	NPS>50
	Value of grant funding and investment facilitated for Māori businesses	\$110K	\$120K	\$130K
	Number of high-impact projects that are implemented (reporting by regional sector)	4	4	4
Destination management and marketing	Number of destination promotion campaign initiatives to generate national exposure to the region (including number of businesses that are engaged in the campaign)	1 campaign per year	1 campaign per year	1 campaign per year

Objective	How we will measure	2021/22	2022/23	2023/24
	Number of workshops/events to promote product development and position Tai Tokerau Northland as a green tourism destination	Establish baseline number of projects	Baseline plus one	Baseline plus two
Profile and advocacy of economic development	Number of regional economic development updates or reports released	4	6	6
	Number of media features that profile the region	12	24	24
	Number of media activity that references Northland Inc	24	52	52

Regional Software Holdings Limited

Regional Software Holdings Limited is a shared-services undertaking by the Northland, Waikato, Taranaki, Horizons, West Coast and Southland regional councils. It is responsible for the long-term maintenance and development of the IRIS (Integrated Regional Information System) product, which was developed for and by the shareholding councils. The six regional councils developed IRIS, a leading-edge software solution, over the past few years to carry out functions specific to the regional councils.

Regional Software Holdings Limited (the company) faces a number of opportunities going forward and will continue to work with other regional councils to explore further opportunities to grow the IRIS customer base.

The company is also starting to work with the regional council sector to establish how it can be operationally and financially used for the betterment of the regional council community. The company is working with the regional council sector to roll out the regional council collaboration initiative (ReCoCo, or the initiative).

There is a focus in the sector on collaboration, development of shared services and more use of council-controlled organisations. The company and its shareholding councils are aligned with this direction.

The initiative enables unitary and regional councils to enter into collaborative initiatives where there are overlapping or shared objectives, covering areas of common interest or joint responsibility. The company is the delivery vehicle used to facilitate and administer the initiative.

The company receives funding from across the regional council sector to deliver collaborative projects that are put forward by the regional council special interest groups.

The company also has an agreement with the regional council chief executives group to assist with managing sector work programmes, including:

- funding management
- procurement and payment
- outcome tracking.

The sector recognises the benefits of collaboration between councils, and as a result the number and size of collaborative projects are growing each year. As the volume of shared initiatives increases, councils face administrative challenges with paying invoices and recouping costs from other councils. It is also increasingly important that the sector can demonstrate the outcomes achieved from collaboration.

Extending the initiative model to support sector-wide work programmes helps to address these issues and opportunities.

The outlook for Regional Software Holdings Limited, the IRIS product and collaboration within the sector is bright, and there are significant opportunities to support the activities and achievements of New Zealand regional councils.

Financially, the company is in a sound position as planned. Its revenue comes from licence charges and fees. This funding is used to maintain and develop the IRIS product. The company does not trade to make a profit; it charges to cover its planned level of expenditure.

Subsidiary organisations

Marsden Maritime Holdings Limited

Northland Regional Council owns 53.61% (22.1 million shares) of the issued capital of Marsden Maritime Holdings Limited, which is presently 41,300,651 ordinary shares of 35 cents each. The balance of shares is held by the public and Ports of Auckland, and all shares are listed on the New Zealand Stock Exchange.

The council reviews its shareholding in the company during the triennial review of its strategic plan.

As a listed company, Marsden Maritime Holdings Limited is not required to publish a statement of corporate intent nor provide budget estimates to the council, its major shareholder. The corporation is exempt from the council-controlled organisations provisions of the Local Government Act 2002.

Arotake pūtea
Audit opinion



To the reader:

INDEPENDENT AUDITOR'S REPORT ON NORTHLAND REGIONAL COUNCIL'S 2021-2031 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Northland Regional Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 22 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 156-158 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

Deloitte.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than this engagement and our work in carrying out all legally required external audits, we have carried out engagements with respect to a limited assurance report pursuant to the Council's Trust Deed and an audit with respect to maintenance of the register of security stock. We have also performed an agreed procedures report in relation to the Waima Waitai Wairoa project, a counter-fraud gap analysis, and a review of certain rates revenue collection processes and controls. These engagements are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Regional Council or any of its subsidiaries.



Peter Gulliver
for Deloitte Limited

On behalf of the Auditor-General,
Auckland, New Zealand
22 June 2021

