Far North District Council

Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Extraordinary Council Meeting

Friday, 5 March 2021

Time: **2.00 pm**

Location: **Council Chamber**
Memorial Avenue
Kaikohe

Membership:

Mayor John Carter - Chairperson
Deputy Mayor Ann Court
Cr David Clendon
Cr Dave Collard
Cr Felicity Foy
Cr Mate Radich
Cr Rachel Smith
Cr Kelly Stratford
Cr Moko Tepania
Cr John Vujcich

COUNCIL MEMBERS REGISTER OF INTERESTS

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Hon Mayor John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
Deputy Mayor Ann Court	Waipapa Business Association	Member		Case by case
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	Case by case
	Kerikeri Irrigation	Supplies my water		No
	Top Energy	Supplies my power		No other interest greater than the publics
	District Licensing	N/A	N/A	N/A
	Top Energy Consumer Trust	Trustee	Crossover in regulatory functions, consenting economic development and contracts such as street lighting.	Declare interest and abstain from voting.
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Property on Daroux Dr, Waipapa	Financial interest	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Flowers and gifts	Ratepayer 'Thankyou'	Bias/ Pre-determination?	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Staff	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
				evidence. Be thorough, thoughtful, considered impartial and balanced. Be fair.
	Warren Pattinson	My husband is a builder and may do work for Council staff		Case by case
Ann Court - Partner	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	Shareholder	None	None
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Property on Onekura Road, Waipapa	Owner	Any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
David Clendon	Chairperson – He Waka Eke Noa Charitable Trust	None		Declare if any issue arises
	Member of Vision Kerikeri	None		Declare if any issue arrises
	Joint owner of family home in Kerikeri	Hall Road, Kerikeri		
David Clendon – Partner	Resident Shareholder on Kerikeri Irrigation			
David Collard	Snapper Bonanza 2011 Limited	45% Shareholder and Director		
	Trustee of Te Ahu Charitable Trust	Council delegate to this board		
Felicity Foy	Director - Northland Planning & Development	I am the director of a planning and development consultancy that is based in the Far North and have two employees. Property owner of Commerce Street, Kaitaia		I will abstain from any debate and voting on proposed plan change items for the Far North District Plan.
				I will declare a conflict of interest with any planning matters that relate to resource

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
				consent processing, and the management of the resource consents planning team.
				I will not enter into any contracts with Council for over $25,000 per year. I have previously contracted to Council to process resource consents as consultant planner.
	Flick Trustee Ltd	I am the director of this company that is the company trustee of Flick Family Trust that owns properties Seaview Road – Cable Bay, and Allen Bell Drive - Kaitaia.		
	Elbury Holdings Limited	This company is directed by my parents Fiona and Kevin King.	This company owns several dairy and beef farms, and also dwellings on these farms. The Farms and dwellings are located in the Far North at Kaimaumau, Bird Road/Sandhills Rd, Wireless Road/ Puckey Road/Bell Road, the Awanui Straight and Allen Bell Drive.	
	Foy Farms Partnership	Owner and partner in Foy Farms - a farm on Church Road, Kaingaroa		
	Foy Farms Rentals	Owner and rental manager of Foy Farms Rentals for 7 dwellings on Church Road, Kaingaroa and 2 dwellings on Allen Bell Drive, Kaitaia, and 1 property on North Road, Kaitaia, one title contains a cell phone tower.		

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	King Family Trust	This trust owns several titles/properties at Cable Bay, Seaview Rd/State Highway 10 and Ahipara - Panorama Lane.	These trusts own properties in the Far North.	
	Previous employment at FNDC 2007-16	I consider the staff members at FNDC to be my friends		
	Shareholder of Coastal Plumbing NZ Limited			
Felicity Foy - Partner	Director of Coastal Plumbing NZ Limited			
	Friends with some FNDC employees			
Mate Radich	No form received			
Rachel Smith	Friends of Rolands Wood Charitable Trust	Trustee		
	Mid North Family Support	Trustee		
	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member		
Rachel Smith (Partner)	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member and Treasurer		
Kelly Stratford	KS Bookkeeping and Administration	Business Owner, provides book keeping, administration and development of environmental management plans	None perceived	Step aside from decisions that arise, that may have conflicts
	Waikare Marae Trustees	Trustee	Maybe perceived conflicts	Case by case basis
	Bay of Islands College	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Karetu School	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Māori title land – Moerewa and Waikare	Beneficiary and husband is a shareholder	None perceived	If there was a conflict, I will step aside from decision making

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Sister is employed by Far North District Council			Will not discuss work/governance mattes that are confidential
	Gifts - food and beverages	Residents and ratepayers may 'shout' food and beverage	Perceived bias or predetermination	Case by case basis
	Taumarere Counselling Services	Advisory Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
	Sport Northland	Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
Kelly Stratford - Partner	Chef and Barista	Opua Store	None perceived	
	Māori title land – Moerewa	Shareholder	None perceived	If there was a conflict of interest I would step aside from decision making
Moko Tepania	Teacher	Te Kura Kaupapa Māori o Kaikohe.	Potential Council funding that will benefit my place of employment.	Declare a perceived conflict
	Chairperson	Te Reo o Te Tai Tokerau Trust.	Potential Council funding for events that this trust runs.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Te Rarawa	As a descendent of Te Rarawa I could have a perceived conflict of interest in Te Rarawa Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Whaingaroa	As a descendent of Te Rūnanga o Whaingaroa I could have a perceived conflict of interest in Te Rūnanga o Whaingaroa Council relations.	Declare a perceived conflict
	Tribal Member	Kahukuraariki Trust Board	As a descendent of Kahukuraariki Trust Board I could have a perceived conflict of interest in Kahukuraariki Trust Board Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga ā-Iwi o Ngāpuhi	As a descendent of Te Rūnanga ā-Iwi o Ngāpuhi I could have a perceived	Declare a perceived conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			conflict of interest in Te Rūnanga ā-Iwi o Ngāpuhi Council relations.	
John Vujcich	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company services	Declare interest and abstain
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest

Far North District Council
Extraordinary Council Meeting
will be held in the Council Chamber, Memorial Avenue, Kaikohe on:
Friday 5 March 2021 at 2.00 pm

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1 KARAKIA TIMATANGA – OPENING PRAYER

2 APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Team Leader Democracy Support (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3 DEPUTATION

No requests for deputations were received at the time of the Agenda going to print.

4 MAYORAL ANNOUNCEMENTS

5 REPORTS

5.1 ADOPTION OF LONG TERM PLAN 2021-2031 CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

File Number: **A3100850**

Author: **Sheryl Gavin, Manager - Corporate Planning & Community Development**

Authoriser: **William J Taylor MBE, General Manager - Strategic Planning and Policy (Acting)**

PURPOSE OF THE REPORT / TE TAKE PŪRONGO

To recommend the adoption of the Consultation Document (CD) and Supporting Information for the Long-Term Plan (LTP) 2021-31. Note that the supporting information must be adopted prior to the CD because it is information on which the CD relies.

EXECUTIVE SUMMARY / TE WHAKARĀPOPOTO MATUA

- In preparing an LTP, the Local Government Act 2002 (LGA) requires the local authority to adopt a CD that discusses the key matters Council is considering for inclusion in the LTP proper.
- The CD must be made available to the community along with any supporting information on which it relies.
- The CD and supporting information have been audited by Audit New Zealand.

RECOMMENDATION / NGĀ TŪTOHUNGA

That Council:

a) adopt the supporting information as information that is relied upon by the content of the Consultation Document in accordance with section 95A (4) of the Local Government Act 2002:

- **i) proposed significant forecasting assumptions**
- **ii) proposed 10-year financial strategy**
- **iii) proposed 30-year infrastructure strategy**
- **iv) proposed capital works programme and achievability statement**
- **v) forecast financial statements and COVID-19 statement**
- **vi) forecast funding impact statements (whole of Council and activity)**
- **vii) proposed funding impact statement (rates)**
- **viii) forecast reserve funds**
- **ix) proposed accounting policies**
- **x) proposed revenue and financing policy**
- **xi) proposed treasury, liability and investment policies**
- **xii) proposed rates remission and postponement policies**
- **xiii) proposed significance and engagement policy**
- **xiv) proposed fees and charges for 2021/22.**

b) adopt the Consultation Document for the Long-Term Plan 2021-2031;

c) delegate authority to the Chief Executive Officer to approve any final edits and design changes required to the Consultation Document and/or supporting information to finalise documents for printing and distribution.

1) BACKGROUND / TE TĀHUHU KŌRERO

The LTP 2021-31 has been in development for the past year, during which time multiple workshops were held to enable Elected Members to review and discuss strategic direction, community outcomes, current and future work programmes, policy changes, the challenges Council is likely to face over the next 10 years and new work priorities to navigate those challenges. The CD and supporting information are a culmination of those activities.

2) DISCUSSION AND OPTIONS / TE MATAPAKI ME NGĀ KŌWHIRINGA

The preparation, audit and adoption of a CD and supporting information is a statutory requirement. There are no alternative options for discussion in this report.

Consultation Document

The CD recognises that an LTP can be a large, complex, and occasionally technical document that can be difficult for the community to engage with effectively. The LGA requires that the CD present only the issues that are 'significant' against the criteria in Council's policy on Significance and Engagement or that Council specifically wishes to gather feedback on.

The CD is the statutory information source for supporting engagement with the community on an LTP; the LGA expressly excludes the inclusion or attachment of any of the following in a CD:

- A draft of the LTP
- A draft of the financial or infrastructure strategy
- A draft of any policy (for example, you can't include a full draft of the revenue and financing policy into a CD, nor attach a full draft to the CD).

In the CD for 2021-31 the following issues are presented for public feedback:

- He putanga hapori – our community outcomes. The CD acknowledges that our current suite of community outcomes is fit for purpose but when aligned with the four aspects of wellbeing we felt that cultural wellbeing is not well represented. The CD therefore proposes one additional community outcome – *We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride.*
- He reiti tika rawa; he reiti māmā noa iho – fairer and simpler rates. This proposes a number of changes to the current rating system.
- He kāinga mo nga kuia / kaumātua – Housing for the Elderly. This asks the community for its preferences regarding whether Council should continue to own and operate its housing portfolio or divest it to a registered community housing provider that could deliver a better level of service.
- Toitū mārika i te whakapakari ohanga – enabling sustainable economic development through Council shareholding in a new regional CCO (Council Controlled Organisation) for economic development.
- He mea ke atu kia whai whakairo pea – a number of other items of interest that we are consulting on alongside the main issues above are fees and charges for 2021/22, an updated Significance and Engagement Policy and updated Rates Remission and Postponement policies.

Supporting information

The information relied upon by the Consultation Document is attached and must be adopted by Council. These are:

- proposed significant forecasting assumptions

- proposed 10-year financial strategy
- proposed 30-year infrastructure strategy
- proposed capital works programme and achievability statement
- forecast financial statements and COVID-19 statement
- forecast funding impact statements (whole of Council and activity)
- proposed funding impact statement (rates)
- forecast reserve funds
- proposed accounting policies
- proposed revenue and financing policy
- proposed treasury, liability and investment policies
- proposed rates remission and postponement policies
- proposed significance and engagement policy
- proposed fees and charges for 2021/22.

Timeline to adoption of the final LTP

Consultation will be run in accordance with s83 of the LGA. The high-level consultation plan is as follows:

- This meeting – adoption of the CD and supporting information.
- 6 March to 6 April – community consultation consisting of a "road show" to venues across the District, attended by the Mayor and Deputy Mayor, Councillors and Community Board members, and staff.
- 19-23 April – reserve dates for hearings, likely to be held in Kaikohe, Kerikeri and Kaitaia. Five days have been set aside for this purpose since submitters on topics other than the LTP may wish to speak to their submissions.
- 13 May – deliberations/decision making incorporating feedback received through submissions and hearings.
- 13-23 May – update of all financials and preparation of final LTP for adoption.
- 24 May to 4 June – final audit of updated LTP.
- 24 June – adoption of final LTP, fees and charges for 2021/22 and the setting of rates for 2021/22.

Reason for the recommendation / Te Take Tūtohunga

Adoption of the CD and supporting information enables commencement of community engagement as required by section 93A of the LGA.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION / NGĀ PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA

The LTP is the fundamental document that underpins all financial and budgetary provisions over the life of the Plan but does not, in itself, require specific financial arrangements other than those used for consultation.

ATTACHMENTS / NGĀ ĀPITIHANGA

1. **Consultation Document - A3096847** ⇩
2. **Proposed significant forecasting assumptions - A3097098** ⇩
3. **Proposed 10-year financial strategy - A3101438** ⇩

4. **Proposed 30-year Infrastructure Strategy - A3097132** ⇩
5. **Proposed capital works programme - A3097106** ⇩
6. **Capital achievability statement - A3097130** ⇩
7. **Forecast financial statements - A3101349** ⇩
8. **COVID 19 statement - A3097112** ⇩
9. **Forecast funding impact statements whole of council and activity - A3101333** ⇩
10. **Proposed funding impact statement (rates) - A3101332** ⇩
11. **Forecast reserve funds - A3097116** ⇩
12. **Proposed accounting policies - A3097107** ⇩
13. **Proposed revenue and financing policy - A3097109** ⇩
14. **Proposed treasury, liability and investment policies - A3097111** ⇩
15. **Proposed rates remission and postponement policies - A3097108** ⇩
16. **Proposed significance and engagement policy - A3097110** ⇩
17. **Proposed fees and charges schedule - A3100439** ⇩

Compliance schedule / Te Hōtaka Take Ōkawa:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
   a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
   b) Assess the options in terms of their advantages and disadvantages; and
   c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement / He Take Ōkawa	**Staff assessment / Te Aromatawai Kaimahi**
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	High degree of significance as it outlines Council's work programme and delivery to the community for the next 10 years.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Local Government Act 2002 Local Government Rating Act 2002
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Community Boards have been included in the development of the Consultation Document and Supporting Information.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	The views and preferences of Māori will be received as part of the engagement on the CD and supporting information. The possible implications for Māori may be considered significant.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	The community at large is expected to have an interest in the content of the CD and supporting information.
State the financial implications and where budgetary provisions have been made to support this decision.	The LTP is the fundamental document that underpins all financial and budgetary provisions over the life of the Plan but does not, in itself, require specific financial arrangements other than those used for consultation.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

CONSULTATION DOCUMENT

TE PAE TAWHITI
LONG TERM PLAN
2021—31



Haere Mai!
Welcome!

Me kōrero koutou!
Have your say

This document provides an overview of what your council proposes to do over the next 10 years and the big issues we face together as a District.

We welcome your views on these proposals and encourage you to provide feedback by completing the submission form either online (www.fndc.govt.nz/ltp2021-31) or collect a form from one of our service centres, libraries or an i-SITE near you.

Your councillors will consider all feedback before finalising and adopting the plan on 24 June 2021.

This is a one-in-three year chance to influence the direction and priorities that affect you and your communities so we encourage you to have your say.



Key dates

- **1 MARCH** — Consultation opens
- **6 APRIL** — Consultation closes
- **16-22 APRIL** — Hearings
- **13 MAY** — Deliberations
- **24 JUNE** — Long Term Plan adopted
- **1 JULY** — Plan comes into effect

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He pānui nā tōu kaunihera
A message from your council

Kia ora koutou

What a relief to close the door on 2020. It's time to take a breath and reset after a year of challenges.

The global pandemic and the resulting economic downturn is the most recent of these challenges, with COVID-19 coming hot on the heels of a crisis closer to home – water shortages across the Far North.

In Aotearoa we are fortunate to have been protected from the worst of the pandemic. Here in the Far North we seem to be doing ok from an economic perspective too. Yes, we have experienced a hit to our tourism sector, and we don't expect international visitors for a while yet. However, our primary sector - especially food production - is doing well, and so far we have not had to make drastic changes to our work programme or reduce levels of service.

The wellbeing of our communities is uppermost in our mind as we prepare how we will invest your rates over the next decade. The three-yearly review of the Long Term Plan is our opportunity to look at how we do this. This is also the time we review the priorities and check in with you – our communities – to make sure our plans meet your expectations.

Given the extraordinary events of the past 18 months, this plan is about maintaining what we've got, building the new things we need and taking care of our communities. We must make sure we have enough water now and into the future, even in drought, so we will continue to invest in infrastructure. Drought is just one part of the bigger issue of a changing climate. We recently adopted a roadmap to help us to support communities adapt to climate change and this is woven into our planning.

We are not the only ones who are planning for the future. Central Government has a high level of interest in how the Local Government sector operates – they are actively refining our role and considering how it will be funded into the future. The coming three years is likely to see a shift towards more joined-up thinking between Councils and Central Government with increased focus on working together as regions. The driver of any Government reform is to improve service delivery for New Zealanders, so changes to the way services are delivered in the Far North will be for the better.

Whatever changes we encounter in the next three years our core purpose remains the same but with even more emphasis on community wellbeing. Our job is to enable democratic local decision-making and action by and on behalf of communities, for the benefit of everyone in the Far North.

So what are we consulting on?

We are asking for your feedback on three significant issues.

We are also looking at our Housing for the Elderly service to see if there is a better way to deliver it.

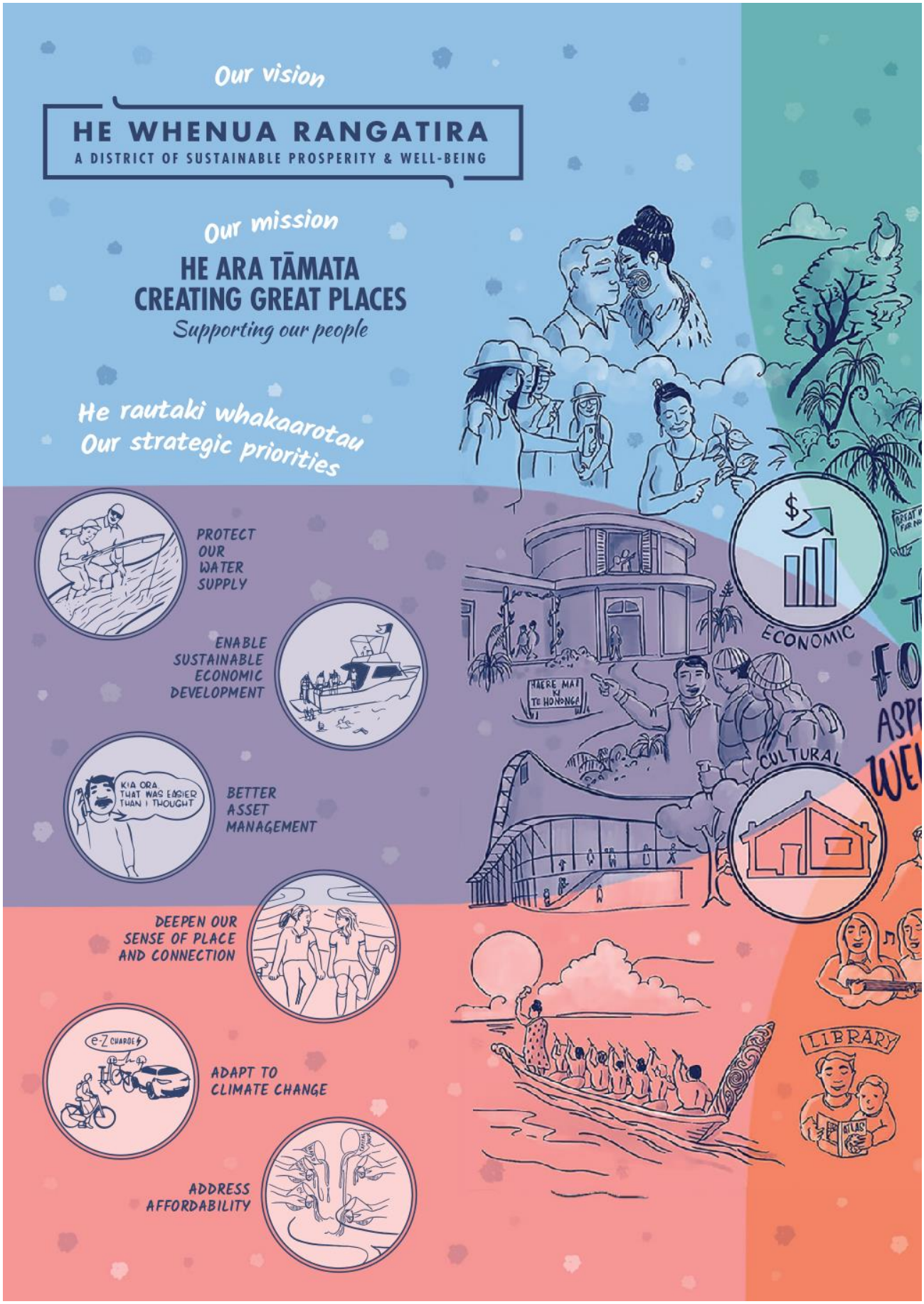
We would like your thoughts on the Far North becoming a shareholder in Northland Inc, our regional economic development agency.

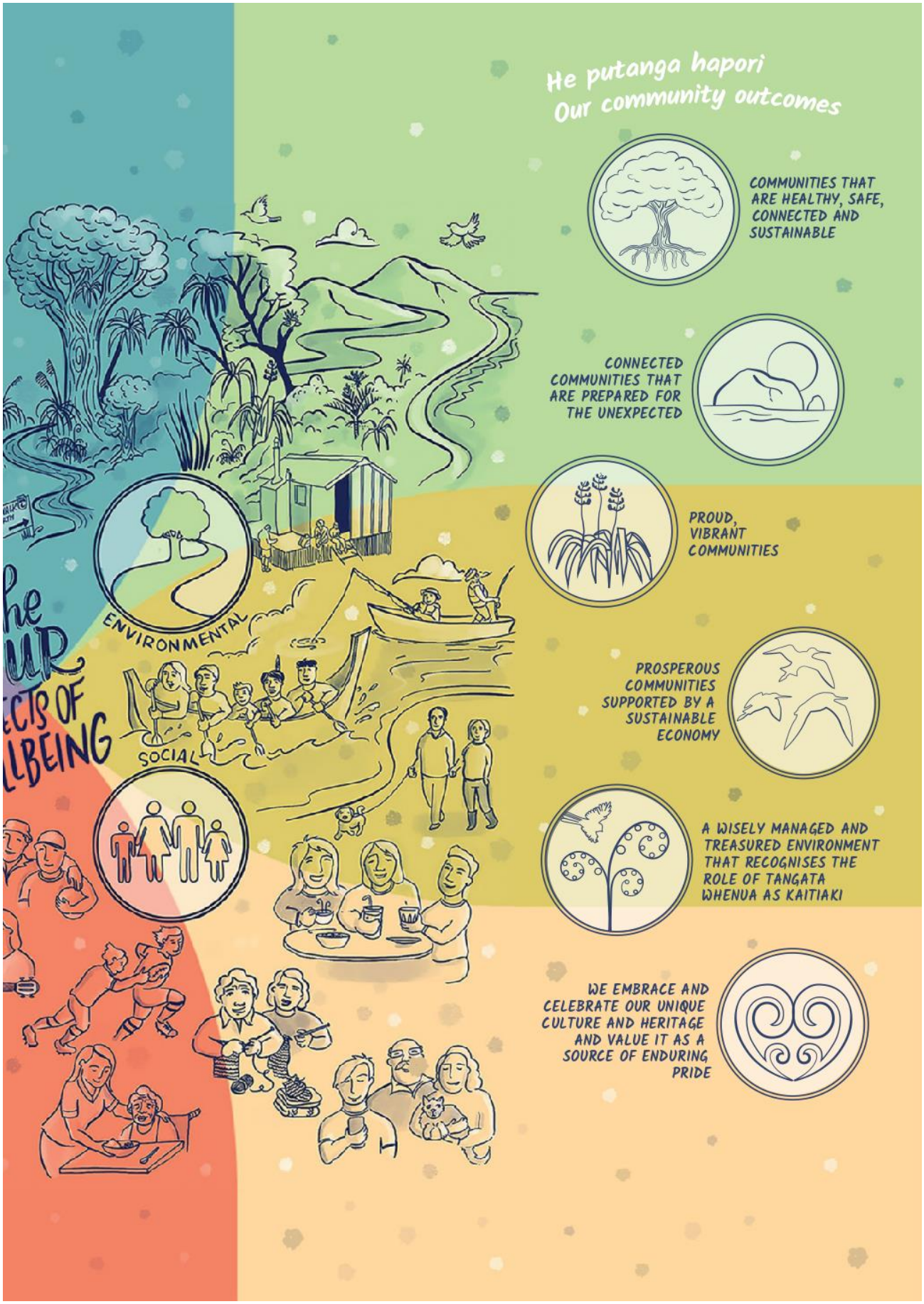
Finally, we believe we can make our rating system fairer and simpler by changing how we calculate some parts.

Please be sure to read our proposals and consider how they support the bigger picture – a District of sustainable prosperity and wellbeing. We look forward to hearing your views.

Ka kite anō.

Far North District Council


Our vision
HE WHENUA RANGATIRA
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING
Our mission
HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people
He rautaki whakaarotau
Our strategic priorities
PROTECT OUR WATER SUPPLY
ENABLE SUSTAINABLE ECONOMIC DEVELOPMENT
KIA ORA THAT WAS EASIER THAN I THOUGHT
BETTER ASSET MANAGEMENT
DEEPEN OUR SENSE OF PLACE AND CONNECTION
e-Z CHARGE
ADAPT TO CLIMATE CHANGE
ADDRESS AFFORDABILITY
ECONOMIC
CULTURAL
HAERE MAI KI TE HONONGA
LIBRARY


He putanga hapori
Our community outcomes
COMMUNITIES THAT ARE HEALTHY, SAFE, CONNECTED AND SUSTAINABLE
CONNECTED COMMUNITIES THAT ARE PREPARED FOR THE UNEXPECTED
PROUD, VIBRANT COMMUNITIES
PROSPEROUS COMMUNITIES SUPPORTED BY A SUSTAINABLE ECONOMY
A WISELY MANAGED AND TREASURED ENVIRONMENT THAT RECOGNISES THE ROLE OF TANGATA WHENUA AS KAITIAKI
WE EMBRACE AND CELEBRATE OUR UNIQUE CULTURE AND HERITAGE AND VALUE IT AS A SOURCE OF ENDURING PRIDE
ENVIRONMENTAL
SOCIAL

Kei hea tātou i āianei nā
Where we are now

We have delivered a steady stream of accomplishments across the roading, community facilities, water supply and wastewater services that will support the District's social and economic recovery in these uncertain times.

Three Waters

Council has signed a non-binding Memorandum of Understanding with central government to explore future service delivery options and has secured $5.9 million in funding and may receive more when the Northland councils allocate funding for regional projects. The Government expects to make substantive decisions regarding the level of reform during April/May 2021. Council will be asked to participate in the new service delivery system in late 2021, in the form of an 'opt out' approach. This means that affected councils would be included in one of the new water service delivery entities by default but can decide not to participate (in consultation with their communities). We expect to consult with the community separately to this Long Term Plan on the opt-out decision. For councils that participate in the reform, transfer of responsibilities and assets is likely to occur from 2023/24.

Our community needs three water services regardless of what happens. As such we have included three waters in our financial and infrastructure strategies.

The Far North District Council has been exploring options closer to home to make sure there is a secure water supply for communities as we face hotter and drier conditions This includes working with Te Tai Tokerau Water Trust and options for partnerships with Iwi.

Up to 45% of Kaikohe's summer water requirements may be met following the blessing of a new bore site at Tokareireia (Monument Hill). This new site will back up the primary source - Wairoro Stream. In Kaitāia, work on connection to the Sweetwater bore is underway. Meanwhile, the new Ōmanaia-Rāwene water treatment plant started producing safe drinking water this year. We completed the $2.8 million treatment plant in September 2019 but were unable to use the plant earlier because of the drought.

Wastewater

Wastewater is a complex issue requiring careful work alongside our partners and stakeholders. This year has seen the upgrade of the Paihia wastewater treatment plant to bring it into line with consent conditions. There is an ongoing programme to review consents to make sure that the work we do on wastewater treatment and in doing so we are working really hard with our communities to find ways to not only deliver on legal requirements but also to meet the cultural, social and environmental expectations of those we serve.

Adapting to climate change

We have identified climate change as the number one risk facing the Far North and the Northland region, and recognise an urgent need to work on a stronger framework for managing the impacts of climate change, natural hazards, and reduce our carbon footprint.

We are working on the assumption that climate change projections will align with governmental projections which will next be updated in 2022, at which point we will re-align our plans if necessary. In the meantime, Northland assumes the following effects:

- drought frequency will increase by 10%
- sea levels will continue to rise, increasing the risk from coastal hazards
- rainfall will vary locally (for example, spring rainfall may decrease in Kaitāia)
- we are not likely to experience a significant change in the frequency of extreme rainy days, although in the long-term we are likely to have a decrease in daily extreme rainfall by 2090
- future changes in the frequency of storms are likely to be small, with some increase in storm intensity, local wind extremes and thunderstorms.

We recognise that there is power in working together, so we have engaged with other Northland councils for some time now to ensure there is a consistent and effective approach to climate change planning in the region. The Tai Tokerau Climate Change Adaptation Working Group is developing a climate strategy and work programme for Northland and is keeping a watching brief on the Government's work in this area. In the meantime, here in the Far North we adopted a climate change road map in 2020 that sets on the path towards a more sustainable future. This includes putting the right resources in place to keep pushing this work forward, continue our mahi with the regional working group, coordinate activities to reduce our carbon footprint and find ways to ensure climate change is addressed in all strategy, planning, policy and decision-making.

Transport and Roading

Our transport portfolio is now operating much more effectively, due to the establishment of the Northland Transportation Alliance (NTA) in 2016. The NTA is an alliance between Waka Kotahi (NZTA) and the four Northland councils to enable a more coordinated approach to managing the transport and roading services in the region. It is estimated that the Alliance has saved about $10 million across Northland in its first four years.

One of the key projects under this alliance is the long-awaited safety improvements at Waipapa crossroads, made possible by funding from the Government's Provincial Growth Fund. The single-lane roundabout is due for completion in April 2021. We have also fixed flooding issues on West Coast Road near Panguru, improving year-round connectivity for this remote community.

Community Facilities

Our commercial arm, Far North Holdings Ltd, has delivered major infrastructure projects in the last couple of years. In June 2019, they opened a new $4.75 million terminal at Bay of Islands Airport – an early recipient of funding through the Provincial Growth Fund. This building received a Te Kāhui Whaihanga New Zealand Institute of Architects (NZIA) award for public sector buildings in August 2020. Judges commended the project for how it tackled a challenging brief and successfully strikes a balance between immediate needs and the anticipation of future growth.

The new cultural hub in Kawakawa, Te Hononga, was officially opened in October 2020 marking the end of a community-led project that has spanned more than a decade. The project, which was led by the Hundertwasser Park Trust, includes a new Council library and service centre, public toilets and showers, gallery, Hundertwasser interpretative centre, community workshop, and expanded parking.

Successful bids to the Government's COVID-19 economic recovery funds are enabling two major sports facilities to go ahead. The Bay of Islands Sports Hub at Waipapa has received $2 million allowing for physical site works to commence in early 2021. In Kaikohe, we will contribute $2.1 million towards a $9.21 million upgrade of sports facilities at Lindvart Park. This will include upgrade of court facilities, roading and parking improvements.

Service delivery

Our work isn't just about delivery of physical projects. A large percentage of customer interaction with us concerns animal management, building services, property information and LIMs, resource consents and other regulatory processes. Our Customer Experience Programme has been central to improvements in these areas, along with the establishment of a Business Intelligence team to help us capture and understand data, and the recruitment of business and process improvement experts.

Internal business projects for consenting has resulted in massive improvement to the issuing of resource consents, building consents and code of compliance certificates in the past 12 months, with statutory timeframes met in most instances.

Our programme of digital transformation has enabled the upgrade of public mapping tools, improved the ways we capture information through our call centre and has allowed us to make giant leaps in how we deliver digital options for our customers. Registered users can view nearly all their dealings with the Council online.

We have also focused on increasing our ability to deliver the capital works programme, with more effective planning in the early stages, and engaging with a wider range of suppliers in the Far North to get the work done faster while boosting the local economy and job creation. We expect this will give us a more robust platform on which to continue to deliver our capital works into the future.

Strategic Planning

Since COVID-19 lockdown, the ability to function digitally has become even more important so it is timely to put a strategic lens across our digital future. This is exactly what our Community Development team did with Nothing But Net – a strategy to improve digital capability and capacity across the District. This strategy was co-designed with Far North communities using innovative digital engagement tools during the lockdown period. The strategy was adopted in August 2020. Initiatives in the strategy include establishing digital hubs in rural areas, an online store for makers and crafts people, and free WiFi in our main streets in towns.

There have been other gains in the strategic planning space too since the 2018 review of the Long Term Plan. The consolidated review of the District Plan – which makes sure planning rules for land use and subdivision are aligned with national and regional direction - has progressed from a policy framework to a fully-fledged draft ready for public feedback on its new digital platform.

Alongside this we are developing a big picture 80-year strategy for the District, called Far North 2100. This strategy proposes the objectives of communities of care, growth and stewardship and identifies five drivers of change for the Far North, which include community wellbeing, resilient economic growth, active response to climate change, connectivity between people and places, and protection of the natural environment. This strategy will help guide us towards an effective place-based planning approach to developing our District, and lead us towards our vision – He Whenua Rangatira.

Crown-funded Economic Stimulus Projects

There are a number of projects underway that are being delivered under the various funding programmes made available by the Government, including the Provincial Growth Fund, the Tourism Infrastructure Fund and the COVID Recovery funding.

We are progressing nine tourism infrastructure projects as part of a $2.7 million works programme the Government approved funding for in 2019. The Ministry of Business, Innovation and Employment (MBIE) is funding $1.3 million of project costs from the Tourism Infrastructure Fund. The council – and in one case, the community – are funding the balance.

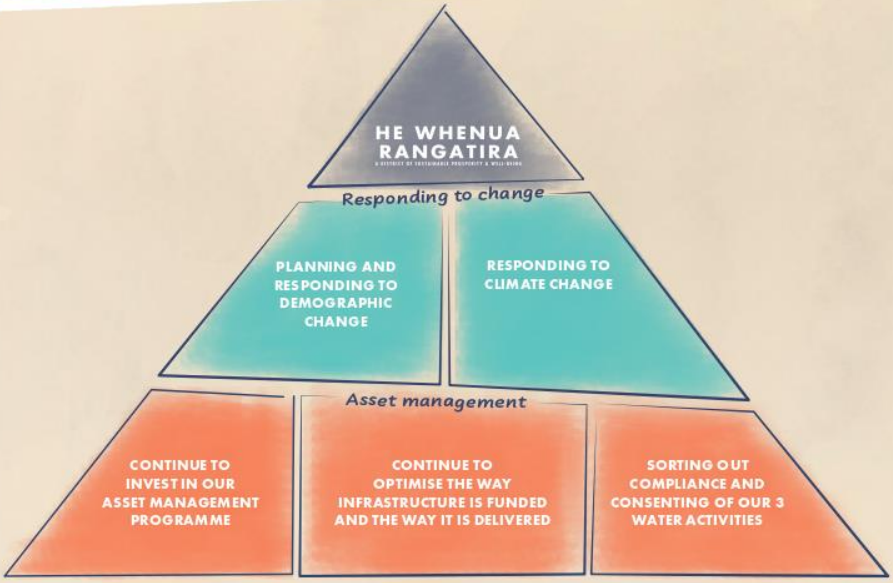
Projects include:

- upgrades to carparking facilities at Cable Bay and Taipā
- extension of the sealed section of Pungaere Road, so tour buses visiting Puketī Forest don't have to drive on a dusty, gravel road
- upgrade of the public toilets at Waipapa and at Waitangi Jetty (in partnership with the Bay of Islands Yacht Club)
- installation of an outdoor shower and improved drainage at public toilets near Paihia Beach
- installation of safety lighting and a security camera at the Stone Store in Kerikeri.

The Far North's maritime facilities will receive much-needed improvements in coming years thanks a to funding boost from the Provincial Growth Fund.

Paihia's waterfront will be protected with new breakwaters, Pukenui and Unahi wharf will be upgraded and four council-owned wharves in the Hokianga will be strengthened.

Tā Tātou Rautaki ā-Tūāpapa
Our Infrastructure Strategy



Our long term plan covers a period of 10 years. The infrastructure we manage has a lifespan well beyond this period. We have developed a 30 year strategy to identify how we plan to address key infrastructure challenges beyond the 10 year long term plan and how we intend to invest in our assets to support the District Vision – He Whenua Rangatira.

To achieve that goal we are focused on addressing two key challenges: improving the way we manage our assets and using better asset information to improve the way we adapt and respond to change.

In the early years of our 30 year strategy we plan to invest in our asset management systems and information. This means we will initiate a programme to continuously look at the condition of our assets and learn how our underground pipe networks perform. This work supports us to make good, long term, investment decisions. The aim is to improve the affordability of our assets by making sure we are replacing them at the right time and with the right capacity, taking into account the changes we expect to see in our communities over the next 30 years.

In addition to responding to these demographic changes, an improved approach to asset management also enables us to plan for, and respond to, climate change – which will be one of the biggest challenges our district faces in the coming years.

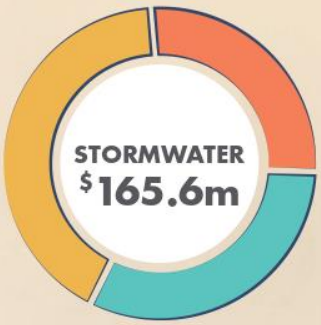
We have also identified a number of significant investments that are needed to support the wellbeing of our communities.

These include improving our water supply networks to reduce the risk of water shortages during drought, investing in our wastewater network to improve resource consent compliance and support growth and improving our transport network, to make the condition of roads safer and more resilient.

Some of our asset data is not as complete as we would like. We use the most current information when preparing our infrastructure replacement and renewals programmes which means that we are using a hybrid model. This model uses condition and maintenance information where it is available rather than age as an indicator for renewal. There is a risk that we have not correctly identified some assets that may need replacing. Having several water and wastewater treatment plants means if one of these plants were unable to operate, this would have a significant impact on the local community. We reduce this risk by continuing to update asset information, undertake condition assessments and monitor the performance of our assets. We will continue to use this information to reprioritise replacement and preventative maintenance programmes, and to ensure we manage the risk of failure for the most-critical infrastructure.

Less than 24% of the District's water and wastewater (by value) are anticipated to reach the end of their life in the next 10 years, and more than 76% of the networks won't need to be replaced until after 2032. Because of this, we are confident our water networks are unlikely to experience significant disruption during the term of this Plan. To ensure this, Council is committed to looking after these assets by investing more over the next 10 years. We are also spending more on understanding the state of our assets and have budgeted $1.6m per year over the next three years for this purpose to enable better planning and budget decisions. This work will improve what we know about our assets, including their age, how well they're performing, and their condition.

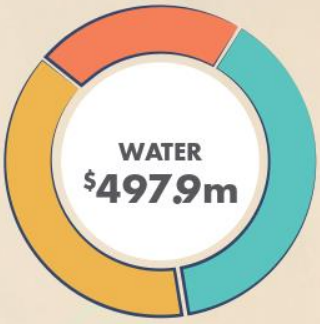
Investing in our infrastructure - capital expenditure over 30 years



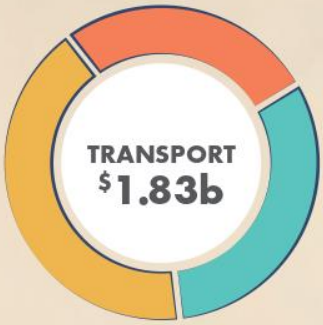
Year 1-10
$41.6m
Year 11-20
$53.7m
Year 21-30
$70.2m



Year 1-10
$171.7m
Year 11-20
$193.9m
Year 21-30
$479m



Year 1-10
$103.1m
Year 11-20
$204.5m
Year 21-30
$190.3m



Year 1-10
$498.2m
Year 11-20
$576.2m
Year 21-30
$761.7m

Our major projects over the next 10 years

Key	Project	Timing	Estimated cost ($m)
Water	Development of the Sweetwater borefield and pipeline	Year 1	4.90
	Upgrade watermain, Heritage Bypass, Kerikeri	Years 5	9.70
Wastewater	Reducing wastewater overflows in Kaitāia	Years 1-5	10.70
	Kaikohe wastewater upgrade	Years 2-5	13.50
	Kaitāia wastewater scheme improvements	Years 3-5	13.10
	Kerikeri wastewater treatment plant upgrade	Years 8-10	35.00
	Taipā wastewater treatment plant upgrade	Years 1-3	7.60
Stormwater	Upgrade to Kaikohe stormwater lines	Year 4-6	4.10
	Moerewa stormwater upgrade	Years 1-4	2.00
Transport	Dust sealing of critical risk roads (unsubsidied)	Years 1-5	15.00



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Tā Tātou Rautaki ā-Pūtea
Our Financial Strategy

The overall focus of our financial strategy is financial sustainability, affordability and economic recovery within the context of community wellbeing.

The change of purpose for Local Government in May 2019 re-introduced the obligation on councils to promote the social, economic, environmental and cultural wellbeing of their communities.

For the Far North, a sustainable development approach means that our commitments to deliver infrastructure and services are funded in a way that is affordable for the community and that meet Council's obligation to be effective stewards of the District's assets now and into the future. Council has a good understanding of how its daily business contributes to and promotes community wellbeing, and as part of the work programme for the next 10 years we aim to embed the checks and balances that help Council to enhance and protect community wellbeing in decision-making and daily business.

Key financial goals that drive the budgets for the Long Term Plan 2021-31 include:

- Achieve a balanced budget each year, ensuring that projected operating revenues are set at a level sufficient to meet that year's projected operating expenses
- Moderate the impact of funding depreciation on strategic assets
- Include the impact of Economic Stimulus and Employment Opportunity (ESEO) Crown-funded projects
- Ensure that no more than 90% of revenue will come from rates, with the balance coming from other sources such as subsidies from Government agencies including the New Zealand Transport Agency, and user fees and charges
- Limit annual overall rates increases to inflation (Local Government Cost Index) plus 3.5%
- Limit debt in the first 4 years to no more than 175% of annual revenue, excluding capital subsidies. From year 5, the limit will increase to 280% of revenue based on Council obtaining a credit rating
- Maintain interest costs at less than 10% of rates revenue.

Underpinning our approach to the Financial Strategy:

- Acknowledge the current and likely future financial disruption caused by the COVID-19 pandemic and to plan to encourage and assist economic recovery across the District and the Northland region
- Recognise the financial implications of climate change and sea level rise in planning decisions, and provide sufficient funding to local and regional adaptation initiatives
- Work alongside local, regional and national partners to deliver infrastructure projects that intend to stimulate the economy and create jobs
- Engage with the government on the development of a three waters reform process that will provide high quality services for our communities
- Adequately fund the development of long-term resilient and secure water supply and storage facilities, and short-term or temporary strategies to assist the District to manage drought conditions as they arise.
- Continue to invest in the continuous improvement of core processes and tools to enhance infrastructure and service investment decisions and delivery in the short, medium and long-term
- Protect past investment in assets by using decision criteria that weights capital renewal projects ahead of initiatives to increase levels of service or provide additional capacity for growth
- Replace or renew infrastructure assets where it is reasonable and economic to do so, acknowledging that as we move through our programme of asset condition assessments the renewals proposed in this LTP for the 3 waters assets are based on a hybrid model. This model uses condition and maintenance information where it is available rather than age as an indicator for renewal. Transport asset renewals are based on condition as that information is more readily available and has a high degree of accuracy
- Maintain the core services we currently provide as cost-effectively and efficiently as possible, ensuring that finding operational efficiencies remains of paramount importance
- Continue to use the method of funding the net depreciation value to provide for renewals. Once condition and capacity data is reliably available from Programme Darwin, Council will consider the future funding of renewals using rates and borrowing in place of funding depreciation
- Use borrowing to spread the cost of new capital expenditure over time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

Financial Strategy highlights

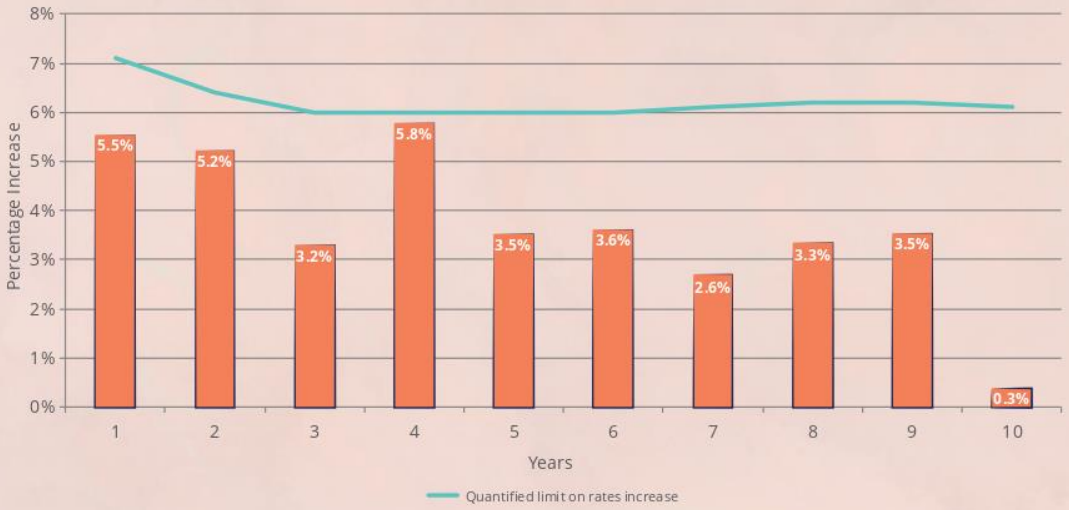
Amount of rates we will collect and debt level of the next 10 years

Financial year ended 30 June	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Proposed rates $m [1]	97	102	105	111	115	119	122	126	131	131
Budgeted rates increase [2]	5.5%	5.2%	3.2%	5.8%	3.5%	3.6%	2.6%	3.3%	3.5%	0.3%
Rates limit (inflation + 3.5%) [3]	7.1%	6.4%	6.0%	6.0%	6.0%	6.0%	6.1%	6.2%	6.2%	6.1%
Debt ceiling	230	242	246	257	424	437	447	461	475	478
Debt $m [4]	159	199	218	237	269	278	279	279	307	333
Debt/revenue ratio [5]	69.0%	82.2%	88.4%	92.2%	63.5%	63.7%	62.3%	60.6%	64.6%	69.7%

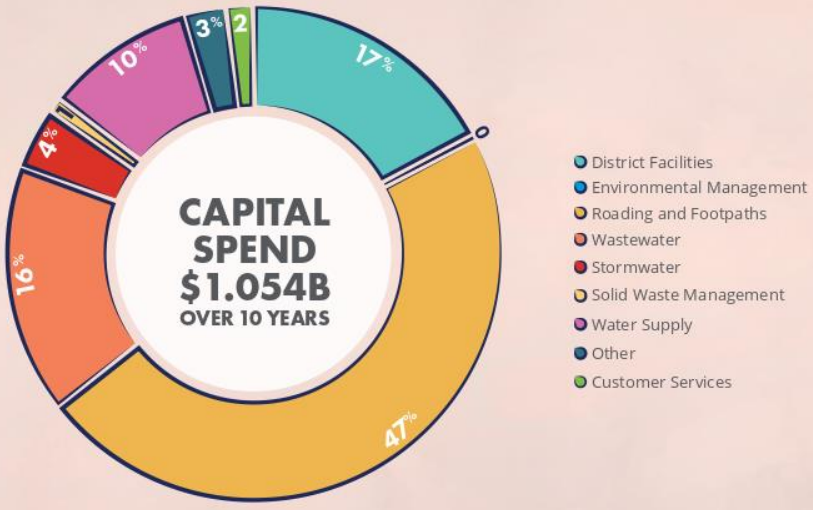
1. Proposed rates are the rates requirement based on the prospective revenue and expenditure for the 10 years. Revenue and expenditure projections are based on BERL forecast Local Government Cost Index (LGCI).
2. Proposed rates increase is the movement in budgeted rates year on year.
3. The rates limit is the maximum rates increase per annum. This is based on inflation for the year plus 3.5%. The inflation estimates are based on BERL forecast Local Government Cost Index (LGCI).
4. Debt is calculated as total borrowings.
5. Debt to revenue ratio is calculated as debt divided by operating revenue plus subsidies capital work.

Total rates increase per year

Rate (increase) affordability



What will our debt pay for?



Capital spend

Capital expenditure per year



Council has a number of assets which have a long useful life and are not due for replacement within the 10-year period covered by this plan. Investment identified as "Level of Service" does not always result in an increase to existing levels of service but it ensures Council can respond to resilience needs and required standards. Council has undertaken a comprehensive review of all funding mechanisms (including rates). We have committed to developing an Asset Management System to ensure that asset information will allow for improved planning for asset replacement. Until the work required to implement the system has been completed, Council is planning a business-as-usual approach which includes funding depreciation rather than renewals.

Impact on rates

Our main source of funding is from rates. While we try to maximise the Government subsidies available and have adopted a 'user pays' policy (exercised through targeted rates and consumption and user charges) for many services and assets, the bulk is funded by rates.

Where does our revenue come from?

Council operational expenditure for the 10 year period is proposed to be funded on average, 63% from rates (including targeted water), and 37% from other revenue including user fees and charges and subsidies. In addition, we are budgeting for funding from Government subsidies to support capital expenditure.



Operating spend



Proposed rates over 10 years

Example residential rates by ward and schemes

(including water / wastewater where connected)

	Average land values	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Bay of Islands / Whangaroa											
Kāeo	124,073	2,922	2,920	3,045	3,227	3,304	3,393	3,484	3,570	3,644	3,659
Kawakawa	55,078	2,738	2,735	2,861	3,063	3,123	3,210	3,290	3,363	3,427	3,443
Moerewa	25,018	2,582	2,579	2,700	2,892	2,945	3,026	3,101	3,165	3,220	3,232
Kerikeri	271,289	3,765	3,765	3,882	3,975	4,095	4,341	4,435	4,549	4,720	5,026
Paihia / Ōpua	269,586	3,678	3,678	3,831	4,028	4,147	4,269	4,410	4,536	4,647	4,674
Russell	459,847	4,461	4,463	4,642	4,845	4,981	5,120	5,249	5,431	5,593	5,638
Whangaroa	231,156	3,448	3,447	3,585	3,771	3,864	4,214	5,863	5,991	6,107	6,142
Kaikohe / Hokianga											
Kaikohe	62,337	2,519	2,516	2,630	2,872	3,020	3,175	3,250	3,312	3,366	3,378
Kohukohu	116,092	2,917	2,914	3,129	3,300	3,363	3,461	3,550	3,635	3,710	3,722
Ōkaihau	112,153	1,779	1,779	1,879	2,013	2,064	2,111	2,240	2,296	2,351	2,395
Ōpononi / Ōmāpere	166,928	3,389	3,387	3,675	4,212	4,297	4,444	4,629	4,737	4,836	4,862
Rāwene	109,156	3,249	3,246	3,366	3,678	4,036	4,149	4,249	4,350	4,446	4,473
Te Hiku											
Ahipara	182,076	2,899	2,898	3,059	3,156	3,224	3,309	3,396	3,484	3,657	3,968
Kaitāia / Awanui	72,063	2,627	2,625	2,725	2,879	2,989	3,220	3,291	3,352	3,412	3,262
East Coast Bays	228,892	3,095	3,094	3,238	3,549	3,634	3,723	3,815	3,919	4,023	3,885
Hihi	233,844	3,366	3,365	4,097	5,287	5,383	5,490	5,598	5,722	5,843	5,730
Rangiputa	194,010	2,900	2,899	3,031	3,148	3,216	3,296	3,380	3,469	3,554	3,410
Whatuwhiwhi	194,010	2,943	2,942	3,079	3,180	3,253	3,342	3,520	3,611	3,698	3,559

Example of rates payable on different value properties

Applies to all rateable properties

Land values	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Residential										
100,000	2,629	1,999	2,036	2,318	2,417	2,552	2,608	2,661	2,726	2,811
250,000	3,374	2,775	2,840	3,171	3,308	3,471	3,550	3,650	3,758	3,860
500,000	4,616	4,069	4,180	4,594	4,792	5,001	5,121	5,299	5,479	5,610
750,000	5,858	5,363	5,521	6,017	6,276	6,532	6,691	6,947	7,200	7,359
1,000,000	7,100	6,656	6,861	7,440	7,760	8,063	8,262	8,596	8,921	9,108
Rural and Lifestyle										
100,000	1,353	1,377	1,395	1,428	1,453	1,472	1,488	1,519	1,548	1,559
250,000	2,099	2,154	2,200	2,283	2,344	2,391	2,431	2,509	2,581	2,610
500,000	3,342	3,448	3,541	3,706	3,829	3,923	4,002	4,158	4,303	4,360
750,000	4,584	4,743	4,882	5,130	5,314	5,454	5,574	5,808	6,025	6,111
1,000,000	5,827	6,037	6,223	6,554	6,799	6,986	7,146	7,458	7,747	7,861
Commercial										
100,000	3,533	2,939	3,009	3,348	3,491	3,658	3,742	3,849	3,965	4,070
250,000	5,581	5,073	5,219	5,695	5,938	6,182	6,332	6,568	6,802	6,954
500,000	8,994	8,628	8,902	9,605	10,016	10,390	10,648	11,098	11,531	11,761
750,000	12,408	12,183	12,586	13,515	14,094	14,597	14,965	15,629	16,260	16,568
1,000,000	15,821	15,738	16,269	17,426	18,173	18,804	19,281	20,159	20,989	21,375

Proposed targeted water rates

Additional rates for those properties in the area of benefit of a council scheme.

Area	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Kaikohe	224.42	251.12	257.69	257.21	338.63	360.17	374.94	384.20	394.32	405.93	428.47
Kaitāia/Awanui	217.52	248.00	345.85	338.34	418.15	433.90	455.27	464.52	474.67	486.04	496.93
Kawakawa	301.96	339.50	343.84	347.43	468.14	490.56	513.56	528.37	544.37	561.67	577.98
Kerikeri	129.69	143.88	165.18	168.09	243.40	289.91	452.92	456.10	459.96	464.66	468.84
Ōkaihau	271.95	280.50	276.99	347.91	436.97	452.37	468.14	571.12	581.14	592.24	602.63
Ōpononi/Ōmāpere	576.00	539.19	531.10	525.92	687.15	715.08	768.26	867.35	886.06	906.65	927.22
Paihia	169.01	179.50	191.60	212.48	279.12	294.61	321.36	368.43	376.48	385.37	393.63
Rāwene	380.73	486.09	487.67	489.45	602.91	626.27	650.08	667.14	685.51	705.31	723.94
Potable Water (per m^3)	3.17	3.58	3.73	3.65	3.76	3.91	4.02	4.15	4.26	4.60	4.51

Proposed targeted sewerage rates

Additional rates for those properties in the area of benefit of a council scheme.

Area	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Ahipara	207.55	264.42	280.76	315.27	421.31	440.31	462.49	477.79	491.53	595.46	1,063.19
East Coast	156.01	229.48	234.43	243.63	548.66	572.24	590.01	603.52	617.93	638.83	653.20
Hihi	435.28	463.81	479.08	1,075.25	2,257.65	2,291.54	2,326.06	2,354.97	2,387.82	2,424.73	2,462.67
Kāeo	543.34	587.14	594.50	602.16	816.28	860.25	898.00	928.98	954.49	982.00	1,007.97
Kaikohe	148.69	186.90	201.18	209.83	408.71	521.28	611.51	621.67	632.97	645.43	657.10
Kaitāia / Awanui	189.43	192.03	232.04	232.88	353.09	423.86	591.35	600.09	609.86	620.73	630.65
Kawakawa	364.59	394.44	418.57	435.53	571.28	593.77	619.31	635.46	653.44	672.81	691.12
Kerikeri	309.62	549.69	510.97	482.12	482.62	487.92	492.19	498.68	503.32	579.96	875.36
Kohukohu	542.77	570.13	578.65	677.36	869.26	905.99	943.50	968.58	996.07	1,025.71	1,053.47
Ōpononi	237.68	248.95	256.62	425.08	804.33	822.87	846.34	860.42	877.43	894.61	910.38
Paihia	272.98	389.00	388.32	378.24	492.25	526.76	544.41	554.44	566.34	580.00	592.80
Rangiputa	205.62	215.34	219.82	223.40	345.67	361.01	376.71	386.84	397.97	410.11	421.53
Rāwene	426.96	454.37	458.68	462.47	684.13	993.03	1,023.75	1,044.23	1,072.01	1,104.17	1,129.49
Russell	346.27	385.88	396.35	398.90	523.07	544.79	568.92	584.61	601.55	619.75	636.98
Whangaroa	506.12	477.95	566.19	568.50	751.00	784.86	1,063.97	2,635.59	2,669.48	2,707.58	2,741.64
Whatuwhiwhi	240.25	258.42	262.80	270.99	378.25	398.11	422.62	527.35	539.88	553.45	570.61
Connected Rate (All Schemes)	620.01	695.20	763.30	847.84	767.29	760.86	779.01	810.86	821.35	821.34	775.41
Subsequent Pan Rate (All Schemes)	372.01	417.12	457.98	508.70	460.37	456.52	467.41	486.52	492.81	492.80	465.24

Monitoring and reviewing our Financial Strategy

As part of business as usual, we constantly scan both the financial environment and our own performance to monitor:

- sustainability of our financial performance and position
- any emerging risks
- whether the strategy is being implemented as intended
- any trends in the community's ability to pay.

The Strategy will be reviewed triennially as part of the Long Term Plan process. Consideration will also be given to the impacts of any significant changes in local, national or global economic conditions during each year's Annual Plan process.

To read our full financial strategy and to calculate your rates online please click on the icon below or visit our website: www.fndc.govt.nz - keywords: Financial Strategy or Rates

Anei ngā āhua i wā koutou moni reiti
This is what your rates dollar contributes to

General rates

17c Transportation



12c Future Planning



10c Community Services



10c Customer Services



10c Regulatory Services



5c Recreation Facilities



4c Governance



4c Sustainable Environment



4c Refuse



1c Housing for the Elderly



1c Civil Defence



Targeted rates

14c Wastewater



5c Stormwater



3c Water



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He hononga moata kua puta
Early engagement results

In spring 2020 we invited communities to take part in informal surveys so we could gather feedback about what matters most to you. We produced a brochure, created a digital hub, contacted our regular submitters via email and did newspaper, radio and social media advertising to reach a broad audience.

We shared Council's strategic priorities, along with some ways we intend to address them. We explored ways we could adapt the rating system to make it fairer and more transparent.

We asked if you support our community outcomes and proposed a new one that focuses on culture and heritage. We also invited you to tell us what "wellbeing" means to you.

Here's what you told us...

Community outcomes

51 people answered questions on community outcomes. Most of you support our existing community outcomes, but some key themes emerged. That we should:

- balance our personal freedoms with the need to protect the environment
- review our emergency planning processes
- provide better community support and connection
- support more sustainable farming methods (regenerative agriculture)
- acknowledge that we all feel a sense of stewardship for our environment, and
- that we would all benefit from embracing Te Ao Māori to improve Māori partnerships.

Here are some of your comments on our community outcomes:

"A mutual respect for a diversity of culture. Understanding of other world views, especially Te Ao Māori, that indigenous world views are valid and can provide practical solutions to issues..."



Strategic Priorities

We identified six strategic priorities to address in the next 10 years and invited you to rank these in order of priority. A total of 73 submitters responded. "Protecting our water supply" came out as the top priority, with "Adaptation to climate change" a close second. We also invited submitters to identify which ways to address the issues they saw as most important.

Protect our water supply

"Encourage more small-scale on-site storage on properties rather than large expensive dam/reservoir projects that benefit large scale development at the cost of the environment."

Adapt to climate change

"Insufficient attention has been given to mitigation. Community climate change plans that look at how each community will be affected by climate change over time and what actions to take to (a) mitigation/reduce carbon emissions, and (b) adapt and retreat."

Enable sustainable economic development

"... remedy the uneven wealth distribution/inequities in the Far North. Perhaps a starting place is ... a strategic view to investing in deprived communities in order to reduce inequities."

Better asset management



Many agreed we should complete assessments of the condition of all Council assets as soon as possible and develop a live reporting system for assets so we can make better, more transparent decisions.

Address affordability

Most people agreed that we should consider the reintroduction of development contributions.

"Concentrate on urban density, not sprawl"

Deepen sense of place and connection

Submitters agreed we should review how we manage and grow social infrastructure and investigate a sustainable social procurement operating model that looks beyond economic measures.



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Rates review

We asked you what you thought about seven options to make our rating system fairer and more transparent. You were invited to rank the options in order of priority, and then tell us whether you did or didn't support the ideas in principle.

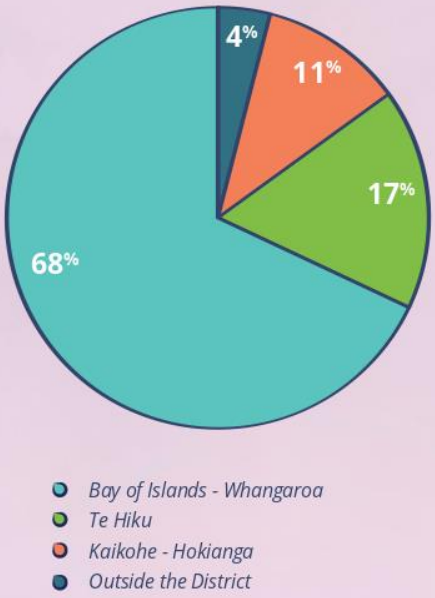
There were 230 submission to our online survey and a few submissions via email.

The results show support for the continuation of the ward rates and reduction of the availability charge for water and wastewater. The proposal to move more to the general rates - to simplify our rates and remove the regressive nature of the UAGC – did not have majority support. Similarly, the suggestion to transition to a general rate based on capital value (not land value) did not receive majority support.

There were some interesting suggestions amongst the feedback:

"Set rate differentials based on the differing permitted activity levels of development/controlled activity subdivision lot size allowed under the district plan. This would fairly reflect the development potential of the land and provide some recompense for people with restrictive zonings because of, for example, outstanding natural landscape on the property."

Where we received feedback about our rates review online survey



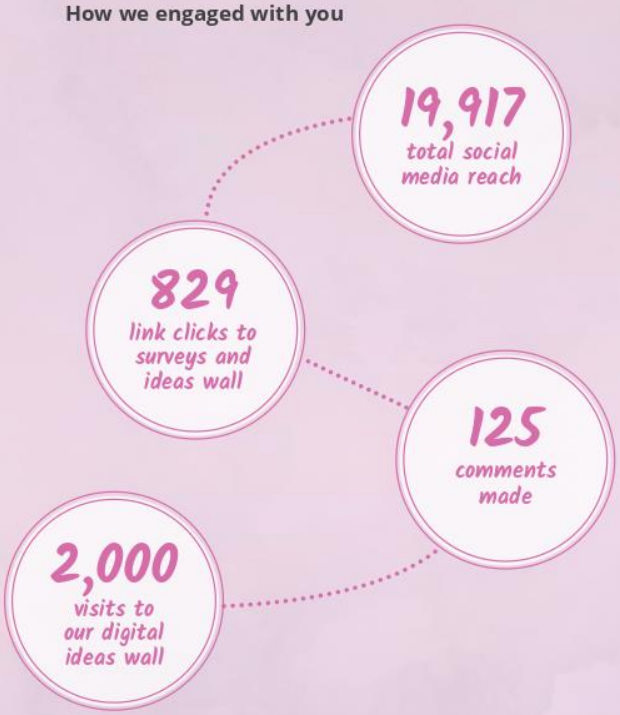
Wellbeing

We invited the community to tell us how we could work together to improve the environmental, cultural, economic and social wellbeing of our people. You were encouraged to share ideas as digital post-it notes.

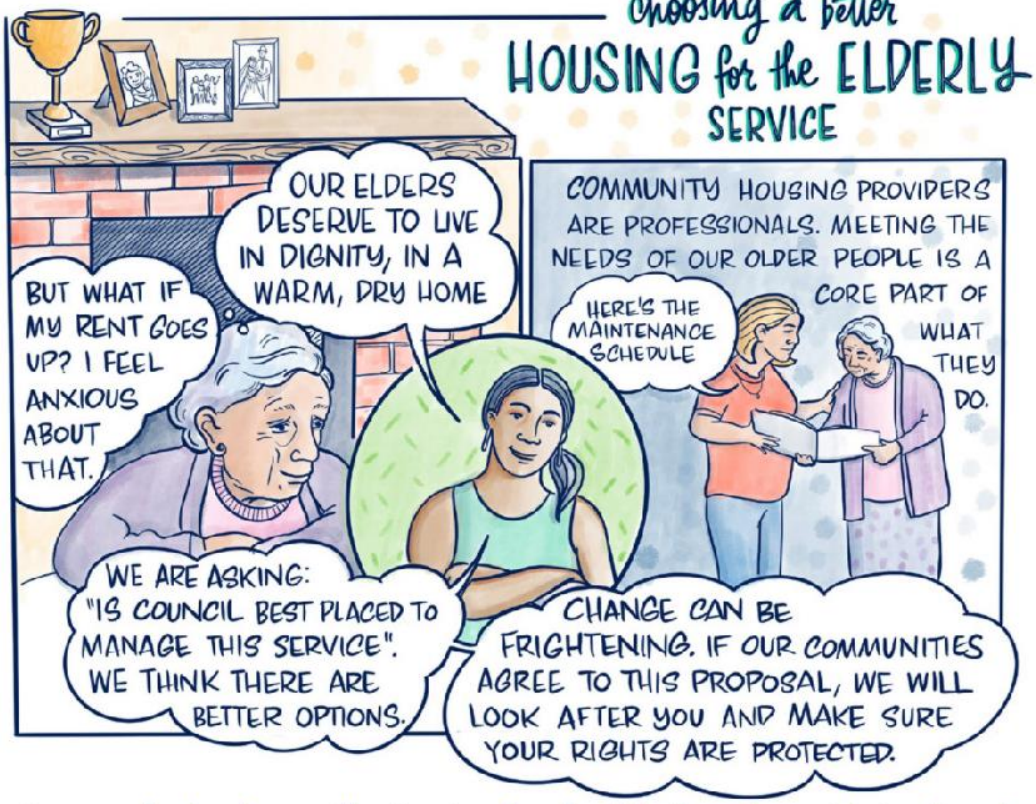
The digital ideas wall was visited over 2,000 times. A total of 67 comments were left on a whole range of issues.



How we engaged with you



He kāinga mō ngā kuia / kaumātua
Housing for the elderly



Improving standards of council's Housing for the Elderly and considering how best to deliver this in the future

The council owns and manages a Housing for the Elderly portfolio of 147 units in 12 locations around the Far North. Many of these units are no longer fit for purpose.

It is important to the community that the Far North has access to high-quality, affordable and sustainable Housing for the Elderly to address both current and increasing demand.

We must now consider who is best placed to deliver this service.

We have completed an assessment of our Housing for the Elderly portfolio and have a good understanding of the level of work and funding that needs to be put into the units to ensure they meet today's legislative requirements, are fit for purpose and support the healthy wellbeing of the occupants.

The question is whether Council is best placed to manage this service, or if community housing providers (CHPs) in the District will be in a position to offer improved wraparound services and qualify for other subsidies that are not available to Councils.

Transitioning the Housing for the Elderly assets could provide stronger partnership between Council and other agencies and increase opportunities for a wider section of our community to access housing support.

The housing units are classified as significant assets, so it is a requirement that Council consult with the community on the options available.

There are four options to consider:

1. The option Council has modelled in its forecast financials is that Council continues to own and operate Housing for the Elderly because the decision will not be made until community feedback has been considered.
2. Council retains ownership of its current asset and outsources the management of its portfolio to another party (commercial management)
3. Council retains ownership of the assets and partners with an existing registered community housing provider to provide the day-to-day management
4. Council transition its Housing for the Elderly portfolio to another party or parties with a number of requirements attached, such as protection of existing tenant arrangements and that number of units is maintained or increased over time.

What are the options?

Option 1 - Status quo
We continue to own and maintain the 147 units. This means that as issues arise, they are fixed and when a unit is vacated it is refurbished if needed. As is the current situation, minor modifications may happen but in general, refurbishments will be 'like for like'. Over the next three years Council will ensure that all units are brought up to legal standards and remain fit for purpose, however we don't plan to build any new units or carry out configuration changes to current units, for example, bedsits will remain bedsits.

Cost: $4.09 million over the next three years for improvements and a further $6.95 million over the 10 years of the LTP for refurbishments.

Annual ratepayer impact

2021/22	$5.93
2022/23	$6.64
2023/24	$7.18
2025-31	$10.56 average

Option 2
We continue to own the 147 units but the management would be outsourced to another party. Rental income stays with Council, as do all current operational and refurbishment costs, but day-to-day management would be outsourced at an additional cost of at least $100,000 per year.

Cost: $4.09 million over the next three years for improvements and a further $6.95 million over the 10 years of the LTP for refurbishments plus a minimum of $100,000 in management fees.

Annual ratepayer impact

2021/22	$6.95
2022/23	$7.67
2023/24	$8.21
2025-31	$11.59 average

Option 3
We continue to own the 147 units but form a partnership with an existing registered community housing provider to manage and maintain the units on Council's behalf. We expect that an alternative provider would want us to invest in bringing the units up to a certain living standard before they would enter any arrangement for ongoing management. For instance, it may be necessary for us to convert some bedsits to one or more bedroom.

Cost: $4.09 million over the next three years for the improvements we think we would need to make plus a further $4.75 million for refurbishments as required over the same three year period. Operating costs would remain as planned for the first three years but then drop by $7.18 for the remaining seven years of the LTP.

Annual ratepayer impact

2021/22	$5.93
2022/23	$6.64
2023/24	$7.18

Option 4
Council fully transition its Housing for the Elderly units to another party or parties with strict requirements such as protection of existing tenant arrangements and the number of units is maintained or increased over time. As with option 3, we expect that whoever takes over would want us to invest in bringing the units up to a certain living standard before they would enter any arrangement for transition. For instance, it may be necessary for us to convert some bedsits to one or more bedroom. Any proceeds from the transition could be ring-fenced for future social housing initiatives and to protect current tenants from the impact of any rent increases.

Cost: $4.09 million over the next three years for the improvements we think we would need to make plus a further $4.75 million for refurbishments as required over the same three year period. Operating costs would remain as planned for the first three years but then drop by $7.18 for the remaining seven years of the LTP.

Annual ratepayer impact

2021/22	$5.93
2022/23	$6.64
2023/24	$7.18

Rating impacts

All of the rating impacts have been based on a land value of $100,000 unless otherwise stated.

To gauge the impact on individual ratepayers you will need to multiply the rate shown by individual land value. For example, an increase in rates of $1.25 on a property with a land value of $250,000 would be $1.25 x 2.5 (land value) and result in a increase of $3.13.

Increase per connection, ward or targeted rate do not require any further calculation to determine impact.

In all cases rate impacts are calculated for residential ratepayers. The impact for commercial ratepayers will be higher to the differential applied.

The option we think works best

Council considers that the best option - both for our tenants and for the viability of Council's housing stock to continue as social housing - is option 4 - to transition to a registered community housing provider or another government housing provider, as per option four. This will give tenants better access to health services, other social support services. Community housing providers are also better placed to apply for subsidies to support social housing that are not available to Councils.

Impact on debt

From year 4 onwards this proposal assumes we will no longer own and maintain the units. The impact on debt however, will be neutral as we will no longer need to fund depreciation on the units or carry out renewal works.

Level of service

Under this proposal there will be no level of service provided by Council. However, the occupants of the units should see an increased level of service and support as the units will be owned and managed by a specialist community housing provider.

What do you think? Give us your opinion

Toitū mārika i te whakapakari ōhanga
Enable sustainable economic development



Become a shareholder of Northland Inc and invest in the Investment Growth Reserve Fund

One of Council's strategic priorities is to enable the sustainable economic development of the District. Feedback from early engagement tells us our community supports this as a priority.

The Far North District Council has an opportunity to provide funds to the Investment and Growth Reserve (IGR), which will inject renewed energy and resource into the district. This reserve is used to fund Northland Inc's operations and support wider regional economic development. Currently, Northland Regional Council is the 100% shareholder of Northland Inc (a Council-controlled organisation (CCO)).

Under this proposal, Northland Inc will become jointly owned by Northland Regional Council, Kaipara District Council and the Far North District Council. Whangārei District Council will be able to join the initiative later if they choose.

The benefits of the proposal are better representation and improved access to expertise and resources to support the sustainable development of the region's economy. Northland Inc's regional mandate will be reinforced when discussing matters that affect us all, especially with central government.

There are some costs involved, and our contributions to the Investment and Growth Reserve will be $94,300 in year 2021/22, the first year of the Long Term Plan 2021-31. This will increase to $199,209 in year two, $296,648 in year three, and incrementally increase to $643,655 in year 2026/27.

Options

Option 1
Far North District Council plays a greater role in economic development by becoming a shareholder in Northland Inc and contributing to the wider Investment and Growth Reserve Fund.

Option 2
Far North District Council does not become a shareholder in Northland Inc but continues to fund Northland Inc on a project/initiative basis.

Advantages

Through having shared governance by all Councils, including allocation of Northland Inc's operating budget, strengthen the delivery and visibility of Northland Inc's services across the whole region.

- Ensures better alignment between Northland Inc and the Councils, resulting in more efficient delivery of economic services across the region and creating more occasions to make the most of central government funding.
- A wider leadership and governance function for economic development will provide greater opportunity, at the right level, for engagement and/or partnering with Māori/Iwi organisations.
- Increases the amount of funding that can use to support more significant projects and an increased level of support for our key sector businesses, especially in a post-COVID-19 recovery period over the next 3 to 5 years.
- Regional leadership and advocacy for economic development, especially with Central Government, for matters that affect us all.
- Creates an opportunity for Councils to have a say in setting Northland Inc's strategic priorities and direction, including, for example emphasis on economic growth leading to improved community wellbeing.

Disadvantages

- Some costs are involved in switching to this new model.
- New increased costs on some participating councils (e.g. committee involvement and servicing, possible resourcing).

The option we think works the best

Council's preferred option is option 1 - to become a shareholder and contribute to the wider Investment and Growth Reserve Fund.

Ratepayer impact

There are some costs involved, and our contributions to the Investment and Growth Reserve will be $94,300 in year 2021/22, the first year of the Long Term Plan 2021-31. This will increase to $199,209 in year two, $296,648 in year three, and incrementally increase to $643,655 in year 2026/27.

Annual ratepayer impact

2021/22	$0.84
2022/23	$1.78
2023/24	$2.65
2025-31	$5.30 average

Impact on debt

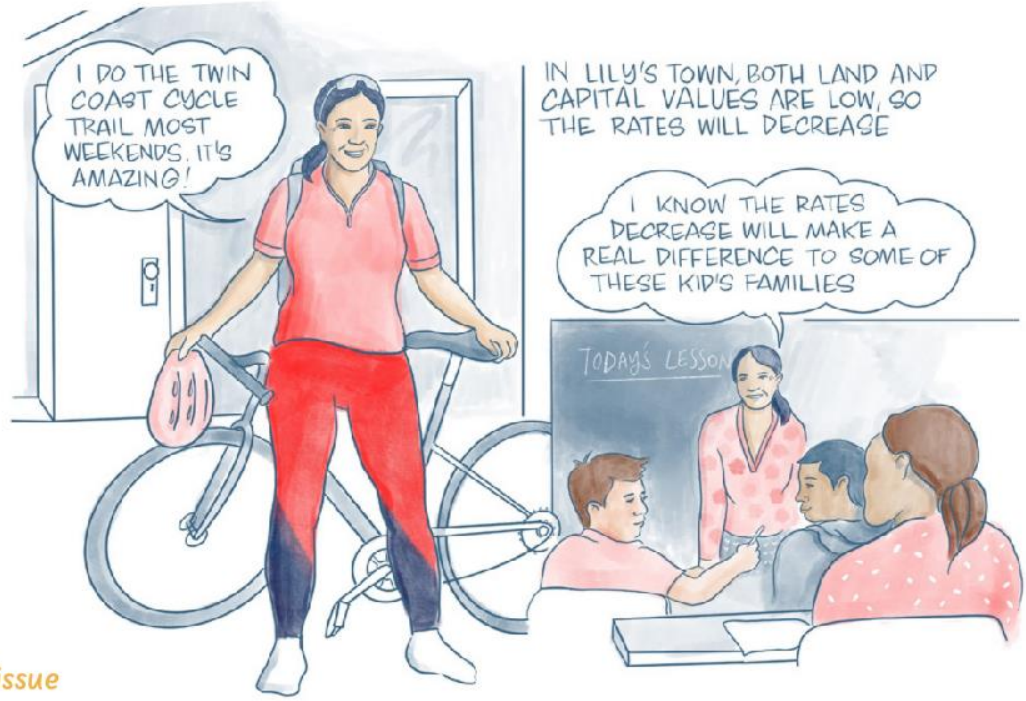
Nil

Level of service

Far North District Council will have a stronger voice in economic development in the District.

Do you agree? Tell us your thoughts

He reiti tika rawa; he reiti māmā noa iho
Fairer and simpler rates



The issue

We need a certain amount of money each year to keep the Far North ticking over. This money funds our core public services, such as roading, water supply, wastewater treatment, and community facilities like parks, cemeteries and libraries.

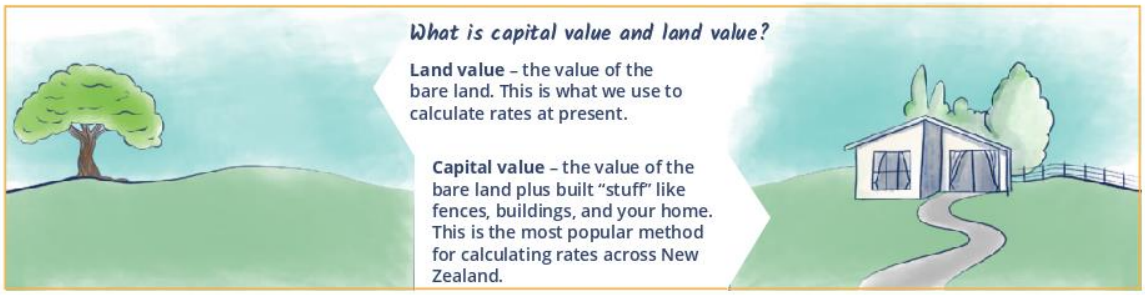
Most of this cost is shared among those who live here, through rates and fees. The rest comes from Government subsidies.

Let's be clear, rates are a tax. It is an amount we contribute to the collective pot to make sure we can live where and how we choose. No ratepayer lives on a desert island, cut off from the rest of the district - we all rely to some extent on "the public good" and benefit from shared services. There isn't a huge population up here, and the people who call the Far North home are spread across a large area. That means we need a lot of services (pipes, roads, treatment plants, parks and so on) for a big place with a small and widely spread number of people.

This leaves us with a problem we refer to as "affordability".

There is a risk that it will become too costly for some people to live where and how they choose. We need to think about how we tackle this. Here are our ideas to improve fairness and make our rates simpler.

1. **Change to capital value rating.** We must calculate rates using property value. There is no choice in this, it's the law. But we can choose whether we calculate them using your property's land value or its capital value. We propose to change to capital value, with a gradually changing land value differential over the next 10 years. For year 1 this means 10% of your general rates will be based on capital value. This will gradually increase to 100% in year 10.



2. **Remove both flat rates.** We charge $450 as a Uniform Annual General Charge (UAGC) and a $100 roading rate that covers things like road safety - a total of $550 per rateable property. A uniform annual general charge (UAGC) is a flat charge, per property and everyone pays the same amount. These flat rates are known as a regressive tax. We think that we should shift these to the General Rate as we believe it is fairer – because the amount you pay is based on the value of your property, which is considered the best measure of a person's ability to pay.

> *Regressive tax is a tax applied uniformly. This means it takes a larger percentage of income from low-income earners than from high-income earners. It is the opposite of a progressive tax, which takes a larger percentage from high-income earners.*

3. **Reduce the extra charged to commercial properties.** For every $1 that residents pay, businesses pay $2.75. We all benefit from good commercial services, facilities and activities, as do our visitors, and we do not want to make it harder for businesses to grow. It is already tough. We propose to reduce the commercial rate to $1.75. To make up the difference, we will collect the balance through the General Rate.



4. **Move away from scheme-based capital rates for water and wastewater.** At the moment, the cost of these water services is covered by those who are connected. Some of these schemes serve a small number of users and are very expensive to build and run. We think that getting rid of the scheme-based targeted "capital" rates might be more affordable, with everyone sharing the cost of these services regardless of the scheme. The "one network" approach better spreads the cost. By sharing the load for those who benefit from piped water, whether for drinking or waste treatment, we support diverse communities, which makes the Far North a great place to live.

5. **Reduce the water and wastewater availability charge.** There are some people who could connect to water and wastewater networks but choose not to, so they are charged an availability rate. The availability rate is currently the same as the connected rate. We propose reducing the availability charge by 40%. This allows us to maintain capacity for the connection should it be needed later.

6. **Introduce a small public good charge for water and wastewater to every rateable property.** This recognises that those who are not connected to a scheme still benefit from reticulated systems either through buying potable water by tanker or emptying septic tanks into sewage plants. We propose $15 per service, which is $30 per rateable property.

7. **Change the stormwater targeted rate so that rating units in the area of benefit cover most of the cost.** We propose that 90% of the stormwater costs be spread across these ratepayers and the remaining 10% be shared across all properties. This recognises that we all benefit, directly or indirectly, from a stormwater network that protects us from flooding.

This is a lot to take on board, and we know that some of these changes will affect some people more than others.

Rates across New Zealand are on the increase in general. We will do our best to keep the Far North an affordable place to live. Right now, we think these proposed changes are the best and fairest options we have.

All of the proposed changes have been reflected in the draft Revenue and Financing Policy. This document is one of several we are consulting with you on and a link to this document can be found on page 30 of this document.

The options

Option 1
Rating methodology remains as status quo based on land value.

Option 2
Rating methodology is changed to the proposed model based on capital value with transition over 10 years commencing in 2021/22. This is Council's preferred option.

Ratepayer impact
The tables following show averages. Individual rates can be reviewed online here. (hyperlink)

Impact on debt
Nil

Level of service
Nil



What do you think?
Give us your feedback

Example average rates tables over 10 years

These tables provie a comparison between the original methodology (land value) to the potential change of moving to (capital value)

Sewerage targeted rates	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
District-wide										
Connected	321.96	331.83	346.16	516.91	568.07	627.37	648.7	661.91	688.08	750.49
Availability	193.18	199.1	207.7	310.15	340.84	376.42	389.22	397.15	412.85	450.29
Additional pans	193.18	199.1	207.7	310.15	340.84	376.42	389.22	397.15	412.85	450.29
Sewerage public good rate										
Uniform charge	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Sewerage operating rate (All schemes)										
Connected rate	660.04	728.14	812.67	732.13	725.70	743.85	775.70	786.19	786.18	740.25
Subsequent pan rate	396.02	436.88	487.60	439.28	435.42	446.31	465.42	471.71	471.71	444.15

Water targeted rates	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
District-wide										
Connected	243.54	274.38	278.65	365.3	391.18	448.98	470.25	479.83	490.58	502.65
Availability	146.12	164.63	167.19	219.18	234.71	269.39	282.15	287.9	294.35	301.59
Water public good rate										
Uniform charge	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Water operating rate										
Potable water	3.34	3.50	3.42	3.52	3.68	3.79	3.92	4.02	4.37	4.28

Example residential rates by ward and community

	Average land value	Capital value	21/22 LV 90% CV 10%	22/23 LV 80% CV 20%	23/24 LV 70% CV 30%	24/25 LV 60% CV 40%	25/26 LV 50% CV 50%	26/27 LV 40% CV 60%	27/28 LV 30% CV 70%	28/29 LV 20% CV 80%	29/30 LV 10% CV 90%	30/31 LV 0% CV 100%
Bay of Islands / Whangaroa												
Kāeo	124,073	350,669	1,947	2,080	2,179	2,542	2,717	2,917	3,057	3,192	3,358	3,533
Kawakawa	55,078	260,278	1,485	1,618	1,720	2,077	2,253	2,459	2,606	2,742	2,911	3,098
Moerewa	25,018	155,845	1,257	1,364	1,441	1,765	1,910	2,087	2,205	2,302	2,433	2,591
Kerikeri	271,289	672,475	2,992	3,175	3,322	3,757	3,992	4,244	4,431	4,641	4,879	5,097
Paihia / Ōpua	269,586	536,099	2,949	3,079	3,170	3,543	3,712	3,899	4,019	4,150	4,307	4,452
Russell	459,847	726,987	4,198	4,304	4,363	4,724	4,863	5,006	5,075	5,171	5,285	5,362
Whangaroa	231,156	449,623	2,657	2,773	2,851	3,203	3,356	3,528	3,635	3,745	3,882	4,014
Kaikohe / Hokianga												
Kaikohe	62,337	191,881	1,521	1,654	1,723	2,059	2,193	2,371	2,483	2,572	2,695	2,834
Kohukohu	116,092	246,834	1,879	2,006	2,067	2,399	2,525	2,691	2,790	2,869	2,980	3,101
Ōkaihau	112,153	274,026	1,844	1,620	1,681	1,844	1,938	2,050	2,788	2,225	2,329	2,410
Ōpononi / Ōmāpere	166,928	296,354	2,217	2,337	2,389	2,717	2,834	2,988	3,072	3,141	3,240	3,342
Rāwene	109,156	269,546	1,844	1,984	2,058	2,404	2,545	2,728	2,843	2,941	3,072	3,211
Te Hiku												
Ahipara	182,076	362,003	2,266	2,567	2,483	2,824	2,969	3,135	3,237	3,330	3,460	3,435
Kaitāia / Awanui	72,063	235,871	1,528	1,836	1,764	2,104	2,260	2,443	2,566	2,671	2,814	2,822
East Coast Bays	228,892	477,564	2,604	2,926	2,862	3,232	3,403	3,591	3,715	3,840	3,998	3,997
Hihi	233,844	420,457	2,613	2,910	2,820	3,161	3,301	3,458	3,549	3,637	3,756	3,719
Rangiputa	194,010	347,294	2,336	2,625	2,528	2,855	2,986	3,135	3,221	3,296	3,404	3,364
Whatuwhiwhi	194,010	347,294	2,336	2,625	2,528	2,855	2,986	3,135	3,221	3,296	3,404	3,364

Note: The percentages indicated below the years represent the gradual transition from LV to CV

He mea kē atu kia whai whakaaro pea
Other things that might be of interest

Fees and charges

Every year we review and adjust our fees and charges for the following year. When we are developing a Long Term Plan we adjust them only for the first year. In most cases, any increases are limited to the Local Government Cost Index, the inflation factor used by Councils. Exceptions are highlighted in the full schedule of Fees and Charges.

Significance and engagement policy

For every decision that Council makes, we need to determine how important, or significant, it is to our community. We look at a number of factors, including who is affected by or interested in the decision, how the decision may impact Levels of Service, and what the costs will be.

These factors help us to work out how to engage with the community, i.e. whether to involve the community in making the decision, ask for community feedback on the decision, or simply tell the community what is happening.

We are proposing a revised policy that is more reflective of best practice and is easier to read. If adopted, it may affect how we engage with you in the future, so we would like to know what you think.

Rating policies

Rating policies have been reviewed and some minor operational changes made to ensure policies can be applied as intended. No new policies have been introduced and the Wastewater Charges on Government funded subsidy schemes policy is proposed to be revoked as this is now covered by Councils' Accounting Policies.

To access these documents online go to www.fndc.govt.nz/ltp2021-31

He arotake whakawhiti whakaaro
Audit opinion





Mate kai pānui tonu?
Want more information?

Copies of the Consultation Document can be picked up from Council service centres and libraries in Kaikohe, Kaitāia, Kāeo, Kawakawa, Kerikeri, Paihia and Rāwene.

Supporting information to this Consultation Document and other items being consulted on can be found on our website: www.fndc.govt.nz/ltp2021-31

- Forecast financial statements and COVID-19 statement
- Forecast funding impact statements (whole of council)
- Forecast reserve funds
- Policies (accounting, revenue and finance, rating relief, significance and engagement, treasury)
- Proposed capital works programme and achieveability statement
- Proposed significant forecasting assumptions
- Proposed funding impact statement (rates)
- Proposed 10-year financial strategy
- Proposed 30-year infrastructure strategy

Māmā noa iho te whakapā mai!
Making a submission is easy!



Drop by our roadshow

During March we will be be doing a roadshow around the District to answer questions and we welcome your feedback in person. Details about when we'll be in an area near you can be found on our website: www.fndc.govt.nz/ltp2021-31



Complete your feedback online

www.fndc.govt.nz/ltp2021-31



Post it

LTP2021-31 submissions, Far North District Council, Private Bag 752, Kaikohe 0440



Email it

submissions@fndc.govt.nz



Deliver it

Drop it in to any one of our services centres, libraries, or Kaikohe head office

Your feedback must be received by 4:30 pm on Tuesday 6 April 2021

OFFICE USE ONLY

Te Pai Tawhiti | Long Term Plan 2021-31
Submission form

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

Māmā noa iho te whakapā mai! | Making a submission is easy!

You can also submit online at www.fndc.govt.nz/ltp2021-31 if you prefer. If you need more space than is provided on this form, please feel free to write on extra pages. If you have extra information you would like council to consider, please attach it to your submission.

SECTION 1: YOUR DETAILS

Please print clearly

First Name		Surname	
Organisation (if applicable)		Position	
Postal address			
		Post code	
Nearest town			
Email address			

(If you give us your email address we will use this to contact you about submissions, unless you tell us otherwise)

Phone number	

Would you like us to notify you about future consultations? Yes ☐ No ☐

SECTION 2: DO YOU WANT TO TALK TO THE COUNCIL IN PERSON?

Council will be holding formal hearings in Kaitāia, Kerikeri and Kaikohe from the 16-20 April 2021. If you tick 'yes' we will be in touch to arrange a date and time.

Privacy Statement – Please be aware when providing personal information that this submission form is part of the public consultation process for the Long Term Plan 2021-31. As such, all submissions, any summaries of submissions, and attached documents are copied and made available to Elected Members as well as the public, as part of the consultation process. Your submission and name will not be treated as confidential unless you specifically request it.

☐ Please tick if you want us to keep your name confidential

SUBMISSIONS CLOSE AT 4:30 PM ON TUESDAY 6 APRIL 2021

Post it
Submissions – LTP2021-31
Far North District Council
Private Bag 752
Kaikohe 0440



Deliver it
hand it in to any Council service centre or library

HE WHENUA RANGATIRA
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING

SECTION 3: TELL US WHAT YOU THINK

Please read our consultation document and any supporting information.

You can find both on our website: www.fndc.govt.nz/ltp2021-31

Do you agree with the changes to providing fairer and simpler rates	*please tick one box*
1. Change the rating system	☐
2. Don't change the rating system	☐

Any reasons: *(giving reasons for your view helps us better understand your submission)*

Which option do you think will work best for our 147 Housing for the elderly units?	*please tick one box*
1. We continue to own and maintain the units	☐
2. We continue to own the units but the management would be outsourced to another party	☐
3. We continue to own the units but form a partnership with an existing registered community housing provider to manage and maintain the units on Council's behalf	☐
4. Council fully transition its Housing for the Elderly units to another party or parties with strict requirements such as protection of existing tenant arrangements and the number of units is maintained or increased over time (Council's preferred option)	☐

Any reasons: *(giving reasons for your view helps us better understand your submission)*

Do you support councils preferred option to enable sustainable economic development?	*please tick one box*
1. We don't become a shareholder and don't contribute any additional funds	☐
2. We do become a shareholder and contribute to the wider Investment and Growth Reserve Fund (Councils' preferred option)	☐

Any reasons: *(giving reasons for your view helps us better understand your submission)*

SUBMISSIONS CLOSE AT 4:30 PM ON TUESDAY 6 APRIL 2021

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki



HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

HE WHENUA RANGATIRA
A DISTRICT OF SUSTAINABLE PROSPERITY & WELL-BEING

WHAKAPĀ MAI | CONTACT US

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

www.fndc.govt.nz
Helpdesk Telephone (09) 401 5200
Freephone 0800 920 029

Postal Address
Far North District Council
Private Bag 752
Memorial Ave
Kaikohe

Headquarters
Far North District Council
5 Memorial Ave
Kaikohe

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Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

LONG TERM PLAN 2031-31

Significant Forecasting Assumptions

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
General assumptions				
District growth: Population statistics have been sourced from Statistics New Zealand here. The population of the Far North is estimated at 2020 at 71,000 and is projected to increase at a rate of 0.5% per annum between now and 2043 to an estimated population of 78,000. Growth is expected to be isolated to larger urban areas, particularly Kaitaia, Kaikohe, Kerikeri and Paihia, and the Doubtless Bay area. The population structure of the Far North is likely to change over the next 30 years, with the over 65 age group becoming a dominant demographic. This is likely to be the result of longer life expectancy and the baby boom generation reaching retirement. Demographic changes will occur slowly over time, so we are unlikely to see any great change in expectation from our communities within the next 10 years as a result. Deprivation levels throughout the District are expected to remain unchanged from current levels. Council has used .id as a basis for deprivation mapping across our District. For a description of how deprivation is measured go to www.profile.idnz.co.nz/far-north/deprivation-index. The map of deprivation in the Far North is at www.atlas.idnz.co.nz/far-north. From Map Selector choose income and well-being then deprivation index.	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Climate change: Climate change projections are assumed to align with IPCC RCP 8.5 projections from the fifth IPCC report (2018). IPCC projections are expected to be updated in 2022 at which time FNDC and the regional adaptation working group will realign plans. In the meantime, Northland assumes the following effects: • drought frequency will increase by 10% • sea levels will continue to rise, increasing the risk from coastal hazards • Rainfall will vary locally. The largest changes will be for particular seasons rather than annually. For example, spring rainfall is expected to decrease in Kaitaia • Northland is not expected to experience a significant change in the frequency of extreme rainy days as a result of climate change. In fact, it is likely to experience a decrease in daily extreme rainfall by 2090 under the highest emissions scenario (RCP 8.5) • Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is also likely. Council is not expecting to see significant impacts in the next 10 years, but we recognise the need to do some very long range planning. To that end, Council is developing a sustainable district strategy to identify where issues are likely to arise, when those issues will arise and what we need to do. A Climate Change roadmap was adopted by Council in 2020, and FNDC continues to be a member of the regional Climate Change Adaptation working group.	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Security of water supply: Water shortages due to drought conditions over the past two summers will continue to be addressed in collaboration with the Government. Projects to establish secure water storage assets are advanced, and Council assumes ongoing governmental funding assistance.	Medium	Not applicable	Medium	Not applicable
COVID-19: Infometrics economists report that the Northland economy in general remains resilient in the face of COVID-19, with the highest annual increase in spending across New Zealand for the month of January 2021 so far. Regional spending so far in 2021 is up 3.4% per annum on average from a year earlier. Council continues to maintain a sound understanding of the economic impacts of the COVID-19 pandemic. In the short to medium term Council assumes that Northland (and therefore the Far North) will remain one of the most resilient regions in the country.	Medium	Not applicable	Medium	Not applicable
Legislative changes: Legislation and / or other regulations relating to Council activities will remain largely the same over the life of this LTP, although it is possible that the Local Government (Rating of Whenua Maori) Amendment Bill will be successful in its transition through Parliament in 2021. The Bill will make unused, unoccupied Maori Freehold Land non-rateable. The total land value that this could apply to is $291,212,400 or 44% of the land value attributed to Maori Freehold Land. Should this happen, relevant policies and plans will be revised to ensure compliance.	Medium	Not applicable	Medium	Not applicable
Building activity: Council estimates building activity to remain at a constant level for the early part of the LTP and then reduce, with approximately 360 new dwellings being expected to be constructed each year for the first three years reducing to 250 per year for the remainder of the plan.	Low	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Subdivisions: Council estimates subdivision activity to result in an annual increase in rateable properties of 0.5% in year 2 reducing to 0.3% in year 10. There are currently over 7,000 undeveloped residential and lifestyle blocks and these will accommodate growth within the District over the life of the plan.	Low	Not applicable	Low	Not applicable.
Rating base: The number of properties we receive rates from is conservatively expected to increase by approximately 0.5% in year 2 and 3 decreasing to 0.3% in year 10. The total number of units over the 10 years is predicted to increase by 1,337 units.	Medium	Not applicable	Medium	Not applicable

Area	2021-22	2030-31
District	38,737	40,074

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Inflation: Future cost increases align with BERL forecasts published in October 2020, retrieved from www.solgm.co.nz/assets/BERL-	Medium	Not applicable	High	If inflation is 0.5% higher than forecast in 2020/21, this will increase the cost of goods and services by $397,634. If inflation is 0.5% higher than forecast in every year of this plan the cost of goods and services would increase by $3,651,457over the 10 years of this plan
Levels of Service: Levels of Service will remain static for the period of the LTP. Council is investing in work that maintains its ability to deliver the level of service to the Community (for example, meeting 3 water standards or creating resilience) and this work is deemed not to be renewal related investment.	Low	Not applicable	Low	Not applicable
Resource consents: The requirements of future resource consents will be in line with current expected environmental standards.	Medium	Not applicable	Medium	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Expenditure assumptions				
Interest rates: Expected interest rates vary from 2.2% in year one to 1.5% in year 10, and the average 'cost of borrowing' for the period is 1.6%.	High	Interest rate risk exposure is managed through long term swaps and forward rate cover.	High	A 0.5% movement in interest will affect operating budgets by +/- $552,995 in 2021/22. If the rates move by 0.5% for every year of the plan, the effect on operating budgets would be +/- $11,628,687 (over the 10 years of the plan).
Unfunded depreciation: Council does not fund depreciation on transportation assets to the extent that NZTA funds renewals. The current subsidy rate is 69%. Council has decided to not fund 24% of strategic asset depreciation for the first three years of the plan and then to scale back to 100% over the next 10 years.	Low	Not applicable	Low	Not applicable
Capital borrowings: Borrowings for capital expenditure are assumed to be repaid over 20 years.	Medium	Not applicable	Low	Not applicable

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
Capital achievability: The capital works programme is considered to be achievable in the timeframe stated. Usual delays, such as consenting and weather, have been factored into timeframes and phasing. Wherever possible, works are based on known asset condition and have been prioritised to ensure critical assets are renewed on time. Where asset condition is uncertain the best information available has been used. Timing of renewals programmes reflects the expected delivery of asset condition assessment (i.e. increased certainty of condition information over time). Council expects a minimal number of projects carried forward due to delays.	Medium	Not applicable	High	A 20% shift in 3 water renewals from year 1 of the plan to year 2 would be equal to $1.4m. If year 2 of the plan had to then be flexed by 20% to accommodate the movement, the impact on year 2 would be $152k.

Assumption	Level of financial risk	Impact for high risk assumptions	Level of uncertainty	Financial impact for assumption with high level of uncertainty
NZTA funding: NZ Transport Agency requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.	High	The recent change in Government will result in a Government Policy Statement that reduces the amount of subsidy provided.	High	Variations in subsidy rates will increase / decrease Council subsidy revenue. This may necessitate Council to review and amend its roading programme.

Revenue assumptions				
Subsidies: Council will apply for and receive Government subsidies for applicable projects. Any shortfall in funding from what was applied for would see a reduction/reprioritisation in the capital projects and subsequent reduction in Council's subsidy funding.	High	Council may not receive the funding or receive a lesser amount resulting in Council being unable to deliver the project as planned, including the requirement of additional consultation with affected stakeholders.	High	If external funds are not received, Council will consider rescheduling other projects to allow the original project to proceed without the subsidy, or explore alternative cost-effective and affordable options. Costs to the ratepayer will be subject to consultation as required.
Funding sources: Future replacement of significant assets is assumed to be funded in line with the Revenue and Financing Policy.	Low	Not applicable	Low	Not applicable
User fees: Increases are based on expected cost increases (inflation). This is expected to be sufficient for funding purposes.	Low	Not applicable	Low	Not applicable

Far North Holdings Limited (FNHL): It is assumed that Council will receive dividends from FNHL throughout the term of the plan and that the business of FNHL will not significantly change.	Medium	Council may not receive the level of dividend expected due to unforeseen economic impacts	Medium	If an economic shock, such as COVID-19, occurs then FNHL will amend the dividend payment to council. This could result in reduced income in the year and may require an amendment to future year plans
Development contributions: In 2015 Council resolved to suspend Development Contribution charges in light of the economic downturn. No decision has been made to re-commence the charging of Development Contributions for the term of this LTP, and therefore no income from source is assumed.	Low	Not applicable	Low	Not applicable

Asset assumptions				
Useful lives: Depreciation rates for each asset group have been calculated using rates included in the Accounting Policies. Depreciation rates are based on the expected useful life analysis performed by registered valuers in line with the requirements of Accounting Standards. Renewal of assets is based on a mixture of condition and operational indicators, being maintenance and repair data, and Council has confidence that it will achieve the renewal works in line with the timeframes in this plan.	Medium	Not applicable	Medium	Not applicable
Legislated reform of Three Waters services: FNDC will continue to collaborate with the Crown on the reform programme for the ongoing provision of water, wastewater and stormwater services that was introduced to local authorities in 2020. Draft legislation is expected to be out for public consultation in late 2021. Local authorities have been advised that any substantive change will not occur before the 2023/24 financial year. While we are anticipating that there will be change to the ownership and delivery of three waters in the next ten years, we are not able to say with certainty what those changes will be. This LTP has been developed on the basis that it is business as usual for the delivery of three waters, but that change is very likely over the mid-term (3-5 years).	Medium	Not applicable	Low	Not applicable
Asset lifecycle: Lifecycles of significant assets, including underground assets, are optimised to strike the best balance between maintenance, operations and renewals costs.	Medium	Not applicable	Medium	Not applicable
Asset age: Council has previously used asset age is an effective proxy for the condition of an asset. In the current plan, condition information has been used alongside operational information from asset managers to determine a priority for renewal of assets. A programme of work is in place to increase the level of asset condition information to provide a basis for future planning.	Medium	Not applicable	Medium	Not applicable

Infrastructure asset revaluations: An assumption has been made that revaluation of infrastructure assets will continue to occur as follows: • roading and maritime assets - annually • remainder of assets – biannually, with water and wastewater one year and District Facilities the next.	Medium	Not applicable	Medium	Not applicable
Forestry assets: An assumption has been made that forestry assets will be held for the duration of the plan and no harvesting will take place.	Low	Not applicable	Low	Not applicable
Liability assumptions				
Borrowings: It is assumed that Council will have the facilities to secure funding as required throughout the term of this LTP.	Low	Not applicable	Low	Not applicable
Other assumptions				
Northern Transportation Alliance (NTA): A shared services agreement between four Northland councils (Kaipara, Far North, Northland Regional and Whangarei) and the NZ Transport Agency (NZTA) was established in 2016. The activities of the NTA attract subsidy on subsidised projects. Council has made provision for gaining subsidy on NTA activities for these subsidised projects throughout the term of this LTP.	Low	Not applicable	Low	Not applicable
Strategic assets: Council has not planned for the disposal or transfer of ownership of any strategic assets during the term of this LTP, although it is consulting the public on the divestment of its Housing for the Elderly portfolio	Low	Not applicable	Low	Not applicable
Currency movement: Council does not have any significant exposure to currency movements and consequently has not specifically taken them into account.	Low	Not applicable	Low	Not applicable
Emissions trading scheme (ETS): Council covers its liability for carbon emissions through fees and charges. Council has assumed no changes to carbon credit prices during the term of this LTP.	Low	Not applicable	Low	Not applicable

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

LONG TERM PLAN 2021 - 31

Financial Strategy

THIS STRATEGY AIMS TO:

- Achieve a balanced budget each year, ensuring that projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
- Moderate the impact of funding depreciation on strategic assets
- Include the impact of Economic Stimulus and Employment Opportunity (ESEO) Crown-funded projects
- Ensure that no more than 90% of revenue will come from rates, with the balance coming from other sources such as subsidies from Government agencies including the New Zealand Transport Agency, and user fees and charges
- Limit annual overall rates increases to inflation (Local Government Cost Index) plus 3.5%
- Limit net debt to no more than 175% of total annual revenue
- Council's approved borrowing ceiling is 175% of revenue. Council has planned to cap external debt at a level no higher than $152 million at the end of the 2030-31 financial year
- Maintain interest costs at less than 10% of rates revenue.

Council has, over the past several years, taken stock of gaps in services and infrastructure following a period where maintenance and operational spending was cut, and new capital projects curtailed in response to the global financial crisis. This resulted in a decline in asset condition and internal capacity to plan for and manage those assets that the District is still recovering from.

The 2018 Financial Strategy recognised that a step change in the quality of asset management, maintenance and planning is required to ensure sustainable provision of service now and into the future. The 2018-28 Long Term Plan therefore allocated significant resources to an initiative known as Programme Darwin. Programme Darwin is underway and is expected to continue over the first two years of the 2021-31 Long Term Plan.

Programme Darwin is about evolving asset management so that Council has an enterprise-wide view (ie. from strategy to operation) of how we manage the assets we own. The intention of Programme Darwin is to move Council from reactive asset management and into proactive asset management. This will be done by:

- Implementing an asset management system that will integrate with our other core systems
- Analysing the data in the system to provide better information to decision makers so that we make the best financial decisions and ensure better outcomes for our communities
- Having an asset condition programme, so our assets are regularly inspected, and we know how our assets are functioning at any point in time
- Delivering a Living Asset Management Plan which is easy to navigate, uses real time data and informs the plans for our assets
- Establishing an enterprise management culture, where roles and responsibilities regarding assets are clear across the organisation.

THE APPROACH FOR THE 2021 FINANCIAL STRATEGY IS TO:

- Acknowledge the current and likely future financial disruption caused by the Covid-19 pandemic and to plan in such a way as to encourage and assist economic recovery across the District and the Northland region
- Recognise the financial implications of climate change and sea level rise in planning decisions, and provide sufficient funding to local and regional adaptation initiatives
- Work alongside local, regional and national partners to deliver infrastructure projects that intended to stimulate the economy and create jobs
- Engage with the government on the development of a three waters reform process that will provide high quality services for our communities
- Adequately fund the development of long-term resilient and secure water supply and storage facilities, and short-term or temporary strategies to assist the District to be more resilient should drought conditions arise.
- Continue to invest in the continuous improvement of core processes and tools to enhance infrastructure and service investment decisions and delivery in the short, medium and long-term
- Protect past investment in assets by using key decision criteria that weights capital renewal projects ahead of initiatives to increase levels of service or provide additional capacity for growth
- Replace or renew infrastructure assets where it is reasonable and economic to do so, acknowledging that as we move through our programme of asset condition assessments the renewals proposed in this LTP for the 3 waters assets are based on a hybrid model. This model uses condition and maintenance information where it is available rather than age as an indicator for renewal. Transport asset renewals are based on condition as that information is more readily available and has a high degree of accuracy.
- Maintain the core services we currently provide as cost-effectively and efficiently as possible, ensuring that finding operational efficiencies remains of paramount importance
- Continue to use the method of funding the net depreciation value to provide for renewals. Once condition and capacity data is reliably available from Programme Darwin, Council will consider the future funding of renewals using rates and borrowing in place of funding depreciation
- Use borrowing to spread the cost of new capital expenditure over time to ensure that the cost of infrastructure today is spread equitably between the ratepayers of today and tomorrow.

FINANCIAL STRATEGY – TOWARDS SUSTAINABILITY, AFFORDABILITY AND ECONOMIC RECOVERY

The overall focus of our Financial Strategy is financial sustainability, affordability and economic recovery within the context of community wellbeing.

The change of purpose for Local Government in May 2019, re-introduced the obligation on councils to promote the social, economic, environmental and cultural well-being of their communities.

To the Far North, taking a sustainable development approach means that our commitments to deliver infrastructure and services are funded in a way that is affordable for the community and that meet Council's obligation to be effective stewards of the District's assets now and into the future. Council has a good understanding of how its daily business contributes to and promotes community wellbeing, and as part of the work programme for the next 10 years will seek to more strongly embed the checks and balances that help Council to enhance and protect community wellbeing in decision-making and daily business.

In developing this Financial Strategy, Council reflected on several challenges the District faces:

- The security and resilience of water supply and storage
- Sustainable economic development, particularly in the wake of the Covid-19 pandemic
- Better asset management leading to enhanced delivery of core infrastructure

- Adaptation to the effects of climate change and sea level rise on communities and infrastructure
- Deepening sense of place and connection in the many communities, towns and settlements across the District
- Providing infrastructure and services in a way that is affordable to the District's ratepayers.

These challenges form the strategic priorities for the next 10 years. Although we recognise that it may not be possible to resolve all of these issues, and that progress is likely to be lengthy, Council commits to appropriately prioritised work programmes, careful decision-making and collaboration across all district and regional partners and stakeholders, and residents and ratepayers.

Where possible, this Strategy ensures that:

- Revenues are sufficient to cover expenses (we have balanced our budget every year)
- Current service level targets are achievable within the funding envelope
- Subsidies and grants are used effectively to complete projects that benefit the community
- Funding allows for major capital projects the community wants, within reason
- The needs of current and future ratepayers have been considered.

Council acknowledges that:

- There will be economic disruption in our communities for at least 12 months as the impacts of Covid-19 become evident and that the community will need Council's assistance to navigate the short and medium term
- With affordability a big issue for many, ratepayers cannot afford continuing escalating costs
- The cost of providing services will not reduce without significant intervention
- Council will need to continue to make difficult trade-off decisions, compromise on delivering 'nice to haves' to ensure essential services are provided and costs are kept down
- Council will have to balance the affordability and prudence of increasing debt levels. Too much debt now could compromise future development projects.

Although we acknowledge that there is a lot of work to be done, we consider this Strategy to be a solid starting position, and prudent given our current situation.

FUNDING SOURCES

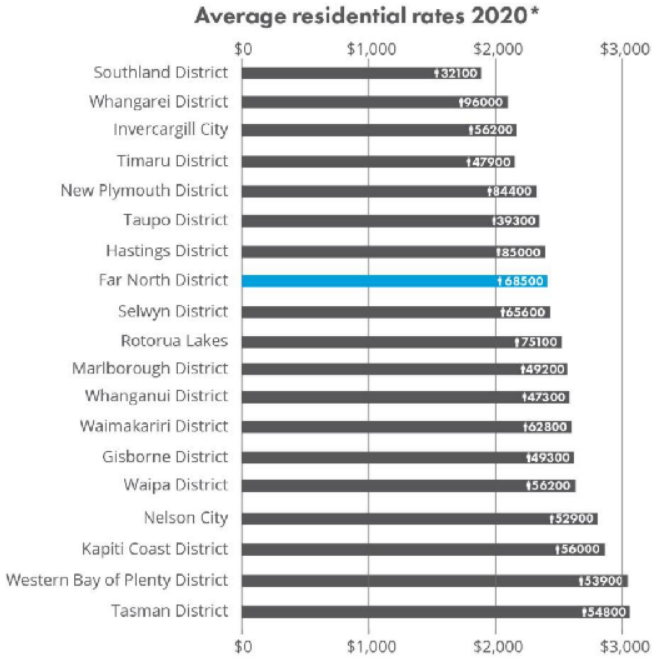
Council's main source of funding is from rates. While we try to maximise Government subsidies and grants and have adopted a 'user pays' policy (exercised through targeted rates and consumption and user charges), for many services and assets the bulk is funded by rates.

It has long been acknowledged that rates in general in New Zealand are high; the table below shows how we compared in 2019.

Average residential rates*

Far North District	Average for provincial councils	National average
$2,428	$2,258	$2,445

*Average residential rates include compulsory user charges (such as water)
Source: New Zealand Taxpayers Union Report 2020 (www.taxpayers.org.nz)



*Average residential rates include compulsory user charges (such as water)
Source: New Zealand Taxpayers Union Report 2020 (www.taxpayers.org.nz)

Rates review

Since the last local body election, Council has reviewed its rates structure, and recently carried out soft consultation to see if there is an appetite by the community for changes to improve fairness and equity across the District. 230 submissions to the online survey were received. The survey sought feedback on several potential rating changes:

- Maintaining the current ward (targeted) rate for Kaikohe-Hokianga, Te Hiku and Bay of Islands-Whangaroa wards
- Increasing the urban stormwater targeted rate to better cover costs
- Consult on changing the targeted water and wastewater rates to a district wide rate and include a small 'public good' charge.
- Reduce the availability charge by 40% for those who could connect to a reticulated system but choose not to
- Reduce the commercial differential from 2.75 to 1.75
- Transition over the next 10 years to capital value as the basis for calculating the general rate.
- Disestablish uniform charges (the uniform annual general charge and the roading uniform charge)
- Remove the current roading targeted rate.



The outcome of the survey showed that many ratepayers supported a change in rates but were undecided about what part of the rating system should change. This is likely linked to the complexity of rates in general. Council has decided to consult on the above changes as part of the 2021-31 Long Term Plan.

Current rates

General rates

General rates are currently made up of two elements: a Uniform Annual General Charge (UAGC), which is a fixed amount that is charged for all Separately Used or Inhabited Parts of a rating unit (SUIPs), and a 'rate in the dollar' amount which is based on the land value of each rateable unit.

As a result of consultation

Council may decide to remove the UAGC portion of the general rate. This means that funds previously collected through the UAGC would need to be collected through the general rate itself.

Targeted rates

Targeted rates include operating and a combination of capital and operating rates. Council has several targeted rates, including:

Ward rates

Council levies a targeted rate to all SUIPs in each ward to fund urban, recreational and other local services and activities within the ward. The ward rate is set on a differential basis according to the ward in which the rating unit is located:

Bay of Islands-Whangaroa	47%
Kaikohe-Hokianga	24%
Te Hiku	29%

Council is not proposing a change to ward rates

This means that the ward rate is likely to continue to be calculated the same way it always has been, which is each ward's percentage share of operating costs (for those services funded by the rate) divided by the number of each rated unit in the ward.

Roading rates

Consisting of two elements: a UAGC, which is a fixed amount charged for all SUIPs, and a 'rate in the dollar' amount, which is based on the land value of each rateable unit, with differentials as follows:

	Residential	29%			Dairy	7%
	Lifestyle	20%			Horticulture	1%
	Commercial	7%			Forestry	13%
	Industrial	2%			Mining/quarry	4%
	Farming General	16%			Other	1%

As a result of consultation

Council may decide to remove the entire roading rate, including its uniform charge. This means that funds previously collected through the roading rate would need to be collected through the general rate.

Stormwater rates

Council levies a stormwater rate to fund specific stormwater capital developments within urban areas across the District. All urban ratepayers are levied this rate, with commercial are charged a differential of 2 (meaning that they are charged twice as much for stormwater as are other rating categories).

Urban areas subject to the stormwater rate are:

Ahipara	Haruru Falls	Kaikohe	Kawakawa
Awanui	Hihi	Kaimaumau	Karikari Communities
East Coast	Houhora / Pukenui	Kaitaia	Kerikeri / Waipapa
Kohukohu	Okaihau	Paihia / Te Haumi	Taupo Bay
Moerewa	Opononi / Omapere	Rawene	Tauranga Bay
Ngawha	Opua / Okiato	Russell	Whangaroa / Kaeo

As a result of consultation

Council may decide to target 90% of stormwater charges to urban areas based on Capital value with the remaining 10% being charged district wide based on land value

Sewerage rates

Council's policy on funding wastewater infrastructure is that each scheme must pay its own capital costs.

To ensure this, we levy two targeted rates that fund the provision and availability of sewerage services from each of the District's 16 sewerage schemes:

- Capital rate: Each scheme has a targeted rate to fund capital costs (interest and depreciation) levied against all properties (SUIPs) connected to the scheme or properties where connection to the scheme is available.
- Operational rate: Operating costs for all schemes are charged district-wide to all properties (SUIPs) connected to any Council wastewater scheme.

Council also imposes a pan change on any property (SUIP) with more than three toilets (pans). This is a flat fee per additional pan.

Council may change the targeted wastewater rates to a district wide rate and is suggesting that the availability rate be lowered

This means that the current capital and operational rates for each scheme will be apportioned across all those who are connected to (or could be connected to) the scheme and the availability rate may be reduced by 40%.

Water rates and charges

As for wastewater, Council's policy on funding water infrastructure is that each scheme must pay its own costs.

Capital costs are funded through a targeted rate levied on all properties connected to (or capable of being connected to) a Council water scheme. Capital costs consist of interest and depreciation.

Operational costs for each scheme, however, are funded through a per cubic metre volumetric charge which is determined by meter or an assumed amount for those who do not have a meter.

Council may change the targeted water rates to a district wide rate but as for wastewater it is suggesting that the availability rate be lowered

This means that the current capital rate will be apportioned across the district and the cubic metre charge will continue to be levied to those who are connected to (or could be connected to) the scheme, the availability rate may be reduced by 40%.

Targeted improvement rates

We levy several targeted rates to fund improvement projects that have been requested across the District:

- Paihia Central Business District Development: used to fund Paihia central business area improvements. The rate is charged per SUIP in the area defined (see Council's Funding Impact Statement for more details). The rate is set on a differential basis, with all rating units assessed as commercial being charged a differential of 3 (300%) on the general differential.
- Kaitaia Business Improvement Development (BID): Allows for the Kaitaia Business Association to undertake improvement works in the Kaitaia business area. The rate is set on land value and is charged to commercial rating units in Kaitaia.
- Bay of Islands Recreation: This is a targeted rate to provide funding for an operational grant to support the Bay of Islands Recreation Centre in Kawakawa. The Centre (formerly the ASB Recreation Centre) was built by the community on Ministry of Education land at Bay of Islands College in the 1970s and was initially run by a community trust that was wound up in 2004. Since then, Sports Northland has managed and maintained the centre which has a heated pool, squash court, fitness centre and gym and is used by about 33,000 people a year.

Private roading contributions

Council's Community-Initiated Infrastructure Roading Contribution policy provides a mechanism for residents to co-fund the sealing of their unsealed road (or part thereof). Provided that 75% of affected ratepayers agree, the resident's share is funded through lump sum contributions or targeted rates for a specific area of benefit. The remainder is funded through the general rate.

Increases to rates

Due to the cost of infrastructure and service provision, which continues to rise faster than general inflation, Council assumes that its costs will increase in accordance with the Local Government Cost Index (LGCI). In the

2021-31 Long Term Plan, we intend to increase the general rate beyond the level of inflation, as shown in the table below.

Financial Year ended 30 June	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LGCI	3.6%	2.9%	2.5%	2.5%	2.5%	2.5%	2.6%	2.7%	2.7%	2.6%
Increase (decrease)	1.9%	2.3%	0.3%	3.3%	1.0%	1.1%	0.0%	0.6%	0.8%	-2.3%
Proposed rates increase	5.5%	5.2%	3.2%	5.8%	3.5%	3.6%	2.6%	3.3%	3.5%	0.3%

Forecast rates $m

Financial Year ended 30 June	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Proposed rates $m	$97	$102	$105	$111	$115	$119	$122	$126	$131	$131

The projected number of rateable properties within the District at the end of each proceeding financial year is shown in the table below.

Projected rating base information

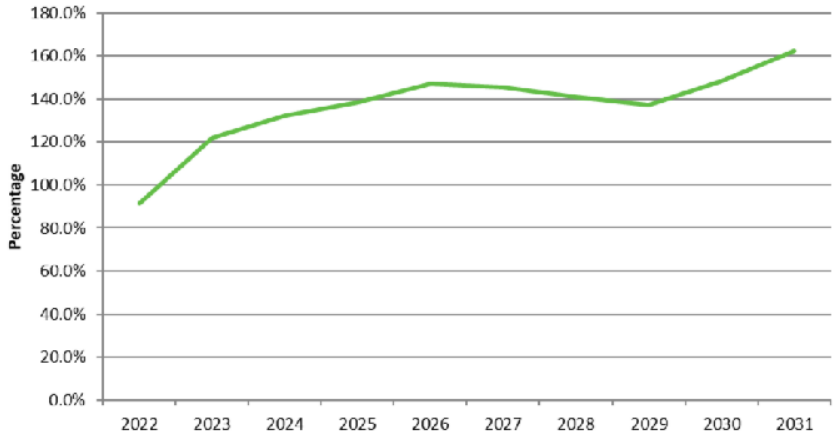
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
38,737	38,785	38,833	38,882	38,931	38,980	39,029	39,078	39,127	39,176

Debt, interest and internal funding

External debt is planned to be $132 million at the end of the first year of this plan but is anticipated trend downwards before increasing again to $98 million at the end of the 2031.

The chart below compares net debt to revenue and shows a decreasing trend over the 10-year period.

Net debt as a % of revenue



Council's intention is to ensure that net debt does not exceed 175% of total income until year 4 of the plan and then does not exceed 280% of revenue from there to the end of the plan. The change is due to the planned

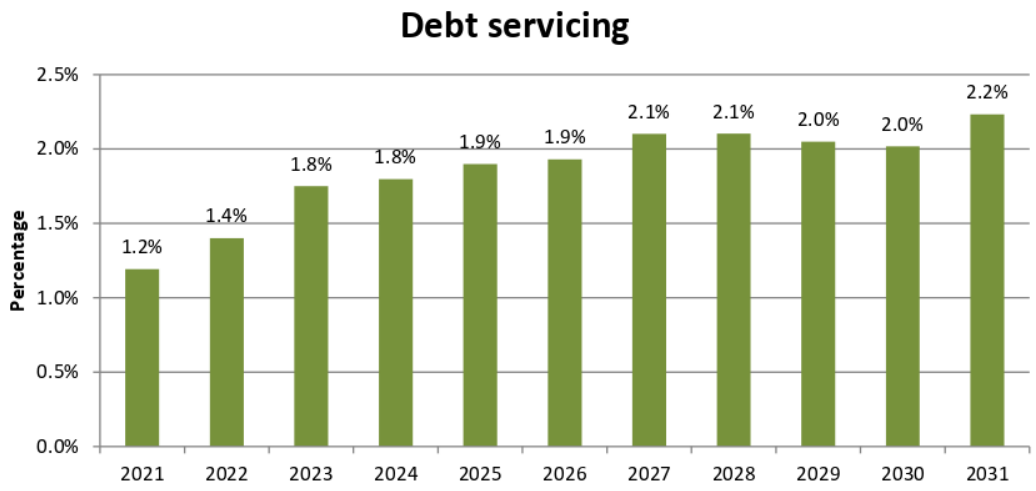
process to obtain a credit rating when debt increases to a level that makes it cost effective. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

Council plans to continue to secure its borrowing and interest rate risk management instruments against rates and rates revenue as this lowers the cost of borrowing.

Council minimises its financing costs as a member of the Local Government Funding Agency (LGFA). This means that we can borrow at better rates than those available through direct lending from trading banks.

The 2021-31 Long Term Plan assumes an interest rate averaging 1.6%.

Interest as a % of revenue



As part of treasury management, Council seeks to reduce overall interest costs by using funds held in reserve. Where Council has a cash surplus, rather than hold funds on deposit and borrowing all funds needed for capital works, reserve funds are used as short-term funding. Internal interest is not charged for this funding.

Fees and charges

Most fees and charges will be adjusted annually to align with the Local Government Cost Index inflation factor (LGCI) which is expected to be relatively stable between 2.6% and 3.6% over the 2021-31 period. In some areas, actual costs will be recovered in accordance with the Revenue and Financing Policy. This may exceed the rate of LGCI. All fees and charges are reviewed annually.

Subsidies

Government subsidies via the New Zealand Transport Agency (NZTA) provide a significant source of funding for our transportation activities. In 2021-22 we expect to receive operating and capital subsidies of $56.7 million, representing 68.9% of the gross cost of both operating and capital expenditure on a wide range of approved items. At the time of completing this Strategy, NZTA had not confirmed the subsidies we will receive.

Crown Infrastructure grants

In response to the economic impact of the Covid-19 pandemic and subsequent lockdowns, Central Government allocated a large amount of funding to local authorities to invest in infrastructure projects that would create jobs and stimulate the economy. The Far North District Council applied for a range of funding from this source and was successful in securing money for the following projects:

Rangitane boat ramp parking
Unahi maritime renewals
Mangonui boardwalk extension
Paihia waterfront storm mitigation - breakwater
Pukenui maritime asset renewals
Bay of Islands sports facilities development
Te Hiku o te Ika revitalisation programme
Lindvart Park pavilion upgrade in Kaikohe

Central Government reform programme for the 'three waters'

Over the past three years, central and local government have been considering solutions to challenges facing delivery of water, wastewater and stormwater services to communities.

This has seen the development of new legislation and the creation of Taumata Arowai, a new water services regulator with the mandate to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing local government water services and infrastructure, and the communities that fund and rely on these services.

There has been underinvestment in what is referred to as 'three waters infrastructure' in parts of the country, and persistent affordability issues in many; along with the need for additional investment to meet improvements in freshwater outcomes, increase resilience with respect to climate change and natural hazards, and enhance community wellbeing.

In July 2020, the Government announced a funding package of $761 million to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, and to support a three-year programme of reform of local government water services delivery arrangements.

The Government has indicated that its starting intention is public multi-regional models for water service delivery to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. There is a preference that entities will be in shared ownership of local authorities. Design of the proposed new arrangements will be informed by discussion with the local government sector.

There is a shared understanding that a partnership approach between Central and Local Government will best support the wider community interests and ensure that any transition to new service delivery arrangements is well managed and as smooth as possible. This has led to the formation of a joint Three Waters Steering Committee to provide oversight and guidance on three waters services delivery and infrastructure reform

Central and Local Government consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy.

Initial funding will be made available immediately to those councils that sign a Memorandum of Understanding (MoU) and associated funding agreement and delivery plan for the first stage of the Three Waters Services Reform Programme. The Far North District Council sign the MOU in August 2020 to enable funds to be received

for the benefit of our communities. This is a non-binding MOU that doesn't in any way commit Council to agreement on future actions. The Government expects to make substantive decisions regarding the level of reform during April/May 2021. Council will be asked to participate in the new service delivery system in late 2021, in the form of an 'opt out' approach. This means that affected councils would be included in one of the new water service delivery entities by default but can decide not to participate (in consultation with their communities). We expect to consult with the community separately to this Long Term Plan on the opt-out decision. For councils that participate in the reform, transfer of responsibilities and assets is likely to occur from 2023/24.

Our community needs three water services regardless of what happens. As such we have included three waters in our financial and infrastructure strategies.

The Reform Programme is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

Development Contributions

In 2003, a Development Contributions policy was introduced to assist with funding new infrastructure that is needed as a result of growth in the District. Over the years, we have invested more than $22 million in providing infrastructure for anticipated developments which would use and pay for this infrastructure. However due to many factors, including the global financial crisis, growth slowed dramatically, and Council decided in 2014 that it was not justifiable to continue to charge Development Contributions.

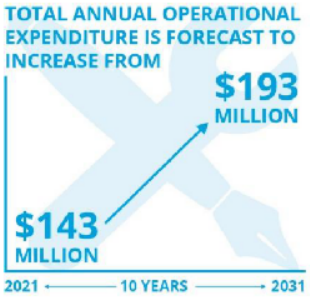
Sustainable growth has again become evident in some locations in the Far North, and to ensure that the implications of growth are funded in a fair and balanced way, Council intends to introduce a new policy and charges as soon as possible. This can only be achieved in concert with Programme Darwin's delivery of core asset capacity and condition data, which will not be available until June 2021, too late to implement a new policy and charges for 1 July 2021.

Given that a Development Contributions policy can only be adopted alongside a Long-Term Plan, Council plans to amend its 2021-31 Long Term Plan in its first year to consult on and adopt a policy for implementation on 1 July 2022.

EXPENDITURE

Note that total operating expenditure is net of remissions which range from $3.6 million to $4.4 million annually over the 10 years of the 2021-31 LTP. This expenditure is netted against rate income.

Operating Expenditure





Above are the forecast levels of operating expenditure and revenue across the 10 years of the Plan. This provides for an operating surplus in every year of the Plan sufficient to balance the budget in accordance with Section 100 of the Local Government Act 2002.

The tables below show the split of total forecast operating costs for each activity and expenditure type for the planning period.

Breakdown by activity

Breakdown by activity	$m	% of Total
Network		
Roading and Footpaths	553,667	32.4%
Wastewater	194,898	11.4%
Stormwater	60,449	3.5%
Solid Waste Management	63,941	3.7%
Water Supply	126,849	7.4%
Total	**999,803**	**58.5%**
Other		
District Facilities	212,984	12.5%
Environmental Management	167,645	9.8%
Governance and Strategy	102,643	6.0%
Customer Services	125,616	7.4%
Strategic Planning and Policy	100,063	5.9%
Total	**708,952**	**41.5%**
Total activity expenditure	**1,708,755**	**100.0%**

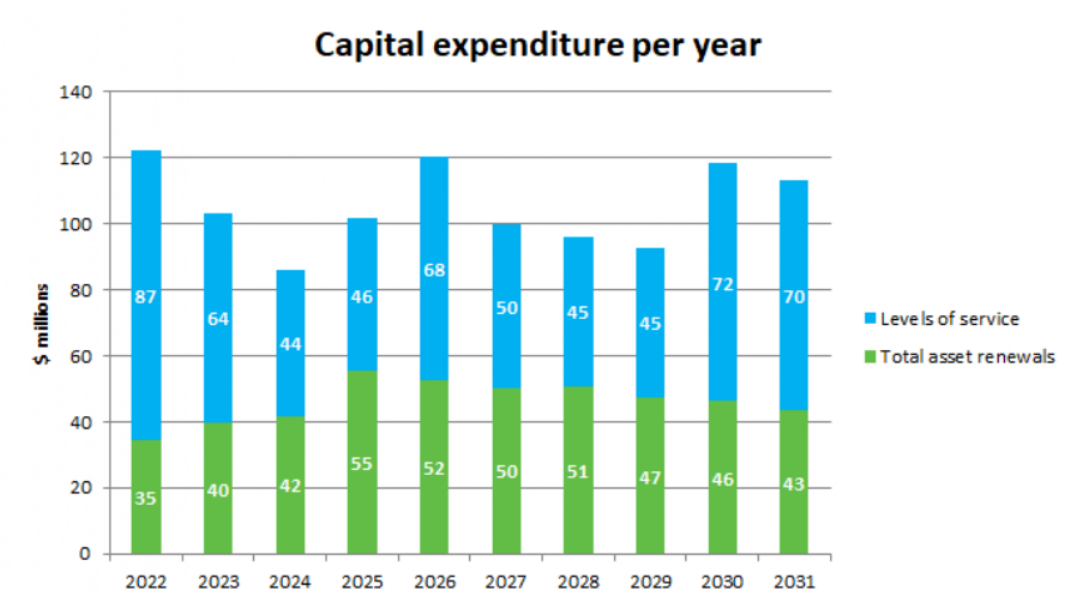
Capital Expenditure

Total annual spend on capital projects ranges from $86 million to $122 million.

Expenditure is funded by:

- a combination of operating surpluses;
- rates collected for depreciation; and
- Government subsidies and debt.

The graph below illustrates planned capital expenditure over the 10 years of the Plan of $1.1 billion. 44% of total expenditure is for the renewal of existing assets, with 56% for improving levels of service.



Council has undertaken a comprehensive review of all funding mechanisms (including rates). We have committed to developing an Asset Management System to ensure that asset information is provided that will allow for improved planning for asset replacement. Until the work required to implement the system has been completed, Council is planning a business-as-usual approach which includes funding depreciation rather than renewals.

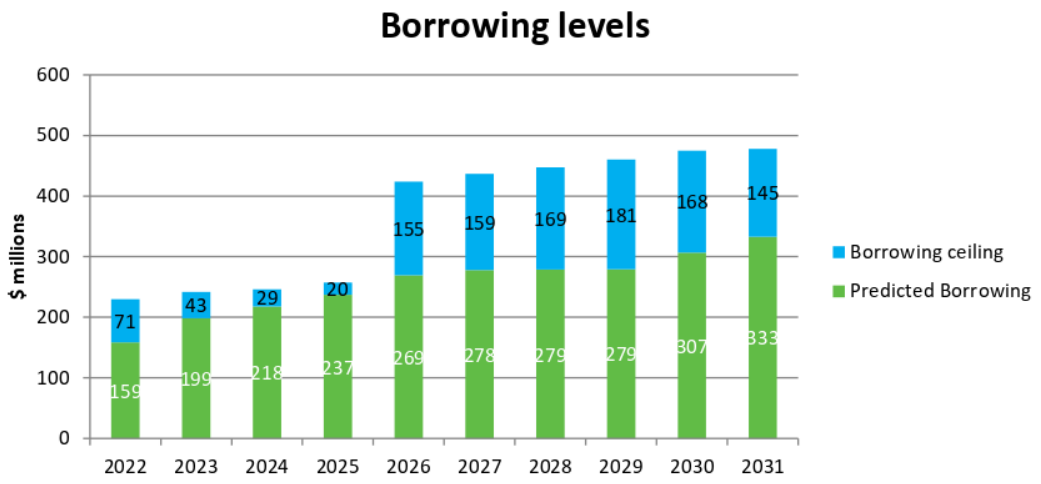
Limiting our capital works programme

Council remains committed to strengthening its capacity and capability to maintain and renew assets, to ensure that the continued provision of effective service now and into the future. This is imperative in proposing a capital works programme that is affordable, realistic and achievable.

Council's commitment to capital works delivery is an average annual programme of $51.9 million in the first 10 years of the plan across network infrastructure groups

Breakdown by activity	$M	Average
Network		
Roading and Footpaths	191,008	
Wastewater	171,774	
Stormwater	41,649	
Solid Waste Management	11,109	
Water Supply	103,122	
Total	**518,662**	**51,866**
Other		
District Facilities	154,960	
Environmental Management	1,008	

Breakdown by activity	$M	Average
Governance and Strategy	28,717	
Customer Services	19,048	
Strategic Planning and Policy	285	
Total	**204,019**	**20,402**
Total activity expenditure	**722,681**	**72,268**



Renewals and depreciation

Council recovers the expense of depreciation through rates. The depreciation expense is determined by spreading the value of the asset being depreciated across its useful remaining life. For complex assets such as a wastewater system, depreciation is calculated for each category of the component parts that make up the complete system, as each category of component asset may have a different useful life.

Council maintains its assets on an annual basis and periodically renews (replaces or overhauls) the assets that make up the component parts of the larger systems so that, generally, the asset is kept in a condition to provide the required level of service over the long term.

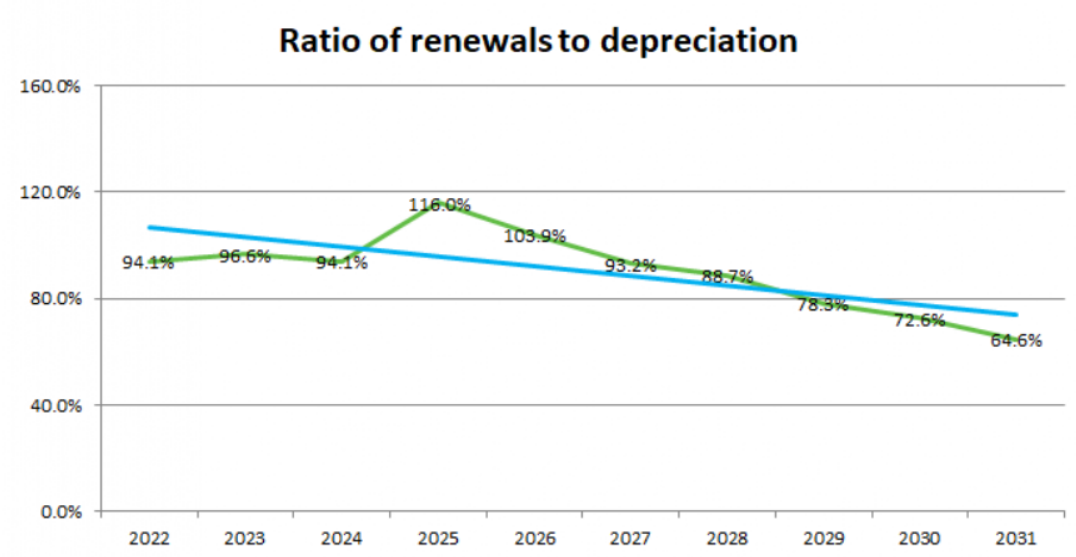
Over the lifetime of our assets, the amount of depreciation charged, and the amount spent on renewals should be equal.

As part of the 2020-21 Annual Plan, Council agreed not to fund 24% of the depreciation charge for strategic assets (predominantly water and wastewater assets) to assist the communities that were facing significant impacts resulting from Covid-19. As part of the 2021-31 LTP, Council will continue to modify the funding policy relating to the rate impact of depreciation for the first three years of the plan. The basis for this is twofold:

1. Programme Darwin is on track to provide asset information on which future renewal of assets can be based. This could see a move away from funding depreciation, to funding renewals through rates and/or borrowing.
2. The economic impact of COVID-19 will continue to be felt by the business community and the targeting of this change to strategic assets will reduce the rate impact for all connected services, including commercial ratepayers, and help to ease the economic downturn resulting from the closure of the boarders to offshore travellers.

Renewals to depreciation

The below chart shows the average ratio of renewals to depreciation is expected to be 98.4% for the 10 years of this Plan.



Capital expenditure by activity type is allocated as shown in the table below. This shows that over the 10-year period 78.4% of capital expenditure is focussed on network infrastructure. It is also recognised that our community facilities such as playgrounds and reserves are important to our District promoting the vision of Creating Great Places, Supporting Our People. To that end, our proposed capital expenditure includes District Facilities spend of 17.0% of the remaining total capital budget in the 'other' category.

Breakdown by activity

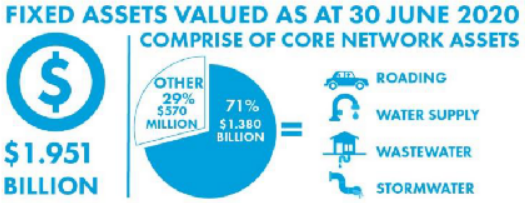
Breakdown by activity	$M	% of total
Network		
Roading and Footpaths	498,243	47.3%
Wastewater	171,774	16.3%
Stormwater	41,649	4.0%
Solid Waste Management	11,109	1.1%
Water Supply	103,122	9.8%
Total	**825,897**	**78.4%**
Other		
District Facilities	178,726	17.0%
Environmental Management	1,008	0.1%
Governance and Strategy	28,717	2.7%
Customer Services	19,048	1.8%
Strategic Planning & Policy	285	0.0%

Breakdown by activity	$M	% of total
Total	227,785	21.6%
Total activity expenditure	1,053,682	100.0%

Major capital projects

Key	Project	Timing	Estimated cost $m
Water	Development of the Sweetwater borefield and pipeline	Year 1	4.90
	Upgrade watermain, Heritage Bypass, Kerikeri	Year 5	9.70
Wastewater	Reducing wastewater overflows in Kaitaia	Years 1 to 5	10.70
	Kaikohe wastewater upgrade	Years 2 to 5	13.50
	Kaitaia wastewater scheme improvements	Years 3 to 5	13.10
	Kerikeri wastewater treatment plant upgrade	Years 8 to 10	35.00
	Taipa wastewater treatment plant upgrade	Years 1 to 3	7.60
Stormwater	Upgrade to Kaikohe stormwater lines	Years 4 to 6	4.10
	Moerewa stormwater upgrade	Years 1 to 4	2.00
Transport	Dust sealing of critical risk roads (unsubsidied)	Years 1 to 5	15.00

ASSETS



Asset Management Plans have been prepared for infrastructure assets, setting out required maintenance and renewal expenditure to ensure they are appropriately managed and maintained to provide our targeted levels of service.

Council also holds a number of operational and investment assets including property (land, buildings and ground leases) and small forestry blocks held for sewage soakage/ponds.

Assets are revalued according to the accounting polices set by Council.

MINIMISING RISK

Council carries comprehensive insurance for reasonably foreseeable risks for infrastructure (other than underground assets, which are generally undamaged by weather events). The premiums remain high and we have a $100,000 excess for weather related events to help keep the premiums more affordable. For significant storm-related roading damage, we are generally able to access emergency funding through central government which helps to offset the costs of restoration and rehabilitation, but there can be substantial delays in receiving funds and they are not always enough to return services to the state they were in before the event.

In previous years, Council prudently decided to rate 1% for emergency flood related works, and that rate has been continued in this plan. The funds raised contribute to the emergency roading works subsidy received, and where possible, provide funds for replacement of other damaged assets. Where costs arising from a major event exceed available funding, we re-prioritise our work programmes as necessary to address the short-fall.

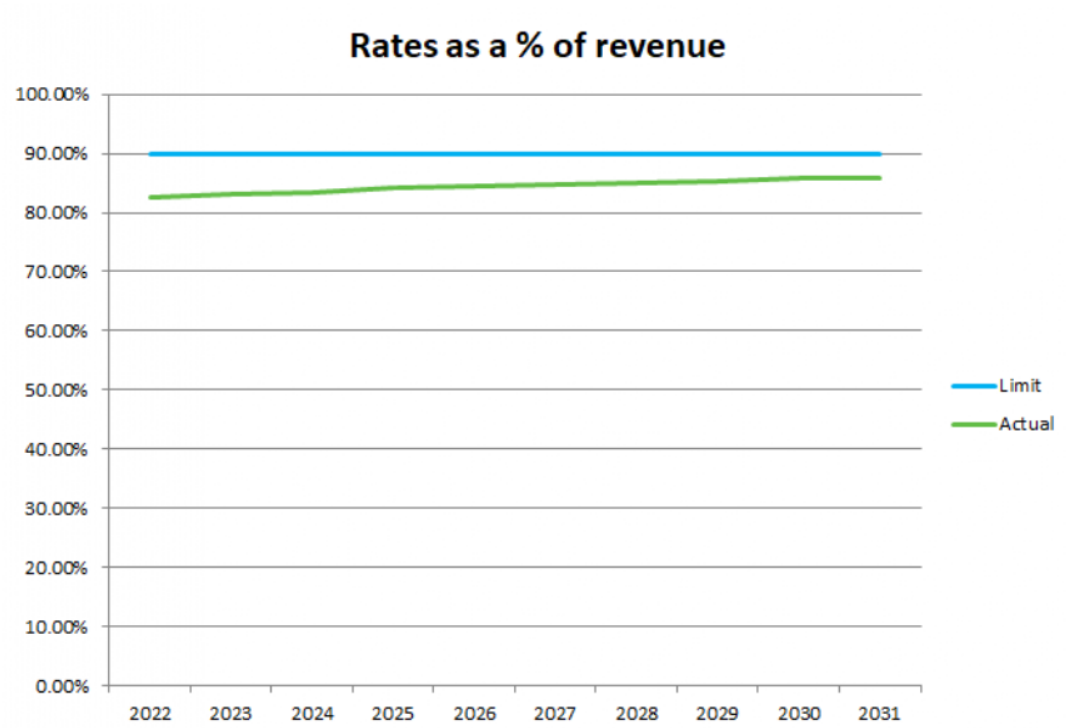
LIMITS AND POLICIES

Limit on rates (excluding water) as a percentage of revenue

Council does not have a diverse income stream, with the main source being rates and contributions from fees and charges and government subsidies (e.g. transportation).

Council will limit rates (excluding water) collected each year to a maximum of 90% of total Council revenue.

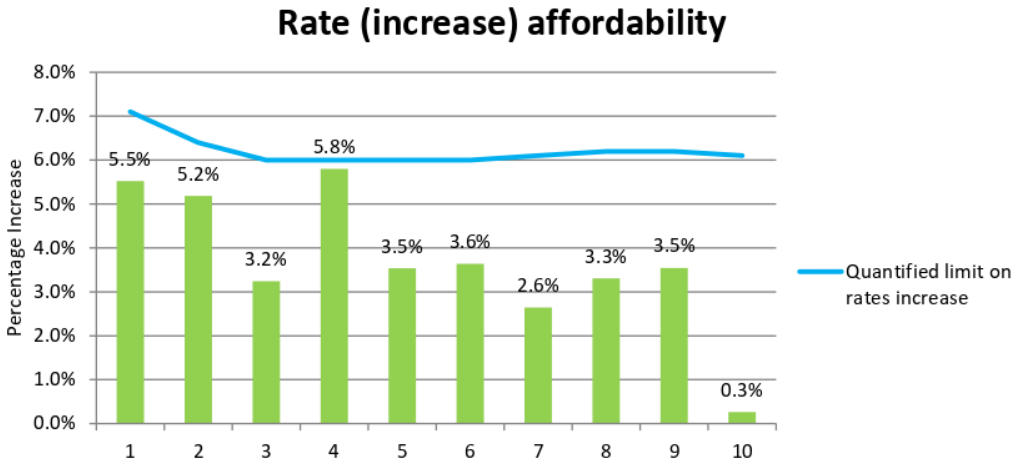
As part of every Annual Plan and LTP this limit will be reviewed to ensure it remains appropriate considering Council's financial position and the global economic conditions at that time.



Limit on rates increases

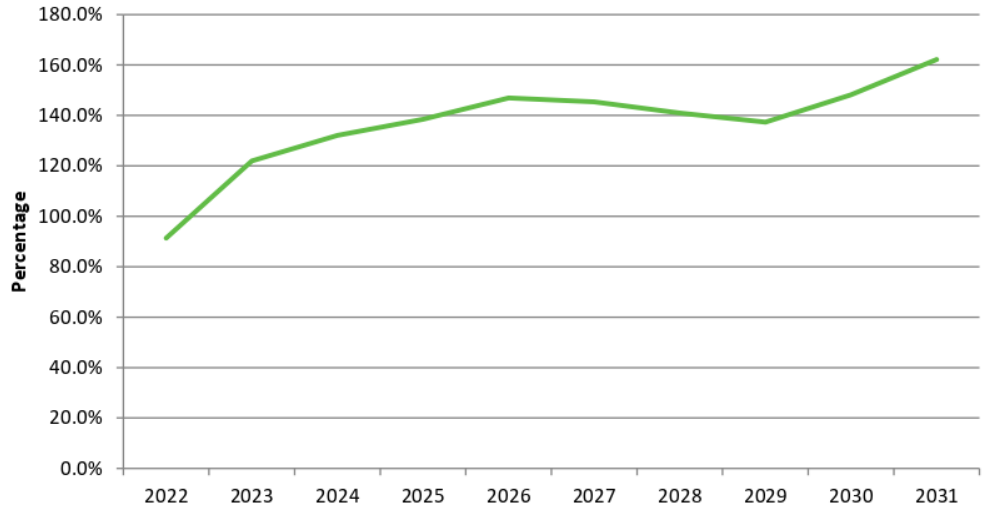
The limit on rates increases is set at LGCI plus 3.5% for the entire plan.

There may be extraordinary circumstances in which Council may choose to go outside this limit, for example, funding a clean-up from a catastrophic event. These occasions are considered unlikely and therefore have not been provided for in this Plan.



Limits on borrowing

Net debt as a % of revenue



External debt is planned to be $158.7m at the start of this plan and then peak at $332.9m by 2030/31. Council has also considered the impacts of its borrowing against the debt servicing benchmark.

Securities for borrowing

Council currently secures its external borrowing against the total of rates revenue via a registered Debenture Trust Deed.

COUNCIL ORGANISATIONS

The Council-Controlled Trading Organisation (CCTO) Far North Holdings Limited (FNHL) is a wholly owned subsidiary of Council. FNHL serves as Council's commercial function, therefore facilitating and developing commercial and infrastructural assets with the aim of maximising profit for its shareholder, the Council.

FNHL's income from investments is paid to Council in the form of a dividend. In the past two years, Council has allowed FNHL to reinvest the net profit (after tax), minus the dividend, in new commercial projects. Future opportunities for this re-investment will be considered by Council based on merit.

While we acknowledge that the amount of return on financial investment is the responsibility of the lender and therefore outside of Council's control, it is a legal requirement to identify targets for the returns received on its investments and equity securities. In keeping with Council's objective: 'To invest in a secure, low risk vehicle which will result in lower return in investment but does not compromise on the principle', the quantified financial investment target is to achieve a return equivalent to the five-year government stock rate. Targeting returns for equity securities is not applicable.

The 2020 Coronavirus pandemic created a downturn in income for FNHL. The closure of the border to cruise ships and tourists has significantly impacted the business, and revenues from the Bay of Islands Airport in the form of landing fees and these have been disrupted, sometimes at very short notice, as New Zealand continues to be substantively locked down to international tourists.

Dividend returns to Council are therefore forecast to be disrupted for at least the next few years until such time as the borders open and international tourism rebounds. Treasury and Business and Economic Research Limited (BERL) assume this to be no earlier than January 2022.

MONITORING AND REVIEWING THE STRATEGY

As part of business as usual we constantly scan both the financial environment and our own performance to monitor:

- The sustainability of our financial performance and position
- Any emerging risks
- Whether the Strategy is being implemented as intended
- Any trends in the community's ability to pay.

The Strategy will be reviewed tri-annually as part of the LTP process. Consideration will also be given to the impacts of any significant changes in local, national or global economic conditions during each year's Annual Plan process.

SUPPORTING INFORMATION

The strategies and policies listed below have been developed in conjunction with the LTP and can be obtained from our website:

- Revenue and Financing Policy
- Treasury Policies
- Infrastructure Strategy

LONG TERM PLAN DISCLOSURE STATEMENT FOR THE PERIOD COMMENCING 1 JULY 2021

The purpose of this statement

The purpose of this statement is to disclose Council's planned financial performance to enable the assessment of whether we are prudently managing revenues, expenses, assets, liabilities and general financial dealings. We are required to make this disclosure under the Financial Reporting and Prudence Regulations 2014. Refer to these regulations for more detail, including definitions of some of the terms used in this statement (www.legislation.govt.nz).

For the period spanning 2021 to 2031, we expect to meet all of these benchmarks, (with a few exceptions that are explained in this section) and by doing so, debt ratios will remain low, along with limits on rates revenue, rates increases and borrowing will stay within our self-imposed limits, demonstrating a strong and prudent financial position.

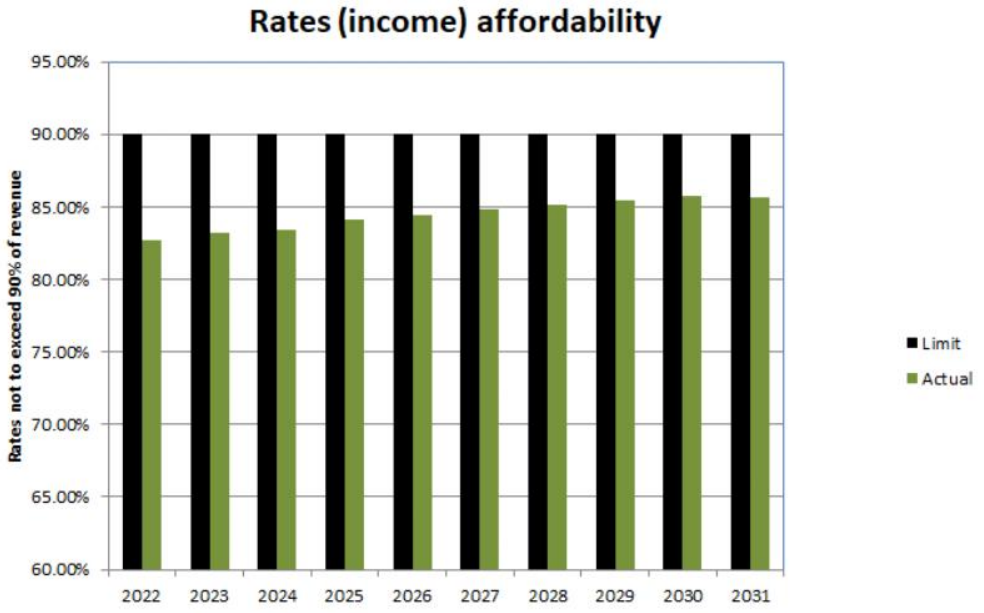
Rates affordability benchmarks

We meet the rates affordability benchmark if:

- Planned rates income equals or is less than each quantified limit on rates; and
- Planned rates increases equal or are less than each quantified limit on rates increases.

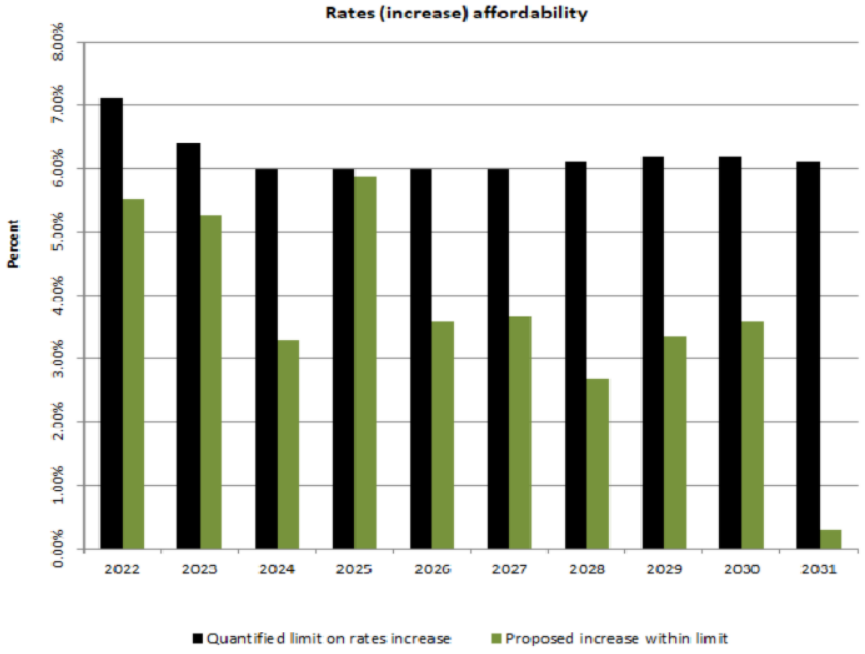
Rates (income) affordability

This graph compares planned rates with a quantified limit on rates contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that rates income (excluding water) will not exceed 90% of total revenue. Council forecasts rates income within this limit for the period of the LTP.



Rates (increases) affordability

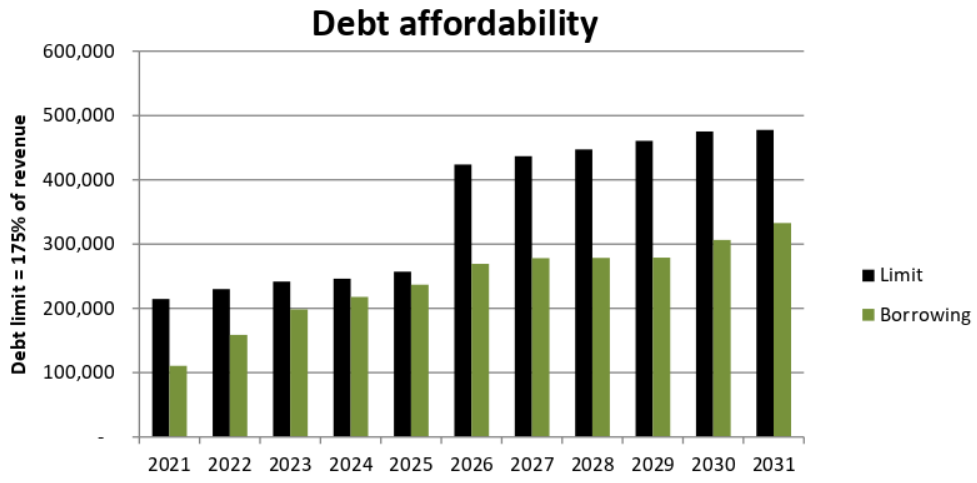
This graph compares planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that the rates increase should not exceed LGCI plus 2.5%. Council forecasts rates increases within this limit in all years of the LTP.



Debt affordability benchmarks

External debt

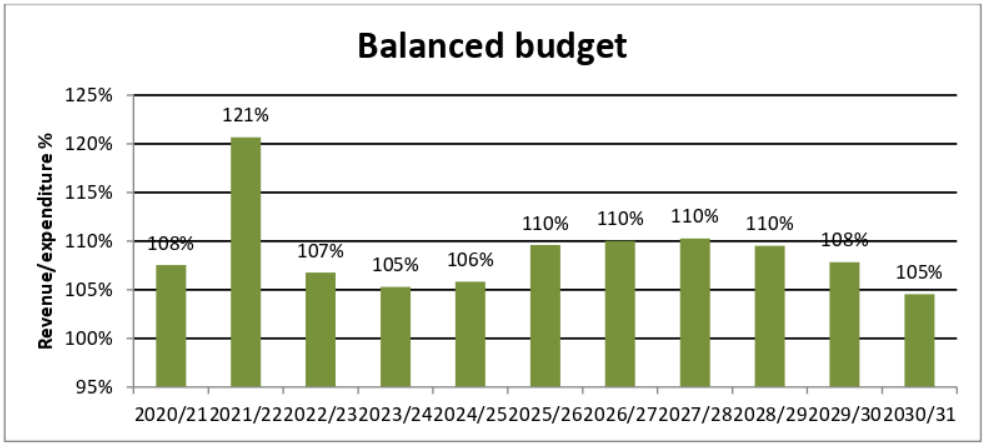
This graph compares planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is that net debt be no higher than 175% of total revenue excluding capital subsidies until 2024/25. After 2024/25 it is expected to increase to 280% of revenue excluding capital subsidies as Council expects to have secured a credit rating. Council forecasts external debt levels within this limit for the period of the LTP.



Balanced budget benchmark

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

We meet the balanced budget benchmark if planned revenue equals or is greater than planned operating expenses. Council will achieve this benchmark in all years of the LTP.

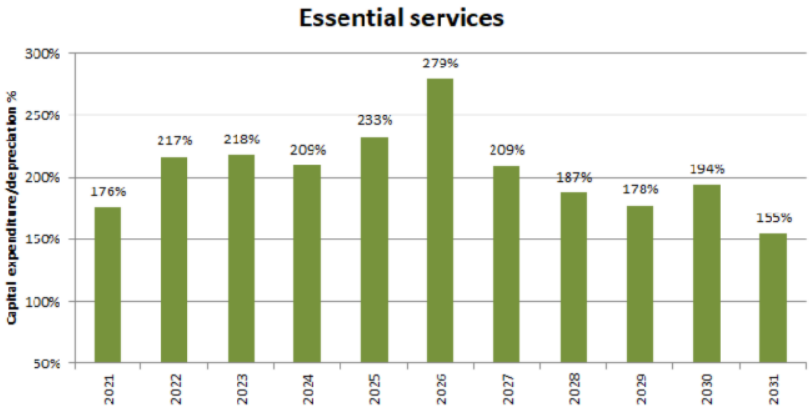


Essential services benchmark

The following graph displays our planned capital expenditure on network services as a proportion of expected depreciation on those same network services.

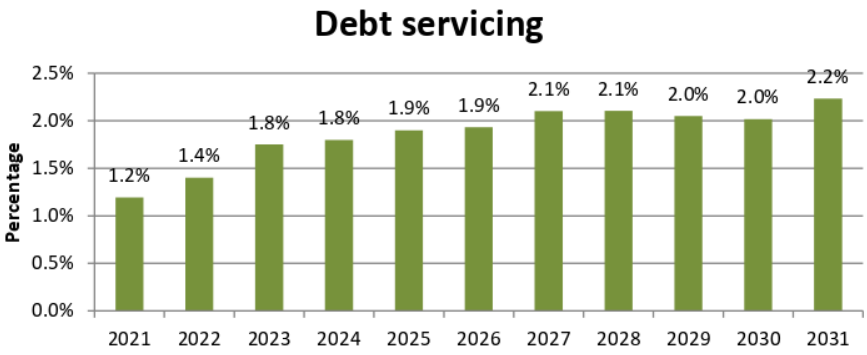
We meet the essential services benchmark if planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Council will achieve this benchmark in all years of the LTP.



Debt servicing benchmark

The following graph displays planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant and equipment). Council meets the debt servicing benchmark if planned borrowing costs equal or are less 10% of planned revenue. Council expects to achieve this benchmark in all years of the LTP.



Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

LONG TERM PLAN 2021 - 31

Infrastructure Strategy 2021-2051

Document history and status

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1	12.01.2021	Final Draft
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1. Introduction

The Far North District Council (Council) is the steward of stormwater, wastewater, water and transport assets that are vital for households, businesses and communities. These assets represent a major investment by today's communities and future generations.

Roads that make up the Far North transport network are vital lifelines for communities and provide important networks for road freight. The three waters infrastructure (water, wastewater and stormwater) is critical for providing for the wellbeing of communities and supporting urban growth. The management of these assets is long term, with the lifespan of much of the infrastructure spanning generations.

This Infrastructure Strategy has been prepared in accordance with the requirements of Section 101B of the Local Government Act 2002 (LGA) and:

- Identifies our significant infrastructure issues for transport, water, wastewater and stormwater over the next 30 years (2021-2051)
- Summarises the main options we have for managing those issues, our strategic response and likely course of action
- Sets out the likely cost implications of managing infrastructure over the next 30 years.

Council prepares an Infrastructure Strategy every three years as part of the Long Term Plan (LTP) process. This is Council's third Infrastructure Strategy and serves as an update to the version prepared in 2018 during the LTP 2018-2028 process. This strategy covers water, wastewater, stormwater, and transport assets owned by Council.

2. Strategic framework

Infrastructure plays a vital role in promoting the wellbeing of our communities. How we invest in and manage our assets now will have implications for future generations. This document sets out our infrastructure management approach for the next 30 years, considering any likely significant challenges ahead of us.

This document serves as a connection between the 10-year financial planning horizon of the LTP and Council's longer-term strategic asset delivery approach. This strategy is part of a suite of long, medium and short-term strategies, plans and policies that contribute to the long-term sustainable management of Council's infrastructure. The Strategy sits above the asset management system and asset management plans and is a key supporting document for the LTP 2021-31, reflecting the contribution to our vision and the outcomes we aspire to achieve for our communities. Key strategic links are discussed below.

2.1. Our vision

Council has adopted the district wide vision: He Whenua Rangatira - a district of sustainable prosperity and wellbeing. He Whenua Rangatira was developed collaboratively with the Far North community.

Infrastructure is a key platform on which community wellbeing is provided for. The goal of this strategy is to support our district wide vision through the provision of infrastructure.

2.2. Our community outcomes

Council's community outcomes are set out below. Council acknowledges these as aspirational long-term goals that Council aims to help its communities to achieve. The provision of core infrastructure is an essential part of achieving these goals. The 30-year Infrastructure Strategy is therefore a key document to map out the long-term issues and opportunities that may affect these aspirations.

The community outcomes we believe our District needs to grow and succeed are:



Communities that are healthy, safe, connected and sustainable
Our aspiration is that communities have access to everything that they need to have a good quality of life. We have the freedom of opportunity and choice in the way that we live. We know our communities and can participate in all that they have to offer.



Connected and engaged communities prepared for the unexpected
Our communities are aware, informed and well-equipped to be able to respond to an unexpected event. We are resilient and know that we can look to each other to get through whatever comes our way. This is our strength.



Proud, vibrant communities
Our communities celebrate who they are and where they live. We embrace and respect the diversity within our communities and take pride in our unique places and spaces. We are working together to achieve our aspirations.



Prosperous communities supported by a sustainable economy
Our communities are unlocking the potential of our district and are empowered to pursue opportunities. We are leveraging our valuable resources and producing quality products that will directly support our communities. Our communities are known for quality, for manaakitanga and for prosperity



A wisely managed and treasured environment that recognises the special role of tangata whenua as kaitiaki

Our natural resources are valued and are thriving. We are safeguarding them for the future and ensuring that they are being used sustainably. We are actively seeking balance in the environment to maintain its life-sustaining properties for everybody to enjoy.



We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride

Our unique culture and heritage define our journey as a district. We embrace and respect all cultures without our communities, and we are proud of our unique history.

2.3. Long Term Plan Strategic Priorities

The Long Term Plan 2021-31 is focused on addressing seven strategic priorities intended to provide for the wellbeing of our communities and achieve the community outcomes we have identified. These strategic priorities are:



Protecting our water supplies

This priority is about improving the resilience of our water supplies during periods of extended dry weather. The importance of this priority was made all too clear during the severe drought event that affected Northland during the 2020/21 summer.



Enable sustainable economic development

This priority is about acknowledging the role Council can play in supporting economic wellbeing, which is particularly important as a result of the impacts of the COVID-19 pandemic on the tourism sector – one of the biggest contributors to our local economy.



Better asset management

Our district is large, and our communities are dispersed. Providing water and roading infrastructure to many, small communities places a heavy burden on our limited resources. Our decision making around how we renew and upgrade our assets is limited by the way we gather and store our asset information. This strategic priority is about continuing to invest in our asset management approach in order to optimise our infrastructure investment, improving both the reliability of our services and their overall cost.



Deepen our sense of place and connection

Our communities are diverse and spread across our District. It is important that each of our communities feel that sense of belonging and connection that will build future resilience and ensure our communities can and are able to connect across our District and region.



Adapt to climate change

Council recognises that climate change is one of the biggest risks we face in the Far North. The Council has adopted a Climate Change Roadmap and will soon engage with the community on its goals and principles. The first stages of the roadmap will be implemented during the period covered by the Long Term Plan 2021-31.



Address affordability

A significant challenge we face is paying for the public services our communities require to maintain a quality standard of living. Most of the money that pays for these services comes from individual households through rates. Balancing the cost of services against a relatively low number of ratepayers is a significant challenge. In the Long Term Plan 2021-31, Council is looking at options that could lessen the burden on those who can least afford it.

2.4. The Far North

2.4.1. The place we live in

The Far North District is the northernmost territorial local authority in New Zealand. Compared to other districts, the Far North ranks as the14th largest district by land area.

Figure 1 depicts the Far North District land area.

Figure 1. The Far North District



Around half of the population reside in small urban settlements located throughout the District, the largest of which are Kerikeri and Paihia on the east coast, Kaitaia to the north and Kaikohe, located between the east and west coast. The populations within these larger urban areas range from approximately 4,000 to 6,500 people. The rest of the population lives in rural or semi-rural settlements. Our population density is around nine people per km^2, which is average for provincial New Zealand.

The coastline of the Far North is one of the District's defining geographic features - it is unique, diverse and extensive. The coast, along with the District's unique biodiversity[1], and rich heritage, make the Far North an attractive place to live and visit.

With a lengthy history of Māori and Pakeha settlement, the Far North District has a rich and nationally significant heritage. Key examples include the Hokianga Harbour (Hokianga-nui-a-Kupe) on the west coast which according to tradition was the landing place of Kupe, who is regarded as the first to set foot on Aotearoa; and on the east coast, the Bay of Islands is home to the Waitangi Treaty House and Okiato, which was the nation's first capital.

We generally have high rainfall during autumn and winter with prolonged dry spells during summer. This seasonal rainfall can lead to low flows in our smaller river catchments and although it doesn't typically affect our groundwater, long periods without rain affect the amount of water that is available to supply communities and commercial and industrial activities. Water quality can be affected by rainfall and low flows, as well as temperature, surrounding land use, and discharges (including those from our infrastructure, such as roads, stormwater and wastewater). High (and

[1] The Far North is considered a biodiversity hotspot, hosting unique habitats such as coastal dune lakes and harbouring extensive tracts of public conservation land and native forests.

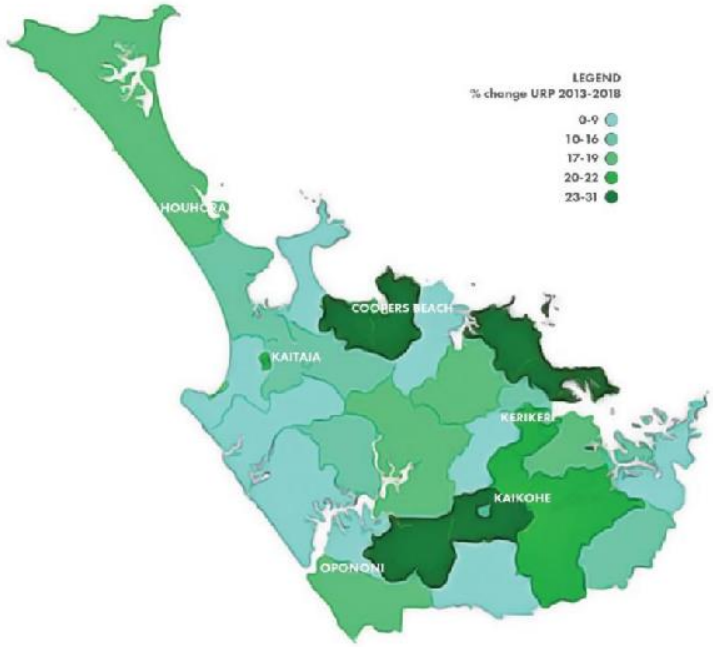
intense) rainfall can also cause flooding. Our air quality is generally good but dust from heavy vehicles travelling on unsealed roads is a problem in rural communities during dry summer periods. We have a diverse range of soils and rock strata, including highly productive soils, and much of our land is prone to erosion which affects our infrastructure.

2.4.2. Our population

Estimated resident population of the Far North is 71,000[2]. Population growth since the 2013 Census has been above the national average, with an average annual increase of approximately 2% between 2013 to 2020.

Percentage change in usual resident population is shown in Figure 2.

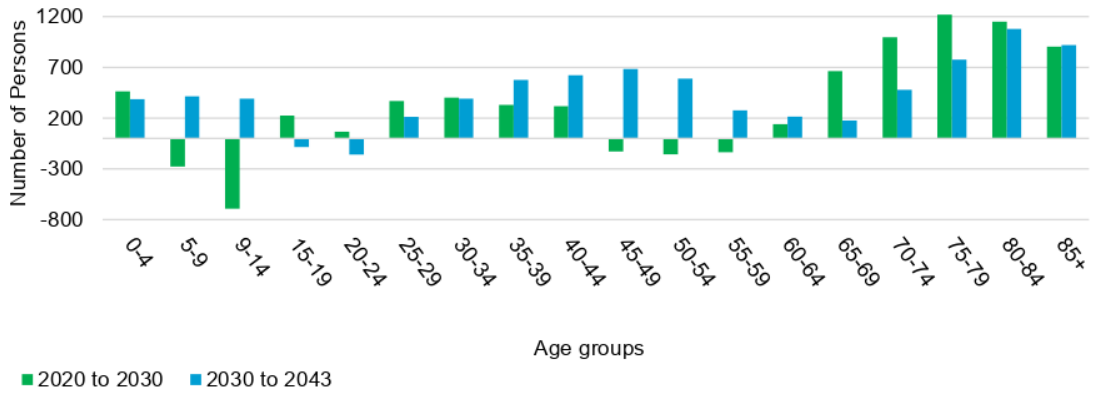
Figure 2. Percentage change in Usual Resident Population (URP) between 2013-2018 based on Census URP population counts.



The population is forecast to increase at a rate of approximately 0.5% per annum between now and 2043, resulting in a total population of approximately 78,000 people[3] by 2043. Most of this growth is projected to occur in the Far North's main urban centres (Kaitaia, Kaikohe, Kerikeri and Paihia) and the Doubtless Bay area. Importantly, the age structure of the Far North District is forecast to change substantially. The 65+ demographic is predicted to represent a big component of population change over the next 20 years () with the demographic representing 32-37% of the population along several east coast communities between the Bay of Islands to Doubtless Bay. We have one of the highest deprivation rates[4] in the country. The most deprived areas are located on the west coast and the northern tip of the district, north of Pukenui. The least deprived areas located on the east coast, including Kerikeri, Paihia and Kapiro.

[2] StatsNZ Subnational Population Estimates: At June 2020 (provisional)
[3] Population and household forecasts, 2013 to 2043, prepared by .id, February 2020.
[4] Broadly speaking, deprivation can be described as lack of access to benefits considered to be basic necessities in society. The University of Otago in collaboration with the New Zealand Department of Public Health, has undertaken a study to assess and map deprivation throughout New Zealand. www.otago.ac.nz/wellington/research/hirp/otago020194.html

Figure 3. Population and household forecasts for the Far North District 2020 to 2043.



Source: Forecast source data obtained from .id

2.4.3. Our economy

Economic growth in the Far North District averaged 2% per annum over the 10-year period 2009-2019 compared with an average of 2.5% per annum in the national economy. The District accounts for 0.8% of the national economy and 31% of the Northland regional economy. Tourism and Primary Production (agriculture, forestry and fishing) are by far the greatest contributors to the local economy, with these sectors combined contributing 25% to the Gross Domestic Product in 2019. By comparison the contribution of these sectors to the national GDP is around 11%[5].

Māori are making an increasing contribution to the economy of the Far North District. Over the past ten years (2009-2019), the number of filled jobs (both employed and self-employed) held by Māori grew at an average rate of 1.5% per year, more than twice the average annual growth in filled jobs held by non-Māori in the district (0.7%). Māori account for 38% of total filled jobs in the Far North District in 2019 compared to 36% in 2009. The main industries in which Māori hold filled jobs are education and training; agriculture, forestry and fishing; health care and social assistance; accommodation and food services; and construction. These five industries account for 56% of all Māori employed in the Far North and 78% of the increase in filled jobs held by Māori between 2009 and 2019. The average income of Māori receiving wages and salary in the Far North was $32,174 in 2009 representing 86% of the average income received by a wage and salary earner in the Far North. By 2019, this had increase to $46,651, equivalent to 95% of the district average.

[5] Source: Far North District Economic Profile, Infometrics, https://ecoprofile.infometrics.co.nz/Far%2bNorth%2bDistrict

3. Key strategic links

3.1. Far North 2100

Far North 2100 (FN2100) is a high-level strategy which will be implemented via placemaking and spatial planning initiatives, including area plans. The strategy covers a period of 80 years and is intended to guide the implementation of the District's vision - setting direction for Council's various functions, while acknowledging the role Council plays in shaping the district. FN2100 is, at the time of writing this document, in draft and will be consulted on at the same time as this Infrastructure Strategy.

Because the Infrastructure Strategy is being developed concurrently with FN2100, full alignment of both will be evident in the next iteration of the Infrastructure Strategy in 2023. That said, the vision FN2100 seeks to achieve is He Whenua Rangatira– a district of sustainable prosperity and wellbeing.

3.2. Far North District Plan Review

A full review of the Far North District Plan is presently underway and is entering the final phase of the drafting process. The District Plan review has a strong focus on linking land use activities with the need to enable sustainable and resilient infrastructure. This focus is being driven in part by Section 31 of the Resource Management Act 1991 (RMA) which, among other things, requires a district plan to ensure that there is sufficient development capacity to meet the expected demands of the District. In addition, the District Plan objectives framework has been developed to address a number of significant resource management issues inherently linked to the long-term provision of infrastructure. Key relevant objectives identified as part of the District Plan review are summarised as follows:

- **Urban sustainability**: the scale, type and design of urban development will be applied to the availability or provision of infrastructure, servicing urban areas to enhance wellbeing
- **Affordable infrastructure**: optimise and protect the use, development and operation of existing infrastructure and ensure new infrastructure is resilient to meet the needs of the community
- **Hazard resilience and climate change**: climate change hazards are recognised and managed, promoting healthy, safe and resilient communities.

The draft District Plan will be released for public feedback in early 2021 and a proposed version notified in the last quarter of 2021. The District Plan review represents a key opportunity to achieve alignment between land use activities and the direction of this Strategy.

3.3. District Transport Strategy

The Integrated Transport Strategy addresses key transport problems faced by the District. These issues include safety and network resilience, addressing levels of service and climate change risks, planning for growth, community connectivity, and a shift to a multimodal transport response in urban areas. The Integrated Transport Strategy was formally endorsed by Council in December 2020 and has been used to inform the transport investment portfolio for the 2021-2024 Regional Land Transport Plan (RLTP) and the upcoming Long Term Plan 2021-31 (LTP). The strategic direction of the Integrated Transport Strategy has informed long-term direction of this strategy in respect of transport infrastructure.

3.4. Programme Darwin

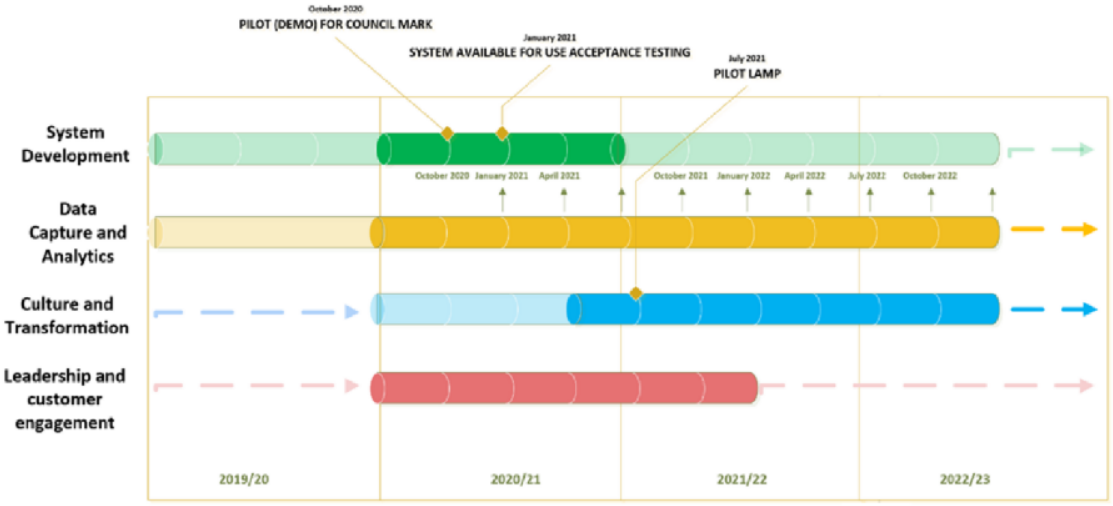
The current Infrastructure Strategy (2018-48) identified the need to improve the way we manage our assets as a strategic priority. Consequently, Council implemented a programmed approach to fundamentally transform our asset management. Programme Darwin was initiated in 2019 and contains four distinct work streams:

- **System development**, including full data cleaning and migration into the new system (INFOR) and integration with FNDC's existing IT infrastructure.

- **Data capture and analytics**, including ongoing condition assessment of assets in accordance with agreed prioritisation criteria and on-going analytic and reporting of INFOR data.
- **Culture and transformation**, integrating our improved asset management approach across the Council so that it becomes part of the culture of what we do. A key deliverable for this component is the development of living asset management plans (LAMPs).
- **Leadership and engagement**, ensuring the new asset management system is appropriately resourced, staff are given adequate training and key external stakeholders and elected members are engaged such that they are directly benefiting from the programme investment.

The timeline for the delivery of the above milestones is presented in **Error! Reference source not found.**.

Figure 4. Programme Darwin milestones and timing



To ensure the effective delivery of the programme, Council has a team dedicated to the delivery of the programme. System development of the new asset management system (INFOR) commenced in early 2019 and user acceptance and testing is expected to commence in early 2021. Data capture and condition assessment of critical assets is presently underway, and Council will develop a maintenance programme to enable the resourcing of on-going asset condition assessments to optimise asset life cycle management via a revised asset management approach. A budget of $9M over 10 years is being proposed via the Long Term Plan 2021-31 to resource asset condition for three waters assets. That budget will be part of the next long term plan process once the condition assessment programme has been underway for several years.

3.5. COVID-19 Economic Impact

The global economic and health crisis caused by the COVID-19 pandemic is expected to have long-lasting effects on New Zealander's way of life. Recent modelling undertaken by Business and Economic Research Limited (BERL[6]) indicates that while most industries are expected to recover over the next 10 years, the industries that make up much of the tourism sector (accommodation and food services, and arts and recreation) are unlikely to recover employment back to their pre-pandemic state for some time beyond 2030.

Even under the best-case scenario, the modelling predicts key tourism industries will be employing around 40% fewer people in 2030 compared to 2020. This has potentially significant implications for the Far North District, given the significant contribution tourism plays in supporting the local economy.

[6] Economic scenarios to 2030 - The post-COVID-19 scene. Prepared by Business and Economic Research Ltd, Hōngongoi 2020.

Post the level 4 lockdown, BERL worked with Treasury to determine the likely course of recovery for New Zealand. All acknowledge a far greater level of uncertainty this time around, which has led to departure from an assumed single scenario.

BERL projected three potential scenarios:

- Mid-scenario likely 5 to 7 year recovery (the most realistic)
- Faster rebuild likely 2 to 3 year recovery (unlikely)
- Stalled rebuild likely 7 years (worst case scenario)

The Local Government sector has been advised by BERL to plan for the mid-scenario.

The main Treasury assumptions built into the adjustors are:

- Borders remain closed until 1 Jan 2022 with possible safe zones/travel bubbles.
- Unemployment will likely peak at 7.8% between June 2021 and March 2022, with a recovery of at least two years but more likely four+ years.

While this seems at odds with the short-term effects on the economy, which have benefited from being community COVID-19 free, summer and Christmas, Treasury base their adjusters on a long-term view of the economy. For the Far North District, the biggest impact has and will continue to be on tourism, especially those reliant on the international market. Again, the impact over the high season will be lessened by increased domestic numbers. The Far North primary sector, especially food production, is seen to be very resilient to the detrimental effects on international trade and remains a growth industry.

However, the roll out of vaccines and both supply and public uptake will be the determinants for reopening borders around the world and enable the distribution of goods and services to return to pre-COVID levels.

3.6. Water and Wastewater Reform Programme

The Department of Internal Affairs (DIA) is leading a major reform programme for drinking water, wastewater and potentially stormwater. The reform was initiated to address challenges across the country associated with service delivery, including improving the reliability of asset information and addressing gaps in renewals funding. This has seen the development of new legislation and the creation of Taumata Arowai, a new water services regulator with the mandate to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

The reform process includes a national $761 million package designed to stimulate the economy for those councils that sign-up to a non-binding memorandum of understanding (MOU) in support of the reform programme. Council has signed the MOU and has secured $11.8M of this funding. Council plans to use this funding to establish new water sources for the Kaitaia and Kaikohe water supply schemes and update network modelling for our water, wastewater and stormwater assets. These three projects make up over $7M of the $11.8M grant funding. The remainder of the funding is proposed to be used for a few minor operational initiatives (such as professional fees for water safety plan development, and wastewater treatment management plans, contract services for leak detection and staff salaries for fixed term positions).

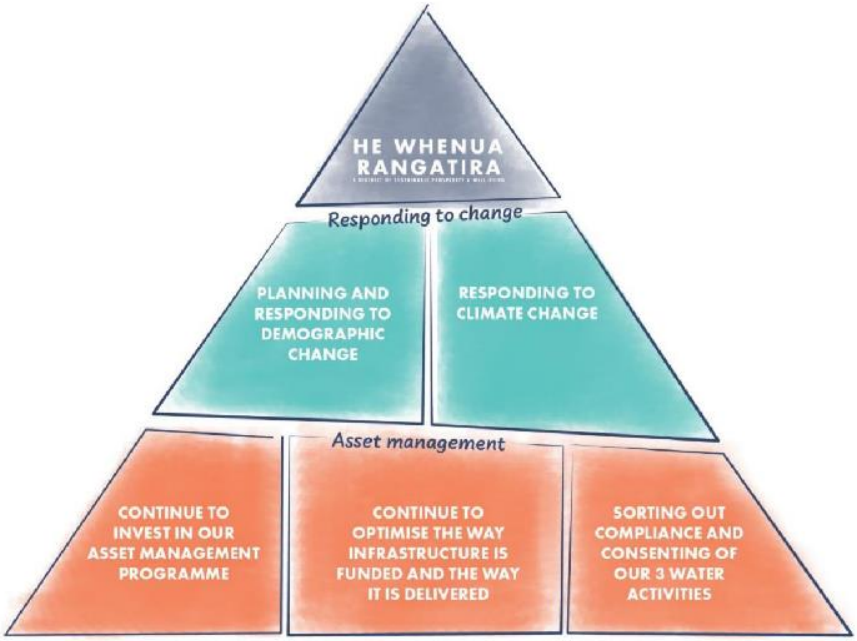
The next stage of the reform programme is likely to ask councils to opt-in to multi-regional groups which may form the basis for a new ownership and management model. The intention is for any new entities to commence operation in 2023, although this is by no means a certainty. The reform programme represents a significant shift in the way water infrastructure is managed in the long-term. Short-term, the stimulus package will go some way to minimising the financial impact of expenditure on the ratepayer while stimulating an economy that has suffered as a result of the water shortages and the pandemic.

4. Our significant challenges

This section identifies the significant infrastructure challenges the Far North District faces, our responses for managing the challenges, and what the responses mean for our communities. Infrastructure is the platform on which community wellbeing is built. Therefore, the way we manage and deliver infrastructure will play an important role in achieving the district vision - *He Whenua Rangatira*. Our goal for this strategy is to provide strategic direction for the long-term delivery of infrastructure that will support the district vision. Our responses to the challenges we have identified have been developed with that goal in mind.

Our District's significant challenges can be grouped into two key themes: managing our assets and managing change. Setting strategic responses that will enable Council to be better stewards of the assets we manage on behalf our communities is the foundation of this strategy. Good asset management paves the way for addressing our second key theme: managing change. Our responses to managing change inherently rely upon our ability to make good decisions about how to invest in and manage our assets. The key challenges, how we intend to respond to these challenges and how these responses pave the way to achieve our District vision is depicted in Figure 5 below.

Figure 5. The below diagram gives a visual guide on how our asset management challenge, and the associated responses, contribute to achieving the District vision.



4.1. Managing our assets

Our three waters assets (drinking water, wastewater and stormwater) have historically been subject to a (largely) age-based approach to asset renewals, with limited strategic planning to optimise renewals alongside key externalities such as demographic change, natural hazard resilience, economic growth and land use change. This approach, has made it difficult to make strategic decisions around infrastructure investment, leading to a poorly-optimised approach to asset renewals. Council has made some good progress to improving our renewals approach by developing network renewal models for each of the three waters and a simple risk-based approach has been developed to prioritise renewals within the 10-year programme. Councils confidence in the asset data used develop this model is considered

to be reliable to highly reliable[7]. However, condition data for individual assets is limited and a condition assessment programme is needed to validate the renewals model – which is give improved confidence in the renewals model.

A key strategic response to this issue is for Council to undertake an ongoing condition assessment and network modelling programme for Council's three waters assets. The condition assessment programme will take time and the renewals proposed in this LTP for the three waters assets are based on a hybrid model. This model uses condition and maintenance information where it is available rather than age as an indicator for renewal. Likewise, the lack of network modelling has affected our ability to develop non-rate-based infrastructure funding mechanisms (e.g. development contributions). Council has prioritised network modelling across its key growth areas (Doubtless Bay, Paihia and Kerikeri) in order to allow growth related investment requirements for these areas to be determined and associated alternative (non-rate based) funding arrangements to be considered as soon as practicable.

Asset information for our transport network is in substantially better shape. Transport asset renewals are based on condition as that information is more readily available and has a high degree of accuracy. However, improved investment decision-making around proactive road strengthening and maintenance is needed in order to enhance road condition, safety and resilience.

Council's infrastructure represents a considerable investment and plays a major role in providing for the wellbeing of Far North communities. Infrastructure enables communities to lead meaningful and productive lives, grow businesses, and connect with each other. The way we make our decisions will have a direct and lasting impact on the wellbeing of our communities and sound investment decisions hinge on good asset management. To support community wellbeing in the best way possible, we need to ensure our asset management practices are aligned with best practice. Programme Darwin's vision is to lead best practice enterprise asset management in New Zealand. This strategy needs to align with that vision because it is critical to achieving the community outcomes identified by Council and it will require a long-term investment in gathering asset information, resourcing the ongoing management and integration of our asset management system, and continuing to enhance our asset management culture.

4.1.1. Response 1: Continue to invest in our asset management programme

The 2018 Infrastructure Strategy signalled the need for a shift in the way asset management is implemented, pointing to sound asset management as the foundation to addressing the other significant infrastructure issues set out in that same strategy. This remains the case for this iteration of the Strategy. Council has acted on the direction set by the 2018 strategy, initiating substantive steps to improve asset management practices through Programme Darwin.

Broadly there are two themes to the programme: developing tools to support sound asset management practices; and improving our asset management culture. The former is nearing completion with the finalisation of a new enterprise asset management system (INFOR), with data migration completed towards the end of 2020. 2021 will see ongoing integration with Council's systems, including the development of a living asset management plan (LAMP) for our three waters assets and district facilities (such as halls, sports grounds and open spaces). The LAMP will draw data directly from INFOR, significantly reducing the labour requirements for asset management plan development and ensuring consistency with council's asset management data. Over the same year, the programme includes a full suite of people and culture initiatives aligned with the new data management and reporting system. This includes development of an on-going asset condition assessment to improve the data quality and integrity of the asset management system.

Despite the various initiatives that have been put in place to improve our asset management approach, asset management will remain a significant issue for Council until the benefits of the programme have been fully realised. Realistically, these benefits will not start to become apparent until the next Infrastructure Strategy in 2024. Accordingly, it is considered essential that asset management remain a strategic priority considering the fundamental

[7] This confidence rating is drawn from our 2019 Stormwater Valuation Report and 2018 Water and Wasteater Valuation report, both prepared by Campbell Consulting limited. The Data confidence grading used in those report is defined in the NZ Infrastructure Asset Grading Guidelines – Water Assets (NZWWA 1999).

role sound asset management planning contributes to addressing other significant infrastructure issues and ultimately achieving the community outcomes identified by Council.

Principal options

These are the key significant decisions Council has made to respond to the continued need to invest in our asset management programme.

Condition assessment programme

At present Council has low confidence in underground asset condition, particularly for stormwater. Condition information that has been collected has typically been in the form of one-off reports or surveys used for short term decision making rather than building a picture of overall asset condition across our networks. Good information about our assets is the foundation to lifecycle management, allowing for more resilient and cost-effective infrastructure.

With the deployment of our new INFOR asset management system, we now have a robust platform on which we can store and analyse asset information. Council intends to commit expenditure towards an on-going programme of condition assessment for our three waters assets over the 10 year period of the LTP 2021-31. The purpose of this work is to enable better decision making around when we replace our assets in accordance with the asset management approach developed as part of Programme Darwin. As better data and information is gathered, the strategy is to optimise lifecycle management and improve integration between asset management, district planning and our financial strategy.

What it means for our communities

This decision will enable Council to optimise the way we invest in infrastructure, focusing on lifecycles and whole-of-life costs, resulting in a more cost-effective infrastructure delivery approach and more resilient assets. Council intends to commit $10M over the 10 year period of the LTP towards conditions assessment for our three waters assets. It is assumed that the condition assessment programme will be required throughout the term of the strategy at an equivalent amount to that which has been budgeted for years 1-10.

Network modelling programme

Three waters reticulation networks comprise of many kilometres of underground pipes of varying sizes. Network modelling enables Council to understand how these assets perform now and how they will perform in the future as various catchments within each network grow. Network modelling allows Council to make informed decisions about when it is best to replace assets and to what specification considering growth trends. Modelling is a critical component of asset lifecycle management and for supporting district planning, particularly within the ambit of Section 31 of the Resource Management Act 1991[8]. Network modelling will allow us to predict investment requirements to service future growth, which is essential to implementing non-rate based funding mechanisms for future infrastructure delivery.

What it means for our communities

Council has identified $3M is intended to be allocated to network modelling from the $11.8M grant funding that is available under the Three Waters Reform stimulus package. Should funding be approved, Council will be required to spend the funding by the end of year one of this strategy. This is a very limited timeframe and there is a risk that some of the modelling work will not be delivered within that timeframe due to the number of schemes that require modelling, the resourcing requirements to project manage $3M of expenditure, and the availability of contractors to undertake the work. Should that be the case, any outstanding modelling work may need to be funded from Council's rates income.

Network modelling is an on-going process and each model needs to be updated periodically to consider the latest information (e.g. growth data, population forecasting information, new condition information). Network modelling should be treated as an on-going programme of work that continues beyond the completion of the modelling work undertaken as part of the stimulus package.

Beyond Programme Darwin

[8] Section 31 requires Councils implement and review policies and methods for ensure that there is sufficient development capacity in respect of housing and business land.

Programme Darwin commenced in 2018 and represents a series of projects that make up a continuous improvement programme for Council's asset management approach. The projects under the programme include initiatives to capture, store and analyse asset data to enhance the basis for making investment decisions; in addition to initiatives intended to ensure improvements in the culture and staff resourcing for asset management. The programme has made substantial headway insofar as developing an enterprise asset management system and resourcing the personal required to successfully migrate our asset data into the new system. However, the programme represents a long-term investment in the continuous improvement of council's asset management approach, and the resourcing of personal, data capture, and training will be required beyond the conclusion of the programme implementation.

What it means for our communities

The long-term follow through with Programme Darwin's initiatives will result in increased operational expenditure as Council continuously improves its asset management approach. Whilst this operational expenditure will have an impact on rates, it is expected the improvements in Council's asset management approach brought about by this investment will result in savings elsewhere (e.g. through lifecycle optimisations), potentially new funding streams (e.g. development contributions) and a more resilient infrastructure network.

4.1.2. Response 2: Optimise the way infrastructure is funded and delivered

At present, rates are the primary means of funding infrastructure. The 2021 Financial Strategy has assumed that the costs of infrastructure services will continue to rise faster than general inflation over the 10 year term of the Long Term Plan 2021-31 in accordance with the Local Government Cost Index (LGCI). This means rates will increase above the level of inflation over the term of the Long Term Plan 2021-31.

The Integrated Transport Strategy also identifies limited funding to deliver on the district transport requirements as a key strategic problem that requires addressing through the transport strategy. As identified, the Far North District has high levels of deprivation, suggesting that many parts of the community may find sustained rates increases difficult to afford. This issue has the potential to become acute over the term of the 10-year financial strategy because of the forecasted decrease in tourism spending and unemployment caused by the COVID-19 pandemic. Moreover, towards the latter parts of this strategy, population aging is forecast to become more pronounced, further exacerbating the issues around people's ability to pay for infrastructure. The implications of climate change are predicted to impact on our levels of service without substantial investment.

Our strategic response to these changes has two broad themes, optimising the way we fund infrastructure; and working with communities to change the way we provide services whilst supporting community wellbeing. The former theme is something that we plan to work towards over the first five years of this strategy, with the intention of initiating changes as part of the LTP 2024-34 process. The second theme represents a gradual shift in the way services are delivered. To be successful, we acknowledge it is important to work with communities, other local authorities, and central government to ensure decisions achieve the best balance between supporting community wellbeing and optimising the cost of infrastructure delivery on communities.

Principal options

Revenue Review

A significant challenge we face is paying for the public services our communities require to maintain a quality standard of living. Most of the money that pays for these services comes from individual households through rates. Balancing the cost of delivering infrastructure services across a large geographic area with a low population density is a significant challenge – particularly considering the high levels of deprivation across much of the district.

The financial strategy identifies that rates increases above inflation will be required year on year to meet the rising costs of providing infrastructure. It is not possible to maintain current levels of service without significant capital and operating expenditure. A shift in the way infrastructure is funded is likely to be required to maintain sustainable levels of rates whilst delivering the ongoing infrastructure investment required to support community wellbeing.

As part of the LTP 2021-2031, Council is exploring funding options that could lessen the financial burden on those who can least afford it. This could include a shift from a general rate calculated on a property's land value to a general rate based on capital value, or a transition out of targeted rates for water and wastewater schemes. Consultation on options commenced in October 2020 and the feedback from that work will be used to develop options for consultation through the LTP.

In addition, as better asset data and modelling comes in, Council will be in a better position to consider non-rate based funding mechanisms, such as development contributions. Council intends to introduce a new development contributions policy and charges as soon as possible. This can only be achieved in concert with Programme Darwin's delivery of core asset capacity and condition data, which will not be available until June 2021, too late to implement a new policy and charges for 1 July 2021. Given that a Development Contributions policy can only be adopted alongside a Long Term Plan, Council plans to amend its Long Term Plan 2021-31 in its first year to consult on and adopt a policy for implementation on 1 July 2022.

What it means for our communities

The purpose of the revenue review is to enable the development of a more equitable method of recovering the costs of council services. In effect it is a means of determining the most appropriate way to distribute the rates burden taking into account the socioeconomic challenges many of our ratepayers and communities face.

Work with communities around level of service changes

Levels of service are the service outcomes for a particular activity or service area against which performance can be measured. A number of these service levels reflect statutory requirements. For example, compliance with drinking water standards or resource consent conditions. Others link back to how customers receive the service, for example how frequently customers experience unplanned interruptions with the transport network or how quickly Council responds to water supply outages.

Capital expenditure in the Long Term Plan 2021-31 (i.e. the first 10 years of the Infrastructure Strategy) is focused on maintaining levels of service to which the Far North communities have come to expect from core infrastructure. These levels of service are described in the LTP. The approach to maintaining levels of service reflects the direction of the 2020 Asset Management Plans, which identify an investment strategy which focuses on maintaining legal requirements and existing service delivery levels.

The foundation of this strategy – managing our assets – is expected to enable Council to optimise our investment decisions to ensure our infrastructure investments provide for a more resilient infrastructure network that is managed in a fiscally responsible way. Despite this workstream, and even assuming significant Government investment as part of the three waters reform, it is unlikely that it will be affordable to provide the same levels of service that our community receive now in 30 years' time. This is due in large part to the implications of climate change on the services we provide: low lying roads will be subject to an increased frequency of inundation, water supply schemes will be subject to a greater duration of restrictions, and our stormwater network may not have the capacity to achieve the levels of service we are accustomed to today.

Our strategy is to work with our community to understand the levels of service required to support their wellbeing, taking into account population ageing and the inevitability of climate change and its effects on service delivery.

What it means for our communities

A gradual shift in level of service provision can be expected towards the later years of this strategy, although it is not possible to meaningfully predict specifically what these changes will look like. This option is not about making these decisions now, but rather to engage with and to prepare our communities for the changes ahead because there remains time to adapt to these changes provided we invest in planning and research throughout the early years of this strategy.

4.1.3. Response 3: Sorting out our statutory requirements

A number of Council's wastewater treatment plants do not comply with the resource consents authorising the discharge activities. Examples include Taipa, Ahipara, Kaikohe, Paihia and Opononi-Omapere wastewater treatment plants, all of which do not meet one or more treatment quality requirements. Moreover, a number of Council's water supplies are river takes and the resource consents for these include minimum flow requirements intended to protect downstream aquatic habitat. It is not uncommon for the minimum flow requirements set down in the resource consents to be breached each summer at a number of our water supply sources.

Council's response is to invest in its water and wastewater infrastructure to improve levels of compliance and the resilience of these assets. Financial consideration for these investments will need to take into account changes in the statutory setting created by the recently released National Policy Statement for Freshwater Management 2020 (NPS Freshwater 2020) and central government's reforms to potable water supply delivery and the broader reforms to three waters services.

The NPS Freshwater 2020 in particular has created additional financial uncertainty for three waters providers, representing the latest iteration of a policy statement that has been in a state of flux since it was first introduced in 2011. Northland Regional Council (NRC) has partially given effect to earlier versions of the NPS through its recent plan review process which is nearing the conclusion of its appeals phase. Although the current regional plan review process is able to give a sense of direction that the implementation of the NPS Freshwater 2020 will take, because NRC need to bring the implementation of the NPS through the Te Mana o te Wai provisions of the NPS and the Schedule 1 requirements of the RMA, there will remain uncertainty around the specific implications of the NPS Freshwater 2020 until the plan review process has been notified. The notification of the plan review is expected to be towards the end of 2024. The investment requirements identified in this Strategy to address the non-compliance

issues have been done so taking assumed standards required as part of the NPS Freshwater 2020 for financial planning purposes. Investment requirements will be further refined through future options analyses.

Principal options

Investing in our three waters assets to improve compliance
Council proposes to undertake upgrades at several wastewater treatment plants in order to meet resource consent requirements during the first several years of this strategy. These investments include:

- Upgrading the Taipa wastewater treatment plant in 2021 ($7M)
- Upgrading the Opononi Wastewater treatment plant in 2021-2022 ($4.8M)
- Reducing wastewater overflows in Kaitaia between 2021 and 2025 ($10M) and upgrading the wastewater treatment plant ($11M)
- Upgrading the Kaikohe wastewater treatment plant over 2022-2024 ($9M)
- Constructing a new Hihi wastewater treatment plan in over 2021-2022($5.9M)

What it means for our communities

Investing in our wastewater schemes to improve compliance will ensure Council operates in a manner that meets environmental regulations, ensuring that our wastewater treatment activities result in appropriate environmental outcomes. Whilst these investments represent substantial capital investment over the early years of this Strategy, the investment is required to meet legal oblations relating to wastewater treatment quality.

Planning for investments required to address future statutory requirements

In addition to the immediate investment requirements needed to improve our resource consent compliance it is likely the implementation of the NPS Freshwater 2020 will result in the need to invest in both our water and wastewater schemes to achieve the regulatory framework of the Regional Plan once it has given effect to the NPS. Because the specifics around these requirements are not yet known, it is not possible to develop any meaningful assumptions other than any new regulatory requirements are unlikely to come into effect until the end of 2024. Even after that time, the new regulatory framework will not have immediate effect on our schemes because they will continue to be able to operate under their existing resource consents until those consents expire.

What it means for our communities
Council will be working closely with Northland Regional Council as it advances its regional plan review to give effect to NPS Freshwater 2020. Doing so will allow Council to develop well informed assumptions as it develops the next iteration of the 30-year infrastructure strategy. Council's continued focus on improving its asset management processes and culture will also enable better financial planning around likely investment requirements for future resource consent applications, enabling Council to improve our budgeting process for future upgrade requirements.

4.2. Managing Change

The Far North will experience significant changes over the 30-year term of this strategy. Changes in the climate caused by global warming is predicated to result in a greater frequency of weather extremes (drought, extreme rainfall, flood events) and exposure to coastal hazards associated with rising sea levels. Owing to the historic rate of greenhouse gas emissions, and the current emission trajectories, global warming and its effects on climate change, will affect our communities well beyond the 30-year term of the Strategy. Those effects will become more acute towards the end of this century. The infrastructure planning, and associated investment decisions, we make throughout the term of the Strategy will have a bearing on the resilience of our core infrastructure and the associated resilience of our communities towards the later part of this century.

The National Climate Change Risk Assessment for New Zealand[9] concludes that the risk of maladaptation due to the application of practices, processes and tools that do not account for uncertainty and change over long timeframes is an extreme risk that requires urgent attention. The 30-year Infrastructure Strategy has a role to play through giving Council and communities a platform for setting the direction of future planning and infrastructure delivery including considering the National Climate Change Risk Assessment for New Zealand.

Preparing for and supporting future demographic changes is a further area that requires a strategic response through this Strategy. Our east coast communities are forecast to grow disproportionality faster than other built areas in the Far North, while a number of our more isolated rural communities are forecast to experience population decline. In addition, changes in our population structure over the term of this strategy as a result of population aging will result in communities with a higher proportion of people on fixed incomes and with differing needs compared to today's populations. The forecasted change in population structure will place a greater emphasis on the need to deliver infrastructure that is as cost effective whilst optimising levels of service to cater for the needs of changing populations. Our more isolated rural communities also tend to be areas with higher levels of deprivation compared to our east coast communities which, in combination with population decline and ageing, can make these communities inherently less resilient to the effects of climate change. Ensuring that the right infrastructure is delivered at the right place and at the right time to support growth and adapt to demographic change is critical to our economic development and the wellbeing of our communities.

4.2.1. Response 1: Responding to climate change

Climate change is predicted to result in rising sea levels and marked changes in weather patterns. Whilst the effects of climate change are being experienced now, there remains time to plan for climate change with our communities so we can support adaptive responses to a phenomenon that has the potential to fundamentally change the way many of our communities live.

Adaptation approaches will potentially bring significant financial implications or drastically changed levels of service for some communities. An important response to climate change and hazard management in general, is building resilience into the infrastructure network. Fundamentally, resilience is about the ability to absorb the effects of a disruptive event, recover, and adapt to mitigate adverse impacts of future events. This definition of resilience can apply equally to infrastructure or community resilience. An important point, however, is that a resilient community relies on resilient infrastructure.

Principal options

Implement the Climate Change Roadmap

In 2020 Council adopted a Climate Change Roadmap. Two key goals of the roadmap are to achieve more resilient infrastructure taking into account the effects of climate change and working with Far North communities to prepare for and adapt to the impacts of climate change. The Climate Change Roadmap includes initiatives intended to deliver on these goals over the 10-year LTP period in addition to long term goals that are intended to be fulfilled within the period covered by the Strategy. Addressing the implications of climate change is also a key driver within Council's 80-year strategy (FN2100), and so is seen as one of FNDC's key strategic responses to achieving the district Vision: He Whenua Rangatira - a district of sustainable prosperity and wellbeing.

What it means for our communities

Implementing the Climate Change Roadmap is the principal means by which Council intends to prepare for climate change. It will enable Council to respond rapidly to future requirements set down by the Climate Change Commission under the Climate Change Response Act 2002. Work to be completed early in the roadmap programme includes substantial development of research and policy to inform decision making around infrastructure delivery and land use

[9] Ministry for the Environment. 2020. *National Climate Change Risk Assessment for Aotearoa New Zealand: Main report – Arotakenga Tūraru mō te Huringa Āhuarangi o Āotearoa: Pūrongo whakatōpū*. Wellington: Ministry for the Environment.

planning, along with the development of community engagement plans intended to work with communities to advance responses to climate change. Future iterations of the Infrastructure Strategy will be able to draw from this work – enabling Council to improve its long-term investment decisions considering the implications of climate change.

4.2.2. Response 2: Planning for and responding to demographic change

Projected structural changes in the Far North's population have the potential to affect productivity due to reduced levels of labour force participation caused by population aging. This can have consequences for the long-term affordability of infrastructure delivery because there is a risk of the economy (and people's income) stagnating compared to the long-term costs of constructing, renewing and operating infrastructure. Supporting productivity growth by encouraging the right development in the right place is a key strategic response to the challenges presented by our changing demographics because productivity growth can sustainably off-set the effects on economy associated with reduced labour force participation. Moreover, predicting and, where possible, influencing future demographic change is a key ingredient for optimising the affordability of our infrastructure because it ensures we can better deliver infrastructure that meets the needs of communities throughout the entire asset lifecycle.

Principal options

Integrate strategic infrastructure delivery with land use planning

Council has a substantial role to play when it comes to influencing growth and development in the District. Through the District Plan, Council can enable certain types of development in places where it is considered most appropriate and discourage inappropriate development in areas where such development is poorly suited to achieving desired environmental outcomes. Our second strategic response is to support development in the right places by better integrating land use provisions with infrastructure, and to discourage development that relies on infrastructure in locations where those services cannot be delivered, or where services may be compromised in the future due to hazards (e.g. sea level rise, flooding, drought). In addition, as part of the plan making process, Council is required to make sure the plan enables enough development capacity to meet expected demands. This process includes making sure our infrastructure has sufficient capacity to service future demand and any zone changes intended to provide additional development capacity. Programme Darwin also has a major role to play in our integration of land use planning with infrastructure because the outcomes of that work programme are intended to enable informed decision making around infrastructure delivery including network capacity, lifecycle optimisation and demand.

What it means for our communities

Council is currently undertaking a full review of its District Plan. The plan review process will update the policy direction and rules that influence where development occurs. The review presents a significant opportunity to line up our infrastructure delivery with land use planning. This integration will help us to better time when we deliver major capital projects needed to support development because we will be able to forecast development changes with greater confidence. In addition, the district plan review provides an opportunity to start signalling to communities where changes in levels of service, or servicing limitations, may occur towards the end of the strategy term, enabling people to start making more informed decisions around investments taking into account future servicing constraints.

Importantly, the District Plan review process to date has highlighted that there is a need to consolidate urban growth to existing urban zoned land. As a result of this focus area, it is likely that we will see more enabling provisions for compact urban development in existing urban zones compared to the current plan.

5. Managing our assets over the next 30 years

Section 101B of the LGA requires that councils outline the most likely scenario for managing infrastructure assets over the term of the Strategy. The most likely scenarios for water, wastewater, stormwater and the transport infrastructure are set out in the sections below and have been developed taking into account the assumptions contained within Appendix 1, the principal options contained in the significant challenges section above, and the direction and constraints set out in the LTP and Financial Strategy. Forecasts over years 1-10 of the Strategy are based on those contained within the LTP 2021-31. Investment decisions over years 1-3 have the highest levels of certainty and confidence. Decisions between years 4 to 10 have less certainty and timing and costs associated with those investments may change as a result of future financial planning decisions undertaken as part of future long term plans. Investment decisions beyond year 10 have high levels of uncertainty and should be treated as indicative only. This uncertainty is largely because the assumptions Council uses to forecast investment requirements (e.g. population change, development trends, asset replacement timing) become very uncertain. For these reasons, the indicative estimates provided beyond year 10 should not be considered a budget. These figures represent Council's best estimate taking into account the uncertainty inherent in forecasting investment requirements several decades into the future and so represent indicative costs only. As our asset management approach matures it can be expected that levels of certainty around future investment requirements will be improved. Information relating to asset lives is in provided in Appendix 2.

Please note all financial information is inflation-adjusted.

5.1. Water supply activity

Council-owned water supply assets include eight schemes that deliver potable water for domestic, commercial and industrial use. Four major towns in the district account for 70% of the reticulation network. The sources of raw water include surface water (five schemes), underground water via bores (three schemes), and one scheme utilises both surface water and underground water sources. Key assets across the eight schemes include nine treatment plants, 32 reservoirs, 333km pipelines and 18 pumping stations, servicing nearly half the district population (around 25,000 people). All schemes are universally metered with the metered volume being the basis for the recovery of the operational portion of the costs associated with the water supplies. The capital associated costs are recovered via a targeted water capital rate. The optimised replacement cost of our water supply schemes is $126.75M.

5.1.1. Asset performance

Water supply schemes are performing well in terms of quality. Bacteriological and protozoa water quality standards are met consistently, apart from where users are connected to raw water supplies before the treatment plants. The majority of the reticulation meets fire flow standards, however increasing main size is required in some locations. A number of the schemes that rely on surface water takes are sensitive to dry weather conditions because the resource consents authorising these takes usually require taking to cease at mean low flow. Investment in our water supply schemes is required to improve resilience.

Key issues

- Limited raw water sources, and/or contingency supply during severely dry weather poses a risk to meeting summer demand for some schemes (e.g. Rawene and Kaitaia)
- Condition information for individual underground assets is limited
- Treatment capacities at larger schemes (Paihia and Kaitaia) are approaching their limits
- Major investment in the Kerikeri water supply scheme will be required to service growth

5.1.2. Indicative expenditure estimates

The estimated expenditure for Council's water supply activity is set out below. The forecast expenditure from year ending 30 June 2021 to 2031 is provided in **Error! Reference source not found.** below at one-year intervals.

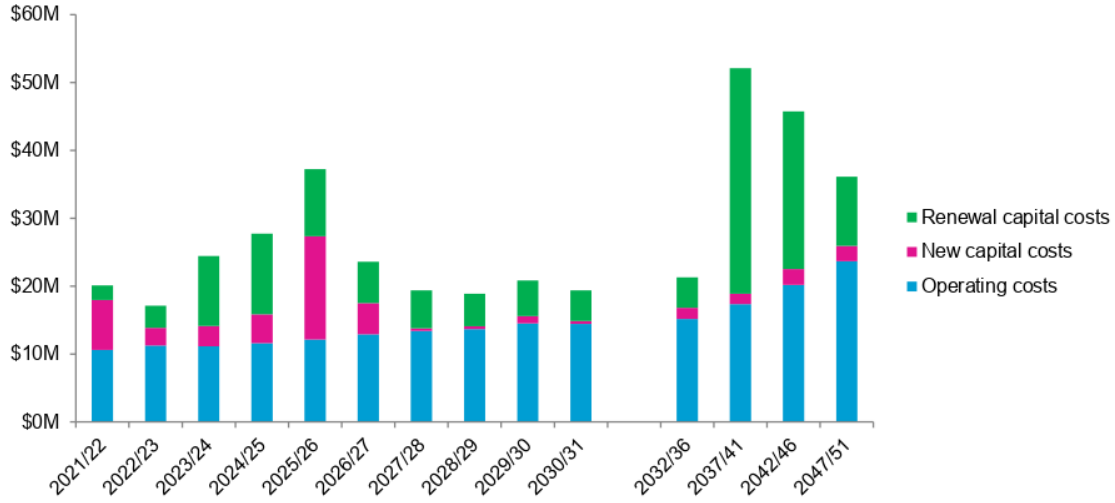
Estimates from 2032 to 2051 are provided in five yearly increments and depict average estimated expenditure over the five year periods.

Asset life assumptions is are as follows:

- Assumed average asset life for all water assets is approximately 62 years
- Water pipes average lifespan is 70 years
- Water treatment plants average lifespan is 30 years.

These asset life assumptions have been used to forecast our asset renewals.

Figure 6. Forecast capital and operating expenditure Council water supply activity from 2021 to 2051. Note costs for years 2032 to 2051 represent indicative estimates of average annual expenditure within each five-year period.



5.1.3. Significant expenditure decisions

Significant expenditure decisions associated new projects to improve levels of service with Council's water supply activity are set out in Table 1.

Table 1. Significant capital expenditure decisions for Councils water supply activity associated with projects to improve levels of service.

Projects	Description	Timing	Estimated cost
Sweetwater borefield, Kaitaia.	Development of the Sweetwater borefield and pipeline to improve Kaitaia water supply scheme resilience	Year 1	$4.9M
New raw water connection at Lake Waingaro.	The current raw water connection requires replacing and is subject to breakage. This is a critical asset for the Kerikeri town supply.	Year 3	$2.8M
Kerikeri water treatment plant upgrade.	Investment in a new treatment plant that will improve the treatment of the water supply scheme.	Years 4-5	$6.6M
Upgrade to the water main to the Heritage Bypass.	Improvements to the pipeline capacity to better service demand.	Year 5	$9.7M

Projects	Description	Timing	Estimated cost
Water source improvements	Estimated investments requirements to improve water resilience across the district beyond the 10 year budgeting horizon of the LTP.	Years 10-30	$39M

In addition to the capital expenditure set down in Table 1, Council forecasts major capital expenditure will be required between 2037 to 2051 to replace ageing assets, with average annual expenditure ranging from $10M to $33M over that period. This renewals profile is uncertain however due to the limited information available regarding the condition of our assets and is based only on the expected asset lives of our underground water supply assets.

5.2. Wastewater

There are 16 Council owned and operated wastewater schemes (with 15 treatment plants) within the District that provide wastewater collection, treatment and disposal services for domestic, commercial and industrial customers. There is also one non-operating scheme at Matauri Bay. The 16 schemes combined include 409 km of pipelines and 155 major pumping stations. Generally, the network is performing adequately, but there are significant challenges in meeting consent compliance and inflow and infiltration is significant at a number of our schemes (notably Kaitaia and Kawakawa). The optimised replacement cost to our wastewater supply schemes is $200.48M

5.2.1. Asset performance

Generally, the network is performing adequately, but there are significant challenges in meeting consent compliance and anticipated future consent standards.

Key issues

- A number of wastewater treatment plants are not capable of complying with the treatment quality standards required by the discharge resource consents. Ongoing compliance issues are occurring at Paihia, Opononi, Ahipara, Taipa and Kaikohe wastewater treatment plant
- Unacceptable risk of failure of the Hihi treatment plant in the near term
- Stormwater infiltration into the reticulation is becoming a big issue for Kawakawa, Kaitaia and Kaikohe
- Condition information for individual underground assets is limited
- Disposal of sludge from wastewater treatment plants is not effectively managed

5.2.2. Indicative expenditure estimates

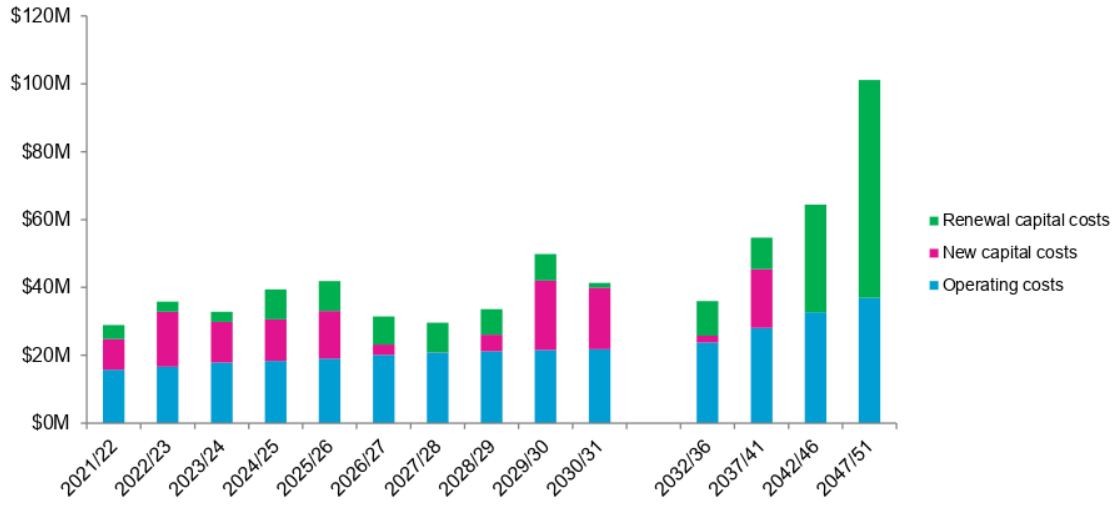
The estimated expenditure for Council's wastewater activity are set out below. The forecast expenditure from year ending 30 June 2021 to 2031 is provided in

Figure 7 below at one-year intervals. Estimates from 2031 to 2051 are provided in five yearly increments and provide average estimated expenditure over the five years covered.

Asset life assumptions is are as follows:

- Assumed average asset life for all water assets is approximately 60 years
- Water pipes average lifespan is 76 years
- Water treatment plants average lifespan is 34 years.

Figure 7. Forecast capital and operating expenditure Council wastewater activity from 2021 to 2051. Note costs for years 2032 to 2051 represent indicative estimates of average annual expenditure within each five-year period.



5.2.3. Significant expenditure decisions

Significant expenditure decisions associated new projects to improve levels of service with Council's wastewater activity are set out in Table 2.

Table 2 Significant capital expenditure decisions for Councils water supply activity associated with projects to improve levels of service.

Project	Description	Timing	Estimated cost
Opononi wastewater treatment plant upgrade	It is anticipated a higher quality of treated effluent will be required as a result of the renewing of the discharge consent in 2019. Until the consent is granted, the extent of works and final costs cannot be accurately determined.	Years 1-2	$4.9M
Hihi wastewater treatment	The main concrete structure is in poor condition and requires replacement. There is an unacceptable risk of failure.	Years 1-2	$6M
Taipa wastewater treatment plant upgrade	Upgrade to the Taipa wastewater treatment plant to meet the requirements of a new resource consent.	Years 1 - 3	$7.6M
Kaikohe wastewater upgrade	It is anticipated a higher quality of treated effluent will be required as a result of the renewing of the discharge consent in 2021. Until the consent is granted, the extent of works and final costs cannot be accurately determined	Years 2-5	$13.5M
Kaitaia wastewater scheme improvements	Improve the treatment quality in line with the likely treatment quality set down in a new resource consent.	Years 3-5	$13.1M
Reducing wastewater overflows in Kaitaia	Major investment is required to upgrade the Kaitaia scheme in order to reduce the frequency of untreated wastewater overflows	Years 1-5	$10.7

Project	Description	Timing	Estimated cost
Kerikeri wastewater upgrade	Upgrade to the wastewater treatment plant to service growth.	Years 7-10	$35M
Ahipara wastewater treatment plant upgrade	Upgrade to the Ahipara wastewater treatment plant to meet the anticipated future resource consent requirements.	Years 8 - 9	$7.4M
Supporting growth in and around Kerikeri / Waipapa	Expand the Kerikeri wastewater scheme and/or Waipapa scheme to service all residential, commercial and industrial land within Waipapa (phase 3 of above project).	Year 15-18	$96M

In addition to the capital expenditure set down in Table 2 above, Council forecasts major capital expenditure will be required between 2042 to 2051 to replace ageing assets, with average annual expenditure ranging from $32M to $64M over that period. This renewals profile is uncertain however due to the limited information available regarding the condition of our assets and is based only on the expected lives of our underground water supply assets.

5.3. Stormwater

The Council maintains and manages stormwater schemes within 22 defined urban areas in the Far North, servicing approximately 15,000 properties. The stormwater management systems include approximately 132km of pipes (predominantly concrete), approximately 37km of open drains and overland flow paths and 14 detention ponds.

5.3.1. Asset performance

Generally the stormwater network can be considered fit for purpose. However, there are some large-scale river-generated flooding issues at Waipapa, Kaitaia, Kaeo and Moerewa that require a combined response from Council and Northland Regional Council.

Key issues

- Condition information is limited and much of it is out of date
- Catchment management plans, including catchment modelling, was completed in 2010, but the plans have not been integrated into the broader asset management framework, and they now need updating
- Lack of planned maintenance is the leading cause of failures because maintenance is reactionary and based on complaints
- Overland flow paths are poorly regulated or documented, resulting in localised flooding as a result of development in these areas. There is also a lack of clarity around who is responsible for some stormwater assets
- Development (i.e. buildings and structures) over underground assets has been poorly regulated resulting in difficulty maintaining some assets and risks to the assets and nearby buildings

5.3.2. Indicative capital expenditure estimates

The estimated capital expenditure for Council's stormwater activity are set out below. The forecast capital expenditure from year ending 30 June 2021 to 2031 is provided in **Error! Reference source not found.** below at one-year intervals. Estimates from 2031 to 2051 are provided in five yearly increments and provide average annual estimated expenditure over the five years covered.

Figure 8. Forecast capital and operating expenditure Council stormwater activity from 2021 to 2051. Note costs for years 2032 to 2051 represent indicative estimates of average annual expenditure within each five-year period.



5.3.3. Significant expenditure decisions

Significant expenditure decisions associated new projects to improve levels of service with Council's wastewater activity are set out in Table 3 below. Renewals expenditure is forecast to be relatively consistent year on year, with average annual renewals expenditure forecast to be promptly $5.5 million per annum over the term of this strategy.

Table 3 Significant capital expenditure decisions for Councils stormwater activity associated with projects to improve levels of service.

Project	Description	Timing	Estimated cost
Kaitaia upgrade	Kaitaia stormwater upgrade	Years 1-4	$1.67M
Moerewa stormwater improvements	Moerewa stormwater upgrade	Years 1-4	$2M
Kaikohe upgrade	Kaikohe stormwater lines	Years 4-6	$4.1M
Districtwide stormwater improvements	An average year on year investment of $0.68M over the term of the strategy to improve the stormwater network.	Years 1-30	$61M

5.4. Transport

Transportation forms Council's largest asset group with roading, footpaths and car park assets accounting for 81% of Council's core assets. Key transport assets include 2,507 km of roads (34% sealed and 66% are unsealed), 723 bridges, 217km of footpaths, 87km of cycleways and a vehicle ferry service across the Hokianga Harbour.

5.4.1. Asset performance

Generally, the transport activity group's performance is acceptable, but there are a number of areas that could be improved, particularly in around safety, resilience, bridge renewals, and freight efficiency.

Key issues

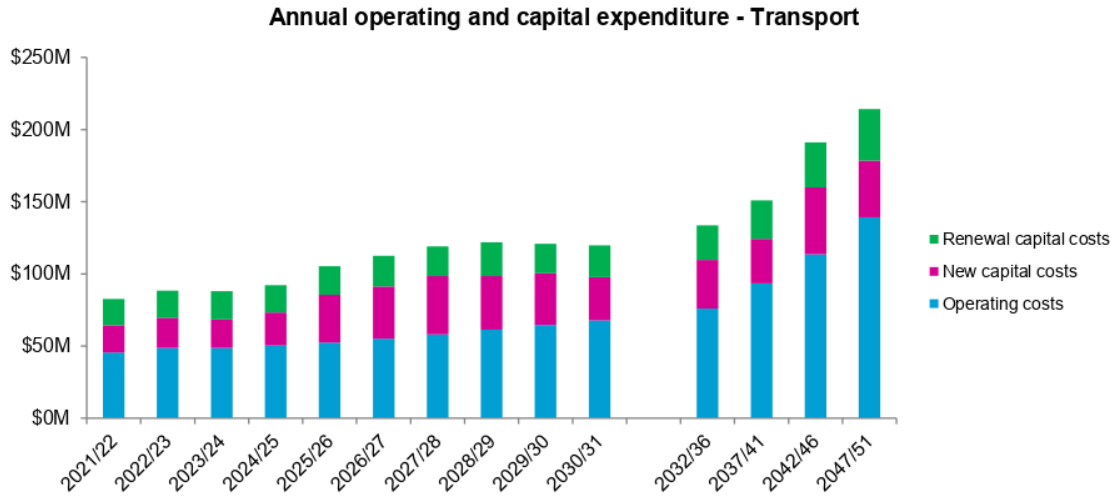
Key issues for the Far North's transport system are:

- Poor safety record with an increasing rate of death and serious injury crashes
- A largely unsealed network which is subject to high forestry traffic volumes resulting in poor condition and dust impacts
- Few transport links with the rest of the region which are prone to slips and flooding during storm events resulting in many road closures
- Many isolated coastal communities which are heavily reliant on a vulnerable road network for access
- There are a high number of weight restricted bridges which is limiting the efficiency of the freight network
- Lack of transport choice in most communities which contributes to higher levels of social deprivation
- Council's bridging stock is in poor condition, making the transport network more vulnerable to failure

5.4.2. Indicative capital expenditure estimates

The estimated capital expenditure for Council's transport activity is set out below. The forecast capital expenditure from year ending 30 June 2021 to 2031 is provided in **Error! Reference source not found.** at one-year intervals.

Figure 9. Forecast yearly capital expenditure for Council's transport activity from June 30 June 2021 to 2031



5.4.3. Significant expenditure decisions

Significant expenditure decisions associated new projects to improve levels of service with Council's transport activity are set out in Table 4 below. Average annual renewals expenditure over the first 10 years of this strategy is forecast to be approximately $20M per annum. Renewals expenditure is estimated to increase to an average of approximately $35M per annum in the last five years of this strategy. The majority of this expenditure is for road resurfacing, unsealed road metaling, sealed road rehabilitation and structure replacements (mainly bridges).

Table 4. Significant capital expenditure decisions for Councils transport supply activity associated with projects to improve levels of service.

Project	Description	Timing	Estimated cost
Unsubsidised dust seals	Sealing of critical risk roads that pose a threat to public health through dust generation	Years 1-5	$15M
Develop the Twin Coast Cycle Trail to support tourism growth	Develop the Twin Coast Cycle Trail in line with strategic case	Years 1-12	$33M
New footpaths	Development of new footpaths over the next 30 years	Years 1- 30	$20M
Safety improvements	Safety improvements, including street lighting infills and traction seals	Years 1 - 30	$140M
New cycleways	New cycleways to improve transport modes	Years 1 - 30	$142M
Improve freight productivity to improve productivity growth	Strengthen and maintain key forestry routes and bridges to enable HPMV and 50MAX vehicles throughout the term of this strategy	Years 2-30	$47M
Kerikeri transport network improvements	Improvements to the network capacity in response to growth in and around Kerikeri	Years 4-24	$80M

6. Significant Assumptions

We have made assumptions in preparing this Strategy and our significant infrastructure decisions as below

Assumption	Description	Level of Certainty
Climate change will occur	Climate change projections will be generally in line with the IPCC predictions and Northland specific effects will include, by 2100: Seasonal rainfall patterns will change - with eastern areas experiencing up to 20% less rainfall in spring and up to 10% increase in summer and autumn. It is expected drought frequency will increase by 10%. Mean annual flows in rivers will decrease. Sea levels are expected to rise by anywhere from 20cm to 1m. The frequency of storm events may decrease, although there is some uncertainty with this projection.	**Medium** Potential impact – there is a degree of certainty about the potential impacts of climate change. However, the timing for those impacts remains uncertain, particularly the magnitude of sea level rise. The impact of the uncertainty around the timing climate change impact is considered to be minimal provided Council asset management approach is agile enough to consider new information as it comes in, in respect to climate change impacts.
Growth or decline in demand will occur in line with the forecasts prepared by .id, February 2020.	Demographic change will follow the forecasts prepared by .id, February 2020.The population is forecast to increase at a rate of approximately1.6% per annum between 2020 to 2043, resulting in a total population of approximately 78,000 people by 2043. Most of this growth is projected to occur in the Far North's main urban centres (Kaitaia, Kaikohe, Kerikeri and Paihia). The 65+ demographic is predicted to represent a big component of population change over the next 20 years with the demographic representing 32-37% of the population along several east coast communities between the Bay of Islands to Doubtless Bay.	**Medium** Potential impact – there is a risk the population projections could follow high or low population projection scenarios. High scenario will result in demand increasing more rapidly than expected. Underestimating growth may result in insufficient capacity, affecting levels of service. Overestimating growth will result in oversupply, increasing costs.
Levels of service remain static for years 1 to 10 but may need to change	Levels of service will remain generally unchanged for the 10-year period covered by the 2021-2031 Long Term Plan. Service levels will change beyond that period in response to the need to supply cost effective infrastructure considering the constraints presented by climate change, demographic change and the socio-economic challenges the district faces.	**Low** Potential impact – changing levels of service will be a key response to managing several significant infrastructure issues identified in the Strategy. However, the nature, extent and timing of these changes is highly uncertain because limited research and planning has been completed to fully understand the consequences of climate change, population decline and population aging It is therefore not possible to factor level of service changes into financial projections.

Assumption	Description	Level of Certainty
Improvements to our asset information, planning and delivery will improve our ability to optimise infrastructure lifecycles strike the best balance between maintenance, operations and renewals costs	Lifecycles of significant assets, including underground assets, is optimised to strike the best balance between maintenance, operations and renewals costs.	**Medium** Potential impact – the current lifecycle management approach is not well defined, relying on a reactionary approach based on age and asset failure. Condition based information is also limited for individual underground assets. The level of certainty around the current assumption is therefore medium. The impact of the medium uncertainty is that the financial forecasts contained in this strategy assume we reach an optimised renewals approach over the longer term and if we do not then the cost savings assumed from improved approaches to asset management will not materialise and we may have more reactive renewals.
Legislated reform of Three Waters services will take place.	FNDC will continue to collaborate with the Crown on the reform programme for the ongoing provision of water, wastewater and stormwater services that was introduced to local authorities in 2020. Draft legislation is expected to be out for public consultation in late 2021. Local authorities have been advised that any substantive change will not occur before the 2023/24 financial year.	**Low** Potential impact – while we are anticipating that there will be change to the ownership and delivery of three waters in the next ten years, we are not able to say with certainty what those changes will be. This LTP has been developed on the basis that it is business as usual for the delivery of three waters, but that change is very likely over the mid-term (3-5 years).
The COVID-19 pandemic will affect our communities for several years.	The global economic and health crisis caused by the COVID-19 pandemic is expected to have long-lasting effects on New Zealander's way of life. Recent modelling undertaken by BERL[10] indicates that while most industries are expected to recover over the next 10 years, the industries that make up much of the tourism sector (accommodation and food services, and arts and recreation) are unlikely to recover employment back to their pre-pandemic state for some time beyond 2030. Even under the best-case scenario, the modelling predicts key tourism industries will be employing around 40% fewer people in 2030 compared to 2020. This has potentially significant implications for the Far North District, given the significant contribution tourism plays in supporting the local economy.	**Low** Potential impact – the COVID-19 pandemic is a highly dynamic situation on both a global and national scale. Vaccinations will potentially see a reduction in the term of the impacts of the pandemic. New Zealand still remains at risk of future outbreaks, which can have an immediate and pronounced impact on our local economy and the wellbeing of our communities.

[10] Economic scenarios to 2030 - The post-COVID-19 scene. Prepared by Business and Economic Research Ltd, Hōngongoi 2020.

7. Asset lives

Potable Water: Average for all water assets is approximately 62 years

- Water pipes average lifespan is 70 years
- Water treatment plants average lifespan is 30 years

Wastewater: Average for all wastewater assets is 60 years

- Pipes average life span is 76 years
- Pump stations average lifespan is 35 years
- Treatment plants average lifespan is 35 years

Stormwater: The average life span of all pipes is 92 years

Transport: The average of sealed roads is 30 years; unsealed 25 years

- Sealed roads have two main components: a pavement structure and a sealed surfacing. Council designs pavement structures to achieve a 30-year life; applying surfacing to the structure at the time of construction, then waterproofing at year two, resurfacing again after year 12 to optimise the lifecycle of the road.
- Unsealed roads also have a pavement structure and a surfacing treatment, but the structure has a lesser design life to achieve a 25-year life. The surfacing is a sacrificial treatment that consists of a bound granular material usually made up of aggregate that is smaller (GAP30) than the pavement structure. Accepted industry research suggests that this surfacing loses approximately 20-25mm of aggregate per year when normal maintenance practices are undertaken. The surfacing component of an unsealed road is generally applied at 75mm thickness and is expected to last 3-5 years with the correct maintenance practices.

The life expectancies for both sealed and unsealed roads can vary, and in the Far North District are affected by the types and volumes of traffic that use the road. Heavy forestry use accelerates failure whilst lower overall traffic use extends lifecycles. The approach FNDC are taking through collaboration with the Northland Transport Alliance (NTA) should see overtime a better outcome of the lifecycle management of the district roads.

2021-31 Capital works programme for Roading and Footpaths

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Building Capacity for Pump Track	-	82,400	-	-	-	-	-	-	-	-
Cycle Trail Minor Improvements	58,100	68,083	50,832	-	-	-	-	-	-	-
Cycle trail removal of pipes	100,000	-	-	-	-	-	-	-	-	-
Cycle trail, IMMS Road Bridge	130,000	206,000	-	-	-	-	-	-	-	-
Footpaths Eastern Community Board	150,000	154,500	158,520	162,645	167,040	171,390	176,190	181,125	186,375	191,400
Footpaths Northern Community Board	150,000	154,500	158,520	162,645	167,040	171,390	176,190	181,125	186,375	191,400
Footpaths Western Community Board	150,000	154,500	158,520	162,645	167,040	171,390	176,190	181,125	186,375	191,400
Low cost/low risk improvements	11,755,434	12,555,701	14,821,619	14,442,876	18,346,560	18,298,739	19,328,044	18,118,538	18,656,140	17,411,021
Okiato to Russell, Aucks Road cycle route	-	-	-	-	735,805	754,966	-	-	-	-
Opua to Paihia (Northland Integrated Cycling Implementation Plan) - Extension	-	-	-	813,225	1,571,005	754,966	-	-	-	-
Opua to Paihia Coastal Walkway	-	-	-	813,225	835,200	-	-	-	-	-
Pou Herenga Tai (Twin Coast Cycle trail) Extension	265,000	-	-	-	-	-	3,665,544	3,669,027	3,675,993	3,675,789
Pou Herenga Tai (Twin Coast Cycle trail) Opua to Taumarere replacement	3,074,808	4,633,691	1,004,763	527,947	542,213	556,333	-	-	-	-
Road Improvements	800,000	824,000	951,120	2,627,259	8,296,320	13,081,057	14,623,770	14,861,307	12,866,088	8,407,564
Unsubsidised roading capital sealing	2,000,000	2,060,000	2,113,600	2,168,600	2,227,200	2,285,200	2,349,200	-	-	-
Unsubsidised Roading Capital Sealing Unahi Wharf	320,000	-	-	-	-	-	-	-	-	-
Visitor Experience - Taumarere to Opua	-	61,800	169,088	-	-	-	-	-	-	-
Waitangi to Kerikeri (Northland Integrated Cycling Implementation Plan)	-	-	-	1,081,047	-	-	-	-	-	-
Total new works	**18,953,342**	**20,955,175**	**19,586,582**	**22,962,114**	**33,055,423**	**36,245,431**	**40,495,128**	**37,192,247**	**35,757,346**	**30,068,574**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Bridges and structures renewals	1,465,000	1,447,150	1,648,608	1,523,442	1,503,360	2,570,850	1,820,630	2,716,875	994,000	1,020,800
Cycleway network renewals	-	27,127	86,776	-	-	98,169	402,658	1,372,362	-	83,493
Drainage renewals	803,000	767,350	697,488	863,103	1,224,960	423,905	555,586	790,913	490,788	1,011,868
Ferry renewals	130,000	344,020	87,714	130,116	133,632	137,112	140,952	144,900	149,100	153,120
Footpath renewals, BOI-Whangaroa ward	166,666	171,666	176,133	180,716	185,599	190,433	195,766	201,249	207,083	212,666
Footpath renewals, Kaikohe-Hokianga ward	166,667	171,667	176,134	180,717	185,600	190,434	195,767	201,250	207,084	212,667
Footpath renewals, Te Hiku ward	166,667	171,667	176,134	180,717	185,600	190,434	195,767	201,250	207,084	212,667
Sealed road rehabilitation	3,154,000	3,149,740	3,586,779	3,471,929	3,405,389	4,097,364	3,986,592	3,344,775	3,441,725	3,534,520
Sealed road resurfacing	4,477,800	4,716,941	4,944,412	4,844,852	5,327,507	5,334,854	4,704,475	6,098,279	6,275,040	6,444,226
Structures component replacements	1,667,000	1,717,010	1,761,686	1,149,359	1,152,576	1,176,878	1,209,838	1,080,713	1,112,038	1,422,740
Traffic Services renewals	430,000	473,800	486,128	498,778	512,256	525,596	540,316	555,450	571,550	586,960
Unsealed road metalling	5,506,350	5,671,541	5,819,111	5,970,535	6,131,871	6,291,556	6,467,759	6,648,918	6,841,640	7,026,103
Total renewals	**18,133,150**	**18,829,679**	**19,647,103**	**18,994,264**	**19,948,350**	**21,227,585**	**20,416,106**	**23,356,934**	**20,497,132**	**21,921,830**
Total capital works for roading and footpaths	**37,086,492**	**39,784,854**	**39,233,685**	**41,956,378**	**53,003,773**	**57,473,016**	**60,911,234**	**60,549,181**	**56,254,478**	**51,990,404**
Total 10-year capital works for roading and footpaths	**498,243,495**									

2021-31 Capital works programme for Water Supply

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Chlorinator, District-wide	24,071	-	-	-	-	-	-	-	-	-
Clarifier membrane, Taraire Hills, Kaikohe	-	-	-	168,747	-	-	-	-	-	-
Clarifier sludge disposal improvement, Kaitaia	-	19,691	-	-	-	-	-	-	-	-
Fire flow upgrades, Fairlie Cres, Opononi	-	-	-	-	275,059	950,643	-	-	-	-
Fire flow upgrades, Lindvart St, Kaikohe	-	-	-	185,480	-	-	-	-	-	-
Fire flow upgrades, Pukepoto Rd, Kaitaia	-	-	217,738	-	-	-	-	-	-	-
Fire flow upgrades, Skudders Beach, Kerikeri	388,835	-	-	-	-	-	-	-	-	-
Fire flow upgrades, Southern Area, Okaihau	-	504,613	-	-	-	-	-	-	-	-
Fire flow upgrades, Station Rd, Kaikohe	-	32,210	-	-	-	-	-	-	-	-
Fire flow upgrades, Waipapa Industrial Area, Kerikeri	-	74,010	-	-	-	-	-	-	-	-
Intake rising main upgrade, Kerikeri	700,000	-	-	-	-	-	-	-	-	-
Mains upgrade, Baffin Street, Paihia (stage 1)	354,000	-	-	-	-	-	-	-	-	-
Mains upgrade, Paihia - Opua	-	448,544	-	-	451,008	1,302,564	-	-	-	-
Minor capital works, District-wide	300,000	309,000	317,040	379,505	389,760	399,910	411,110	422,625	434,875	446,600
Raw water new connection, Lake Waingaro	-	309,000	2,536,320	-	-	-	-	-	-	-
Reservoir pump upgrade, Te Maire, Kaitaia	-	98,452	-	-	-	-	-	-	-	-
Reservoir replacement, Okaihau	-	-	-	-	-	683,846	-	-	-	-
Reservoir upgrade, Te Haumi, Paihia (stage 1)	-	678,892	-	-	-	-	-	-	-	-
Reservoir upgrade, Te Haumi, Paihia (stage 2)	-	-	-	-	613,594	1,787,026	-	-	-	-
Reservoir upgrade, Te Haumi, Paihia (stage 3)	-	-	-	-	82,406	-	-	-	-	-
Reticulation renewals, Paihia	-	-	-	222,282	-	-	-	-	-	-
Specified works, Okaihau	-	18,460	-	-	-	-	-	-	-	-
Stream intake structure upgrade, Screen/Weir, Kerikeri	300,000	-	-	-	-	-	-	-	-	-
Treated water extension, Okahu Rd, Kaitaia	-	-	-	132,285	543,437	-	-	-	-	-
Treatment plant clarifier pre-membrane, Opononi	-	-	-	-	-	136,519	-	-	-	-
Treatment plant water heater membrane, Opononi	-	-	-	-	57,632	-	-	-	-	-
Upgrade main to Heritage Bypass, Kerikeri	-	-	-	-	9,688,320	-	-	-	-	-
Water source renewals, Kerikeri	54,707	-	-	-	-	-	-	-	-	-
Water treatment plant upgrade, Kerikeri	-	-	-	3,252,900	3,340,800	-	-	-	-	-
Zonal monitoring, Kaikohe	250,000	-	-	-	-	-	-	-	-	-
Zonal monitoring, Paihia	-	257,500	-	-	-	-	-	-	-	-
Total new works	**2,371,613**	**2,750,372**	**3,071,098**	**4,341,199**	**15,442,016**	**5,260,508**	**411,110**	**422,625**	**434,875**	**446,600**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Renew structure consent, Waiotemarama Stream, Opononi/Omapere	-	-	-	108,430	47,944	-	-	-	-	-
Scheduled renewals, Kaikohe	-	51,500	1,056,800	1,084,300	1,113,600	1,142,600	1,174,600	1,207,500	1,242,500	1,276,000
Scheduled renewals, Kaitaia	-	58,935	739,760	1,084,300	1,113,600	1,142,600	1,174,600	1,207,500	-	-
Scheduled renewals, Opononi	-	-	-	-	-	-	-	24,150	1,056,125	1,084,600
Structural renewals, pipe bridges, District-wide	-	319,968	-	-	-	-	-	-	-	-
Treatment plant renewals, Kaitaia	205,508	-	-	-	-	-	-	-	-	-
Water source renewals, Kaikohe	-	18,460	-	-	-	-	-	-	1,494,344	-
Water source renewals, Kawakawa	-	85,223	-	-	-	-	-	-	-	-
Water source renewals, Pembroke, Massey, Ranfurley & Reed, Moerewa	50,000	309,000	317,040	-	-	-	-	-	-	-
Water supply network planned renewals, Kawakawa & Moerewa	-	51,500	1,796,560	1,843,310	1,893,120	971,210	998,410	48,300	1,739,500	1,786,400
Water supply network planned renewals, Paihia	-	-	-	32,529	1,781,760	1,828,160	1,879,360	1,932,000	-	-
Water supply network renewals triggered by Roading, District-wide	200,000	206,000	211,360	216,860	222,720	228,520	234,920	241,500	248,500	255,200
Water supply reactive renewals, District-wide	200,000	206,000	105,680	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Water treatment plant relocation and new source, Paihia	1,600,000	1,803,530	6,015,834	7,334,747	3,389,242	-	-	-	-	-
Total renewals	**2,255,508**	**3,110,116**	**10,243,034**	**11,812,906**	**9,673,346**	**5,427,350**	**5,579,350**	**4,781,700**	**5,905,219**	**4,529,800**
Total capital works for Water Supply	**4,627,121**	**5,860,488**	**13,314,132**	**16,154,105**	**25,115,362**	**10,687,858**	**5,990,460**	**5,204,325**	**6,340,094**	**4,976,400**
Total 10-year capital works for Water Supply	**98,270,345**									

2021-31 Capital works programme for Wastewater

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
New Works (Level of service)	9,103,537	15,636,318	12,371,248	13,213,663	14,700,756	3,128,945	83,984	4,945,412	20,445,356	18,107,579
Discharge consent, Kerikeri	21,883	-	-	-	-	-	-	-	-	-
District Wide H&S Improvements	13,423	14,130	-	-	-	-	-	-	-	-
District Wide Sludge Treatment Facility, Kaikohe	-	-	420,469	-	-	-	-	-	-	-
Expansion of wastewater network Stage 2, Kerikeri	-	-	-	-	-	-	-	3,388,582	13,947,204	17,904,057
Hihi WWTP Upgrade	2,500,000	3,502,000	-	-	-	-	-	-	-	-
Mains, Watea to Haruru Falls, Paihia	-	-	444,891	1,731,150	-	-	-	-	-	-
Manhole sealing, Kaeo	-	24,670	-	-	-	-	-	-	-	-
Pump station 1 upgrade, Paihia	169,098	-	-	-	-	-	-	-	-	-
Pump station 6 upgrade, Te Haumi Bridge, Paihia	-	-	-	80,375	-	-	-	-	-	-
Pump station emergency storage, Haruru, Paihia	532,650	-	-	-	-	-	-	-	-	-
Pump station Upgrades	38,500	94,039	72,074	-	37,974	35,192	-	15,939	-	9,825
Pump station upgrades, East Coast	163,900	31,724	133,685	271,942	28,174	51,531	42,638	249,711	35,536	-
Pump station upgrades, Hihi	-	-	-	-	-	-	-	-	16,401	67,373
Pump station upgrades, Kaeo	-	13,596	28,322	33,396	-	35,192	-	-	-	37,897
Pump station upgrades, Kawakawa	91,300	-	-	-	-	-	-	-	-	-
Pump station upgrades, Kerikeri	-	-	-	118,080	84,522	93,008	-	46,489	136,675	28,072
Pump station upgrades, Opononi	53,900	70,246	-	-	51,448	-	15,505	-	-	7,018
Pump station upgrades, Rawene	-	-	13,950	-	-	-	25,841	37,191	6,834	-
Pump station upgrades, Whangaroa	38,500	-	-	-	-	43,990	-	-	-	53,337
Pump station upgrades, Whatuwhiwhi	35,200	134,827	133,685	14,313	25,724	62,843	-	-	90,206	-
Reduction of Wastewater Overflows Part A, Kaitaia	3,728,550	-	2,353,916	2,473,071	2,145,762	-	-	-	-	-
Scheme improvements, Kaikohe	-	136,806	5,716,515	4,337,200	3,340,800	-	-	-	-	-
Scheme Improvements, Kaitaia	-	-	-	155,803	6,502,310	-	-	-	-	-
Septage screening, Kaitaia	-	-	-	209,876	-	-	-	-	-	-
Treatment capacity expansion, Whatuwhiwhi	-	-	-	-	130,046	2,051,538	-	-	-	-
Treatment plant flow balance tank UV, Kaeo	26,633	-	-	-	-	-	-	-	-	-
Treatment plant inlet screen, Rangiputa	-	-	94,701	-	-	-	-	-	-	-
Treatment plant upgrade, Taipa	360,000	6,695,000	528,400	-	-	-	-	-	-	-
Treatment plant upgrades, Kaitaia	-	-	2,113,600	2,168,600	2,227,200	-	-	-	-	-
Treatment plant upgrades, Kohukohu	-	189,520	-	-	-	-	-	-	-	-
Treatment plant upgrades, Opononi	900,000	4,037,600	-	-	-	-	-	-	-	-
Treatment plant upgrades, Rawene	-	-	317,040	1,619,857	-	-	-	-	-	-
Treatment plant upgrades, Whangaroa	-	-	-	-	126,796	755,651	-	-	-	-
Treatment plant, UV treatment, Ahipara	100,000	331,660	-	-	-	-	-	1,207,500	6,212,500	-
WWTP aerator upgrade, Kawakawa	280,000	-	-	-	-	-	-	-	-	-
WWTP stream diversion, Kawakawa	50,000	360,500	-	-	-	-	-	-	-	-
Total new works	**9,103,537**	**15,636,318**	**12,371,248**	**13,213,663**	**14,700,756**	**3,128,945**	**83,984**	**4,945,412**	**20,445,356**	**18,107,579**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Discharge consent renewal, Houhora Heads Motor Camp	-	-	34,173	-	-	-	-	-	-	-
Discharge consent renewals, Russell	75,000	72,268	-	-	-	-	-	-	-	-
Discharge consent renewals, Whatuwhiwhi	-	-	84,544	27,989	-	-	-	-	-	-
Minor capital works	700,000	618,000	528,400	542,150	556,800	571,300	587,300	603,750	621,250	638,000
Pump station renewals, Kaikohe	71,500	-	-	-	-	18,853	-	-	-	-
Pump station renewals, Kaitaia	36,300	29,458	190,647	14,313	75,948	-	107,241	94,306	62,871	-
Pump station renewals, Kohukohu	38,500	-	-	-	-	22,623	-	-	-	-
Pump station renewals, Paihia	193,600	237,930	191,809	58,444	36,749	177,217	196,393	-	241,915	165,625
Pump station renewals, Russell	-	112,167	-	39,577	151,895	-	2,584	70,397	-	-
Reactive renewals	300,000	309,000	211,360	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Resource consent renewals, Hihi	150,000	54,590	-	-	-	-	-	-	-	-
Resource consent renewals, Kaeo	150,000	54,590	-	-	-	-	-	-	-	-
Resource consent renewals, Kaikohe	303,053	103,000	-	-	-	-	-	-	-	-
Resource consent renewals, Kaitaia	359,053	103,000	-	-	-	-	-	-	-	-
Resource consent renewals, Rawene	75,000	-	-	-	-	-	-	-	-	-
Scheduled renewals, Awanui	-	-	-	-	-	-	-	40,544	-	-
Scheduled renewals, Kaikohe	-	-	-	2,466,865	2,505,600	2,570,850	2,642,850	2,716,875	2,795,625	-
Scheduled renewals, Kaitaia	-	-	-	3,252,900	3,340,800	3,427,800	3,523,800	3,622,500	3,727,500	-
Scheduled renewals, Kawakawa	-	-	-	1,084,300	1,157,343	1,142,600	1,174,600	-	-	-
Scheduled renewals, Paihia	-	618,000	-	-	-	-	-	-	-	-
Scheduled renewals, Rawene	-	-	-	-	21,440	-	-	-	-	-
Scheduled renewals, Russell	-	75,069	426,231	-	-	-	-	-	-	-

Renewals (cont)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Scheduled renewals, Whangaroa	-	-	-	-	-	-	162,679	-	-	-
Telemetry renewals, District-wide	909,417	937,448	625,837	-	-	-	-	-	-	-
Treatment Plant renewals, Ahipara	-	-	74,148	-	-	-	-	-	-	-
Treatment plant renewals, East Coast	180,000	-	-	-	-	-	-	-	-	-
Treatment plant renewals, Kawakawa	-	-	-	23,102	-	-	-	-	-	-
Treatment plant renewals, Russell	372,855	-	-	-	-	-	-	-	-	-
Wastewater network reactive renewals triggered by Roading	200,000	206,000	211,360	216,860	222,720	228,520	234,920	241,500	248,500	255,200
Wastewater treatment renewals, Houhora Head Motor Camp	-	-	-	-	-	-	-	-	-	255,200
Total renewals	**4,114,278**	**3,530,520**	**2,578,509**	**7,834,930**	**8,180,655**	**8,274,023**	**8,749,827**	**7,510,622**	**7,821,911**	**1,441,625**
Total capital works for Wastewater	**13,217,815**	**19,166,838**	**14,949,757**	**21,048,593**	**22,881,411**	**11,402,968**	**8,833,811**	**12,456,034**	**28,267,267**	**19,549,204**
Total 10-year capital works for Wastewater	**171,773,698**									

2021-31 Capital works programme for Stormwater

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Floodgate health and safety improvements, District-wide	10,000	15,450	15,852	-	-	-	-	-	-	-
Stormwater discharge consent renewal, Mangonui	-	-	-	-	-	10,667	-	-	-	-
Stormwater improvements, Adamson Rd, Taipa	175,000	-	-	-	-	-	-	-	-	-
Stormwater improvements, Bayview Rd, Paihia	160,000	-	-	-	-	-	-	-	-	-
Stormwater improvements, District-wide	-	-	-	-	890,880	914,080	939,680	966,000	994,000	1,020,800
Stormwater improvements, Kawakawa	100,000	-	-	-	-	-	-	-	-	-
Stormwater improvements, Leigh Street, Kaeo	-	-	-	-	-	-	-	18,113	186,375	-
Stormwater improvements, Moerewa	796,950	820,859	-	433,720	-	-	-	-	-	-
Stormwater improvements, Pembroke St, Moerewa	208,763	-	-	-	-	-	-	-	-	-
Stormwater improvements, Tasman Heights, Ahipara Stage 4	91,555	-	-	-	-	-	-	-	-	-
Stormwater lines, Kaikohe Upper Broadway	-	-	-	-	-	-	-	181,125	621,250	574,200
Stormwater lines, Lake Rd, Kaitaia	-	-	-	867,440	-	-	-	-	-	-
Stormwater lines, Station Rd, Kaikohe	-	-	-	-	167,040	1,942,420	1,996,820	-	-	-
Stormwater minor works, District-wide	100,000	206,000	211,360	216,860	222,720	228,520	234,920	241,500	248,500	255,200
Stormwater outlets, Paihia Beach	-	-	-	-	80,615	-	-	-	-	-
Stormwater pipe renewals, Commerce St, Kaitaia	750,000	-	-	-	-	-	-	-	-	-
Stormwater renewals, Kotare Drive, East Coast	15,000	257,500	-	-	-	-	-	-	-	-
Stormwater treatment and storage improvements, District-wide	-	-	-	325,290	334,080	342,780	352,380	362,250	372,750	382,800
Total new works	**2,407,268**	**1,299,809**	**227,212**	**1,843,310**	**1,695,335**	**3,438,467**	**3,523,800**	**1,768,988**	**2,422,875**	**2,233,000**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Floodgate renewals, District-wide	-	-	-	-	-	28,565	58,730	60,375	62,125	-
Stormwater coastal outfalls renewals, District-wide	-	-	-	-	-	22,852	70,476	72,450	-	-
Stormwater network planned renewals, District-wide	-	-	-	867,440	1,948,800	1,999,550	2,055,550	2,113,125	2,174,375	2,233,000
Stormwater network reactive renewals triggered by Roading, District-wide	200,000	206,000	211,360	216,860	222,720	228,520	234,920	241,500	248,500	255,200
Stormwater network renewals, Matthews Ave to Farrimond Place, Kaitaia	-	-	-	16,265	144,768	-	-	-	-	-
Stormwater reactive renewals, District-wide	250,000	257,500	264,200	216,860	222,720	228,520	176,190	181,125	186,375	191,400
Stormwater renewals, Kaitaia Parkdale Crescent	65,000	875,500	898,280	-	-	-	-	-	-	-
Stormwater renewals, Te Reinga Street, Kaitaia	-	-	-	-	334,080	-	-	-	-	-
Stormwater treatment and storage planned renewals, District-wide	-	-	-	32,529	33,408	34,278	35,238	36,225	37,275	38,280
Total renewals	**515,000**	**1,339,000**	**1,373,840**	**1,349,954**	**2,906,496**	**2,542,285**	**2,631,104**	**2,704,800**	**2,708,650**	**2,717,880**
Total capital works for Stormwater	**2,922,268**	**2,638,809**	**1,601,052**	**3,193,264**	**4,601,831**	**5,980,752**	**6,154,904**	**4,473,788**	**5,131,525**	**4,950,880**
Total 10-year capital works for Stormwater	**41,649,073**									

2021-31 Capital works programme for Solid Waste Management

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Leachate Oil Separators	90,000	206,000	-	-	-	-	-	-	-	-
Recycling Solutions, District Wide	-	-	-	542,150	1,113,600	1,142,600	-	-	-	-
Recycling station, Kerikeri	-	-	-	2,168,600	1,113,600	-	-	-	-	-
Transfer station improvements, BOI-Whangaroa ward	28,571	31,473	34,640	38,124	42,160	46,587	51,623	57,428	63,881	70,919
Transfer station improvements, Kaikohe-Hokianga ward	28,571	31,473	34,640	38,124	42,160	46,587	51,623	57,428	63,881	70,919
Transfer station improvements, Te Hiku ward	28,571	31,473	34,640	38,124	42,160	46,587	51,623	57,428	63,881	70,919
Wastewater treatment system upgrade, Kaitaia Resource Recovery Centr	-	82,400	-	-	-	-	-	-	-	-
Weighbridge upgrade, Kaitaia	380,000	-	-	-	-	-	-	-	-	-
Total new works	**555,713**	**382,819**	**103,920**	**2,825,122**	**2,353,680**	**1,282,361**	**154,869**	**172,284**	**191,643**	**212,757**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Landfill discharge consent, Kaikohe	-	-	-	35,062	-	-	-	-	-	-
Landfill renewals, Russell	-	-	-	32,529	50,112	-	-	-	-	25,520
Recycling centre renewals, District-wide	7,500	7,725	7,926	8,132	8,352	8,570	8,810	9,056	9,319	9,570
Recycling centre renewals, Okaihau	-	-	-	-	-	-	-	36,225	-	-
Transfer station renewals, Ahipara	-	-	16,465	-	-	56,426	-	-	-	-
Transfer station renewals, Awanui	-	-	-	-	-	-	176,603	-	-	-
Transfer station renewals, District-wide	-	158,310	-	-	-	-	-	-	-	-
Transfer station renewals, Herekino	-	-	-	-	-	-	-	42,727	-	-
Transfer station renewals, Houhora	-	33,677	-	-	-	-	-	-	-	75,883
Transfer station renewals, Kaikohe	-	-	-	-	-	-	-	10,049	-	-
Transfer station renewals, Kaitaia	-	160,214	-	-	-	-	157,307	17,573	-	118,078
Transfer station renewals, Kerikeri	-	76,304	-	-	185,622	-	-	-	-	-
Transfer station renewals, Kohukohu	-	-	-	-	-	-	-	8,470	-	-
Transfer station renewals, Opononi	-	-	-	29,781	-	-	-	-	-	-
Transfer station renewals, Panguru	-	-	-	-	-	-	-	-	-	6,736
Transfer station renewals, Russell	11,571	-	-	-	-	-	18,068	-	25,872	-
Transfer station renewals, Taipa	22,108	99,853	-	-	17,944	-	-	10,051	-	85,242
Transfer station renewals, Te Kao	17,005	-	-	-	-	11,643	-	-	-	-
Transfer station renewals, Whangae	-	-	32,647	-	221,868	-	53,054	-	11,179	-
Transfer station renewals, Whatuwhiwhi	-	51,666	-	-	-	20,964	-	38,478	-	26,949
Transfer stations small renewals, District-wide	38,000	39,140	40,158	41,203	42,317	43,419	44,635	45,885	47,215	48,488
Weighbridge renewals, Kaitaia	-	-	-	21,959	13,829	-	-	-	36,797	-
Total renewals	**96,184**	**626,889**	**97,196**	**168,666**	**540,044**	**141,022**	**458,477**	**218,514**	**130,382**	**396,466**
Total capital works for Solid Waste Management	**651,897**	**1,009,708**	**201,116**	**2,993,788**	**2,893,724**	**1,423,383**	**613,346**	**390,798**	**322,025**	**609,223**
Total 10-year capital works for Solid Waste Management	**11,109,008**									

2021-31 Capital works programme for District Facilities

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Amenity lighting, BOI-Whangaroa ward	18,513	20,034	21,572	23,253	24,995	26,975	29,188	31,441	33,846	36,292
Amenity lighting, Kaikohe-Hokianga ward	18,513	20,034	21,572	23,253	24,995	26,975	29,188	31,504	33,959	36,458
Amenity lighting, Te Hiku ward	18,513	20,034	21,572	23,253	24,995	26,975	29,188	31,504	33,959	36,458
Baysport Facility right of access	52,000	-	-	-	-	-	-	-	-	-
BOI Sports Development	-	-	-	-	-	-	-	-	11,169,567	17,206,077
Campervan parking improvements, Kaikohe	-	-	-	12,469	13,920	15,425	-	-	-	-
Carpark Accessibility Improvements, BOI-Whangaroa ward	15,415	15,877	-	-	-	-	-	-	-	-
Cemetery Land, Opononi	-	309,000	-	-	-	-	-	-	-	-
Cemetery Land, Russell	-	515,000	-	-	-	-	-	-	-	-
Civic Hub, Kaikohe	2,205,000	3,290,769	4,068,749	-	-	-	-	-	-	-
Garden upgrade and link to cycleway, Kaikohe	-	-	-	-	33,408	-	-	-	-	-
Hall Accessibility Improvements, BOI-Whangaroa ward	-	-	-	65,058	-	-	23,492	24,150	-	-
Hall Accessibility Improvements, Kaikohe-Hokianga ward	42,541	20,600	-	-	-	22,852	23,492	-	-	-
Hall Accessibility Improvements, Te Hiku ward	-	-	-	21,686	-	-	23,492	-	-	51,040
Housing for Elderly Healthy Homes upgrades	1,323,000	1,362,690	1,399,203	-	-	-	-	-	-	-
Maritime Facilities, Hokianga Harbour Programme	2,000,000	-	-	-	-	-	-	-	-	-
Maritime facilities, minor upgrades	51,771	58,627	66,139	74,679	84,330	95,610	108,701	123,955	141,466	161,131
Maritime facilities, waterfront storm mitigation, Paihia	-	-	-	-	210,136	-	-	-	-	-
Maritime facilities, Whangaroa	1,711,995	122,032	-	-	-	-	-	-	-	-
Maritime facilities, Windsor Landing	261,195	-	-	-	-	-	-	-	-	-
Maritime Recreation, District-wide	-	608,521	-	-	-	-	-	-	-	-
Maritime renewals, Kerikeri	-	-	-	-	-	-	-	-	126,202	-
New Playground Equipment - Korora Park, Kaitaia	-	77,250	-	-	-	-	-	-	-	-
New Public Toilet, Lake Manuwai, Waipapa	-	-	158,520	-	-	-	-	-	-	-
Parks & reserves, Kowhai Park development, Kaikohe	-	-	-	-	55,680	-	-	-	-	-
Parks & reserves, Memorial Park, Kaikohe outdoor stage	-	51,500	-	-	-	-	-	-	-	-
Parks & reserves, Nisbet Park Morewa, Shade Sails	35,000	-	-	-	-	-	-	-	-	-
Parks & reserves, Old Andrews Reserve upgrade, Kohukohu	-	-	-	-	-	13,411	-	-	-	-
Parks & reserves, Omapere Erosion Protection Freese Park	-	1,545,000	-	-	-	-	-	-	-	-
Parks & reserves, Reid Park, Kaikohe playground	-	-	-	-	66,816	-	-	-	-	-
Parks and Reserve Accessibility Improvements (Carparks), BOI-Whangai	15,415	15,877	16,291	16,714	17,166	17,613	18,106	18,614	19,153	19,670
Parks and Reserve Accessibility Improvements (Carparks), Kaikohe-Hoki	20,544	21,160	21,711	22,276	22,878	23,474	24,131	24,807	25,526	26,214
Parks and Reserve Accessibility Improvements (Carparks), Te Hiku ward	8,366	8,617	8,841	9,071	9,316	9,559	9,827	10,102	10,395	10,675
Playground shade sail, Awanui	-	41,200	-	-	-	-	-	-	-	-
Proposed Dog Park, Kerikeri	34,000	38,110	-	-	-	-	-	-	-	-
Public toilet, Horeke	-	-	-	-	-	-	-	-	24,850	255,200
Public toilet, Memorial Park, Kaikohe	50,000	-	-	-	-	-	-	-	-	-
Public toilet, Monument Hill / Hone Heke Reserve, Kaikohe	-	-	-	184,331	-	-	-	-	-	-
Public toilet, North Park, Kaitaia	177,600	-	-	-	-	-	-	-	-	-
Public Toilet, Rangitane Reserve	-	185,400	-	-	-	-	-	-	-	-
Pukenui Coastal Walkway	-	51,500	607,660	623,473	-	-	-	-	-	-
Rail tunnel upgrade, Okaihau	-	-	-	-	71,270	-	-	-	-	-
Recycling bins, Kaikohe	-	-	12,968	-	-	-	-	-	-	-
Sports fields, Whatuwhiwhi	-	-	-	10,843	155,904	-	-	-	-	-
Streetscape upgrade, Kaikohe	344,200	354,526	-	-	-	-	-	-	-	-
Taipa Seawall	85,000	-	-	-	-	-	-	-	-	-
Taumatakuku Reserve Playground, Moerewa	-	-	105,680	-	-	-	-	-	-	-
Te Hiku sports hub clubroom development, Kaitaia	559,623	57,529	-	-	-	-	-	-	-	-
Te Hiku sports hub swimming pool, Kaitaia	2,500,000	-	-	-	-	-	-	-	-	-
Toilet Accessibility Improvements, BOI-Whangaroa ward	15,000	15,450	15,852	16,265	16,704	17,139	17,619	18,113	18,638	19,140
Toilet Accessibility Improvements, Kaikohe-Hokianga ward	15,000	15,450	15,852	16,265	16,704	17,139	17,619	18,113	18,638	19,140
Toilet Accessibility Improvements, Te Hiku ward	15,000	15,450	15,852	16,265	16,704	17,139	17,619	18,113	18,638	19,140
Town beautification, BOI-Whangaroa ward	100,000	103,000	105,680	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Town beautification, Kaikohe-Hokianga ward	100,000	103,000	105,680	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Town beautification, Te Hiku ward	-	103,000	105,680	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Waipapa Baysport Carpark Surfacing	-	-	211,360	325,290	-	-	-	-	-	-
Waipapa Baysports field drainage	650,000	-	-	-	-	-	-	-	-	-
Waipapa Landing carpark seal	-	247,200	-	-	-	-	-	-	-	-
Walking track upgrades, District-wide	-	-	128,317	53,662	37,918	36,049	29,870	26,324	23,595	20,225
Walkway upgrade, Opua - Paihia waterfront	-	209,718	215,175	-	-	-	-	-	-	-
Total new works	**12,443,204**	**9,623,155**	**7,449,926**	**1,863,396**	**1,237,919**	**709,115**	**753,912**	**738,990**	**12,071,182**	**18,299,660**

Renewals	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Amenity lighting, BOI-Whangaroa ward	26,100	27,473	28,836	26,565	27,283	27,994	28,778	29,584	30,441	31,262
Amenity lighting, Kaikohe-Hokianga ward	3,089	3,252	3,413	3,144	3,229	3,314	3,406	3,502	3,603	3,700
Amenity lighting, Te Hiku ward	18,749	19,736	20,714	19,084	19,599	20,110	20,673	21,252	21,868	22,458
Bins, benches, bollards, signs & tables ,Te Hiku ward	50,000	72,100	73,976	75,901	77,952	79,982	82,222	84,525	86,975	89,320
Bins, benches, bollards, signs & tables, BOI-Whangaroa ward	100,000	103,000	105,680	108,430	111,360	114,260	117,460	120,750	124,250	127,600
Bins, benches, bollards, signs & tables, Kaikohe-Hokianga ward	50,000	51,500	52,840	54,215	55,680	57,130	58,730	60,375	62,125	63,800
Boat ramps algal removal, District-wide	22,008	-	-	-	-	-	-	-	-	-
Building renewals, Kaeo Old Post Office	-	1,261,750	-	-	-	-	-	-	-	-
Building renewals, Kaikohe Lions Club	-	-	-	-	-	-	4,111	-	9,940	-
Building renewals, Kaikohe Senior Citizens	-	-	-	-	-	-	-	376,740	-	25,520
Building renewals, Kaitaia Gym Club	-	-	-	-	-	-	-	100,223	-	-
Building renewals, Pear Tree, Kerikeri	-	-	-	-	-	-	103,365	-	-	-
Building renewals, Plunket, Kaitaia	-	-	-	-	-	-	129,206	-	-	-
Building renewals, Rawene Old Courthouse	-	-	-	27,108	27,840	137,112	-	-	-	-
Building renewals, Rawene Old Jail	-	-	-	-	-	-	41,111	-	-	-
Building renewals, Taheke community centre	-	-	264,200	-	-	-	-	-	-	-
Caravan dump renewals, Kaikohe	-	-	-	-	-	-	-	966	-	-
Caravan dump renewals, Kaitaia	-	-	-	-	-	-	-	712	-	12,760
Caravan dump renewals, Kawakawa	-	-	-	-	-	-	-	-	373	-
Caravan dump renewals, Kerikeri	-	-	-	-	-	-	-	-	3,728	-
Caravan dump renewals, Mangonui	-	-	-	-	-	-	-	-	373	-
Caravan dump renewals, Omapere	-	-	-	-	-	-	-	-	-	383
Caravan dump renewals, Whatuwhiwhi	-	-	-	-	-	-	-	-	-	8,932
Carpark & boardwalk renewals, Mangonui	-	-	-	-	-	20,887	-	-	-	-
Carpark renewals, Bowling Club, Kerikeri	-	-	-	-	-	-	-	-	207,903	-
Carpark renewals, Butler Rd, Kerikeri	-	25,560	-	-	-	-	-	-	-	-
Carpark renewals, Church St, Kawakawa	-	-	-	-	-	-	-	9,394	-	-
Carpark renewals, Commercial St, Kawakawa	-	276,645	-	-	-	-	-	-	-	-
Carpark renewals, Hobson Rd, Kerikeri	-	-	-	-	-	-	422,856	-	-	-
Carpark renewals, Homestead Rd, Kerikeri	-	38,485	-	-	-	-	-	-	-	-
Carpark renewals, Julian carpark, Kerikeri	-	-	40,191	-	-	-	-	-	-	-
Carpark renewals, Kent Bay North	-	-	11,539	-	-	-	-	-	-	-
Carpark renewals, Kent Bay South	-	-	5,911	-	-	-	-	-	-	-
Carpark renewals, Marsden Rd, Paihia	-	-	27,953	115,154	-	-	-	-	-	-
Carpark renewals, Melba St, Kaitaia	-	-	-	-	-	-	604,496	7,573	-	-
Carpark renewals, Memorial Ave, Kaikohe	-	478,178	-	-	14,565	-	-	-	-	-
Carpark renewals, North Rd, Kaitaia	-	-	-	-	-	-	-	19,136	16,472	-
Carpark renewals, Taronui Bay, Purerua	-	-	-	-	-	-	2,212	-	-	-
Carpark renewals, Te Ahu, Kaitaia	-	-	-	-	-	-	-	-	-	4,887
Carpark renewals, Whangae Rd, Kawakawa	-	37,455	-	-	-	-	-	-	-	-
Carpark renewals, York St, Russell	-	-	-	9,768	-	-	-	-	-	-
Cemetery renewals, Kaeo	-	-	-	9,961	-	-	-	-	-	-
Cemetery renewals, Kaikohe	-	-	-	-	7,795	-	9,397	-	-	17,864
Cemetery renewals, Kaitaia	-	-	-	-	-	127,093	27,165	22,613	-	-
Cemetery renewals, Kawakawa	-	-	-	-	-	12,569	8,340	36,225	-	11,484
Cemetery renewals, Kerikeri	-	-	50,726	24,939	-	-	58,730	15,698	28,578	-
Cemetery renewals, Kohukohu	-	6,043	-	-	-	-	-	-	-	-
Cemetery renewals, Okaihau	-	-	-	-	-	5,713	-	-	-	4,466
Cemetery renewals, Paihia	-	-	-	-	-	-	-	-	234,883	-
Cemetery renewals, Rawene	-	18,567	-	-	-	-	-	7,518	-	-
Cemetery renewals, Totara North	-	-	-	-	-	12,569	1,175	-	-	8,932
Coastal walkway consent renewal, Opua Basin	-	-	-	-	8,169	-	-	-	-	-
Community building renewals, Kohukohu Library	-	-	-	-	15,581	-	-	-	-	-
Hall renewals, Awanui	-	-	-	-	-	-	281,904	-	-	306,240
Hall renewals, Herekino	-	-	-	-	96,883	571,300	-	-	-	-
Hall renewals, Horeke	-	-	-	-	-	-	-	1,077,806	-	-
Hall renewals, Kaeo	-	-	-	271,075	-	285,650	293,650	84,525	-	-
Hall renewals, Kaikohe	-	-	-	1,705,604	665,933	175,960	-	-	3,479	-
Hall renewals, Kohukohu	183,000	-	-	632,147	-	-	-	-	-	-
Hall renewals, Mangonui	-	-	-	-	-	-	-	247,238	559,375	757,857
Hall renewals, Okaihau	-	-	-	-	-	-	-	412,759	444,483	3,612
Hall renewals, Opononi	-	-	-	842,753	909,278	-	-	-	-	-
Hall renewals, Paihia	-	-	-	-	724,039	-	-	-	-	-
Hall renewals, Peria	-	-	-	84,575	-	-	-	-	-	-
Hall renewals, Rawene	-	112,154	338,347	363,658	-	-	-	-	-	-

Renewals (cont)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Hall renewals, Russell	-	-	-	-	-	1,804,193	-	-	2,109,338	-
Hall renewals, Taheke	-	-	-	-	-	-	-	-	2,371	18,742
Hall renewals, Totara North	-	-	-	-	-	-	-	180,245	5,069	60,883
Hall renewals, Towai	-	-	-	-	28,892	-	-	-	1,332,190	-
Hall renewals, Waipapa	-	-	-	-	532,076	-	-	-	-	-
Hall renewals, Whangaroa	-	-	-	-	-	-	-	89,142	2,553	30,776
Housing for Elderly Carparking, Kaitaia, Puckey Avenue	-	22,660	-	-	-	-	-	-	-	-
Housing for Elderly, Ahipara	68,000	70,040	71,862	11,431	11,136	11,426	11,746	12,075	20,501	12,760
Housing for Elderly, Awanui	31,667	32,617	33,466	22,327	41,795	22,852	23,492	124,608	45,786	25,520
Housing for Elderly, Horeke	19,000	19,570	20,079	9,667	5,568	5,713	5,873	6,038	6,213	6,380
Housing for Elderly, Kaikohe	474,333	488,563	501,275	45,097	60,466	238,033	48,159	57,328	50,943	52,316
Housing for Elderly, Kaitaia	59,000	60,770	62,351	63,974	65,702	67,413	69,301	71,243	73,308	75,284
Housing for Elderly, Kaitaia, Oxford Street	153,333	157,933	162,042	641	28,666	-	2,353	-	-	-
Housing for Elderly, Kaitaia, Puckey Avenue	306,667	315,867	324,086	-	-	-	-	-	-	-
Housing for Elderly, Kawakawa	63,167	65,062	66,755	7,048	7,238	7,427	7,635	7,849	8,076	8,294
Housing for Elderly, Kerikeri	22,500	23,175	23,778	8,720	117,519	8,570	8,810	9,056	15,463	13,171
Housing for Elderly, Kohukohu	70,833	72,958	74,856	8,773	8,352	8,570	8,810	9,056	15,928	18,987
Housing for Elderly, Opononi	14,000	14,420	14,795	15,180	15,590	15,996	16,444	16,905	17,395	17,864
Housing for Elderly, Rawene	152,667	187,519	178,220	32,916	13,085	23,195	39,454	55,431	4,846	16,922
Housing for Elderly, Waima	80,667	83,087	85,249	17,714	4,454	4,570	6,129	17,457	4,970	15,201
Jetty renewal, Mill Bay	244,700	-	-	-	-	-	-	-	-	-
Kaeo Playground Carpark	-	2,060	22,193	-	-	-	-	-	-	-
Maritime consent renewals, Awanui River, Unahi	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Clansman Wharf Area, Whangaroa	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Horeke, Hokianga Harbour	-	-	-	7,954	8,169	-	-	-	-	-
Maritime consent renewals, Kohukohu	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Mangonui	-	-	-	-	-	-	8,617	6,443	-	-
Maritime consent renewals, Omapere	-	-	-	-	21,533	-	-	-	-	-
Maritime consent renewals, Omapere, Hokianga Harbour	-	-	-	-	21,533	-	-	-	-	-
Maritime consent renewals, Opononi, Hokianga Harbour	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Paihia	-	-	-	-	-	22,093	-	-	-	-
Maritime consent renewals, Pukenui, Houhora Harbour	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Rawene, Hokianga Harbour	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Te Hapua Wharf, Parengarenga Harbour	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, The Narrows, Hokianga Harbour	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Totara North	-	-	-	-	8,169	-	-	-	-	-
Maritime consent renewals, Whangaroa	-	-	-	-	8,169	-	-	-	-	-
Maritime Facilities, Hokianga Harbour Programme	245,700	21,733	-	-	-	-	-	-	-	-
Maritime Planned Renewals	-	-	251,624	2,055,182	711,813	867,119	63,076	31,757	390,394	469,403
Maritime renewals, Hihi	19,336	-	-	-	-	-	-	-	-	-
Maritime renewals, Kerikeri	-	65,366	5,601	-	-	-	-	-	-	-
Maritime renewals, Mangonui	363,000	4,841	-	-	-	-	-	-	-	-
Maritime renewals, Paihia	-	10,300	-	-	-	-	-	-	-	-
Maritime renewals, Russell	-	2,266	-	-	-	-	-	-	-	-
Maritime renewals, Taipa	12,100	-	-	-	-	-	-	-	-	-
Maritime renewals, Te Hapua	-	-	-	271,075	-	-	-	-	-	-
Maritime renewals, Unahi	-	-	22,616	-	-	-	-	-	-	103,356
Maritime renewals, Whangaroa	-	613,601	-	1,101,866	1,448	439,444	-	31,757	188,612	18,502
Motorcamp renewals, Tauranga Bay	-	-	-	67,591	-	-	-	-	-	-
New Boat Parking, Pukenui Wharf	-	381,100	-	-	-	-	-	-	-	-
New Car Parking, Russell	-	412,000	-	-	-	-	-	-	-	-
Parks & reserves renewals, Ahipara	-	-	-	325,290	46,771	45,704	17,619	28,980	-	-
Parks & reserves renewals, Awanui	-	-	422,720	141,566	-	-	186,088	-	-	-
Parks & reserves renewals, Cable Bay	-	15,880	-	-	-	-	-	-	-	-
Parks & reserves renewals, Coopers Beach	-	-	-	-	23,921	-	-	-	-	-
Parks & reserves renewals, Haruru Falls	-	-	-	30,533	-	-	-	86,940	-	24,244
Parks & reserves renewals, Herekino	-	-	-	-	34,492	-	240,914	-	-	-
Parks & reserves renewals, Hihi	-	-	-	31,505	14,318	-	-	54,700	-	-
Parks & reserves renewals, Horeke	-	-	-	-	-	-	50,126	-	-	-
Parks & reserves renewals, Houhora	-	-	-	-	-	-	234,920	-	-	377,696
Parks & reserves renewals, Kaeo	-	-	117,704	92,748	-	-	-	-	-	-
Parks & reserves renewals, Kaikohe	61,077	274,281	-	183,935	59,309	-	-	-	-	-
Parks & reserves renewals, Kaikohe-Hokianga	30,917	105,506	78,032	21,799	102,919	67,702	37,267	73,275	38,181	166,787
Parks & reserves renewals, Kaitaia	-	-	-	-	379,738	756,401	159,746	25,358	186,375	280,720

Renewals (cont)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Parks & reserves renewals, Kawakawa	-	-	-	46,551	81,442	-	32,913	-	-	-
Parks & reserves renewals, Kerikeri	-	1,150,510	-	867,440	-	685,560	-	483,000	-	-
Parks & reserves renewals, Mangonui	-	-	104,623	189,753	-	-	-	-	-	-
Parks & reserves renewals, Moerewa	-	-	-	30,082	73,711	-	-	-	-	-
Parks & reserves renewals, Ohaeawai	-	-	-	-	-	24,030	-	-	-	-
Parks & reserves renewals, Okaihau	-	-	-	22,708	20,965	-	-	-	-	-
Parks & reserves renewals, Opononi	-	-	26,816	27,546	-	-	-	-	-	-
Parks & reserves renewals, Paihia	27,698	44,854	77,084	278,394	31,044	-	171,661	-	-	-
Parks & reserves renewals, Pukenui	-	-	-	-	-	54,707	-	-	-	-
Parks & reserves renewals, Rawene	-	-	-	98,543	72,645	-	-	37,627	-	-
Parks & reserves renewals, Russell	-	43,753	16,748	83,441	-	-	31,829	-	-	-
Parks & reserves renewals, Taheke	-	-	28,039	26,527	-	-	-	-	-	-
Parks & reserves renewals, Taipa	-	-	77,420	22,470	-	-	-	-	-	-
Parks & reserves renewals, Taupo Bay	-	-	-	-	48,799	-	-	-	-	-
Parks & reserves renewals, Tauranga Bay	-	-	-	-	14,766	-	-	-	-	-
Parks & reserves renewals, Te Hiku	78,201	86,145	94,717	104,245	115,175	127,261	141,021	156,727	174,339	193,544
Parks & reserves renewals, Whangaroa	-	20,846	-	-	-	-	-	-	-	-
Parks & reserves renewals, Whatuwhiwhi	-	-	-	-	39,742	17,827	-	62,303	-	-
Parks & reserves, Freese Park - Playground Base	10,000	-	-	-	-	5,713	-	-	-	-
Parks & reserves, minor renewals, BOI-Whangaroa ward	78,070	214,837	57,511	134,436	297,743	66,931	153,171	131,025	78,268	239,537
Public toilet discharge consent renewal, Moerewa	-	-	-	-	-	10,667	-	-	-	-
Public Toilet Renewals, Opito Bay	185,000	-	-	-	-	-	-	-	-	-
Public toilet, Awanui	-	-	-	-	144,768	-	-	-	-	20,416
Public toilet, Cable Bay	-	-	-	-	-	-	-	-	-	140,360
Public toilet, Centennial Park, Kaitaia	-	-	-	-	-	-	-	-	-	24,212
Public toilet, Clendon Esplanade	-	-	-	-	-	-	-	84,525	-	-
Public toilet, Cobham Rd, Kerikeri	-	-	-	-	9,466	-	-	-	-	229,680
Public toilet, Coopers Beach	-	-	-	-	-	108,547	-	-	-	-
Public toilet, Hihi	-	-	-	-	-	-	-	-	49,700	-
Public toilet, Horeke	-	92,700	-	-	-	-	-	-	-	-
Public toilet, Houhora	-	-	-	-	-	-	23,492	-	-	-
Public toilet, Hundertwasser	-	-	-	-	-	-	-	253,575	-	-
Public toilet, Johnson Park	-	-	-	-	-	-	-	-	79,520	-
Public toilet, Kaeo	-	-	-	-	-	57,130	-	-	-	-
Public toilet, Kaitaia	-	-	-	-	-	-	-	-	-	216,920
Public toilet, Kohukohu	-	-	-	-	-	-	-	-	74,550	-
Public toilet, Lily Pond, Haruru Falls	-	-	-	-	17,818	-	-	-	-	-
Public toilet, Lions Park, Mangonui	-	-	-	-	-	-	-	-	-	117,392
Public toilet, Mangonui Hall, Mangonui	-	-	-	-	-	-	-	-	-	54,868
Public toilet, Marino Place, Kaikohe	-	-	-	54,215	-	-	-	-	-	-
Public toilet, Mill Bay, Mangonui	-	-	-	-	-	-	-	-	-	20,416
Public toilet, Moerewa	-	-	-	119,273	-	-	-	-	-	-
Public toilet, Okaihau	-	-	-	-	-	-	-	-	-	51,040
Public toilet, Opononi	-	-	-	-	-	-	-	72,450	-	-
Public toilet, Opua	-	-	-	-	26,726	-	14,095	-	-	70,180
Public toilet, Pukenui	-	-	-	-	-	-	-	-	-	111,012
Public toilet, Rangiputa	-	-	-	-	28,954	-	-	-	-	-
Public toilet, Ratcliffes Bay, Whangaroa	-	-	-	28,192	-	-	-	-	-	-
Public toilet, Seaplane, Paihia	-	-	-	-	45,658	61,700	61,079	-	-	109,736
Public toilet, Seaview Rd, Paihia	-	-	-	97,587	-	-	-	-	-	-
Public toilet, Taipa	-	-	-	-	-	-	-	-	-	22,968
Public toilet, Tapeka	-	-	-	-	50,112	-	-	-	-	-
Public toilet, Taupo Bay	-	-	-	-	-	-	-	-	-	33,176
Public toilet, Tauranga Bay	-	-	-	-	47,885	-	-	-	-	-
Public toilet, Te Hapua	-	-	46,499	-	-	-	-	-	-	-
Public toilet, Te Haumi, Paihia	-	-	-	-	-	-	-	-	80,763	-
Public toilet, Te Ngaire	-	-	-	-	-	-	-	-	-	44,660
Public toilet, Totara North	-	-	-	-	-	-	-	-	-	30,624
Public toilet, Waiotaraire Reserve, Whatuwhiwhi	-	-	-	-	-	-	-	-	-	53,592
Public toilet, Waipapa Landing, Kerikeri	-	-	-	-	-	-	-	-	-	34,452
Public toilet, West Coast Rd, Kohukohu	-	-	-	-	-	-	-	66,413	-	-
Public toilet, Williams Rd, Paihia	-	-	52,840	-	-	-	-	-	-	-
Public toilet, Yorke St, Russell	-	-	-	-	-	-	-	-	205,013	-
Scheduled renewals, Cherry Park House, Kerikeri	-	-	-	129,408	-	355,303	27,704	-	-	9,696
Sports complex renewals, Awanui	-	-	-	-	-	1,142,600	1,174,600	-	-	-

Renewals (cont)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Stormwater and refuse leachate discharge consent renewal, Totara North	-	-	-	60,518	-	-	-	-	-	-
Swimming pool renewals, Kaitaia	-	-	-	-	-	-	-	-	12,425	-
Swimming pool renewals, Kerikeri	-	-	-	-	-	6,856	-	-	-	-
Te Haumi Beach Seawall and Carpark Renewals	350,000	-	-	-	-	-	-	-	-	-
Tennis court and playground renewals, Kerikeri	-	-	84,544	-	-	-	-	-	-	-
Total renewals	**3,674,579**	**7,708,718**	**4,230,471**	**11,369,942**	**6,380,798**	**8,792,896**	**5,377,131**	**5,082,402**	**7,111,939**	**5,143,366**
Total capital works for District Facilities	16,117,783	17,331,873	11,680,397	13,233,338	7,618,717	9,502,011	6,131,043	5,821,392	19,183,121	23,443,026
Total 10-year capital works for District Facilities	130,062,701									

2021-31 Capital works programme for Customer Services

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Civil defence renewals	-	-	14,795	-	-	-	-	-	-	-
Library eBooks	32,135	36,324	40,975	46,225	52,502	59,526	67,675	77,245	88,154	100,412
Library eResources	29,713	32,732	36,025	39,647	43,847	48,449	53,689	59,727	66,436	73,755
Library outreach services mobile van	49,000	-	-	-	-	-	-	-	-	-
Library Replacement, Kaikohe	500,000	2,448,700	1,973,281	-	-	-	-	-	-	-
Library technology	45,714	-	-	-	-	-	-	-	-	-
Total new works	**656,562**	**2,517,756**	**2,065,076**	**85,872**	**96,349**	**107,975**	**121,364**	**136,972**	**154,590**	**174,167**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Building renewals, Memorial Library Museum, Kawakawa	-	-	-	-	-	-	-	301,875	-	-
Civic buildings, Kaitaia	-	-	-	-	-	-	-	-	155,387	-
Civil defence renewals	37,610	-	-	27,080	-	-	-	16,905	9,778	-
Information centre renewals, District-wide	9,051	-	-	-	2,227	38,500	3,768	-	37,275	3,828
Information centre renewals, Kaitaia	5,631	15,576	10,289	47,075	45,181	58,762	27,156	8,570	15,470	16,741
Information centre renewals, Opononi	1,328	19,983	5,284	-	3,341	3,428	-	3,623	12,425	6,380
Information centre renewals, Paihia	10,631	-	15,852	10,843	40,646	37,706	17,619	18,113	7,455	6,380
Library eBooks	40,000	41,200	42,272	43,372	44,544	45,704	46,984	48,300	49,700	51,040
Library outreach services mobile van	-	-	-	-	-	-	-	59,168	-	-
Library technology	2,466	2,718	19,019	3,292	3,187	12,188	4,458	3,473	16,713	6,122
Old library renewals, Kaitaia	-	-	-	-	-	662,024	35,781	-	-	-
Pioneer House renewals, Kaitaia	-	-	-	2,057	-	-	1,168,947	-	3,357	-
Scheduled library renewals, District-wide	251,425	276,963	307,458	338,379	374,223	413,495	458,206	509,736	567,018	629,468
Scheduled renewals, Kaeo library	2,264	12,457	-	4,904	-	-	-	-	25,285	-
Scheduled renewals, Kaikohe library	14,105	7,819	1,648	9,822	-	11,426	1,768	28,532	8,488	-
Scheduled renewals, Kaitaia library	-	-	-	13,986	-	-	-	-	43,962	-
Scheduled renewals, Paihia library	-	-	-	6,196	1,214	-	197,680	-	-	7,652
Scheduled renewals, Proctor library, Kerikeri	-	-	190,224	32,529	27,840	5,713	29,365	579,600	31,063	3,828,000
Service centre renewals, Rawene	-	-	108,843	-	-	-	-	-	-	-
Total renewals	**374,511**	**376,716**	**700,889**	**539,535**	**542,403**	**1,288,946**	**1,991,732**	**1,577,895**	**983,376**	**4,555,611**
Total capital works for Customer Services	1,031,073	2,894,472	2,765,965	625,407	638,752	1,396,921	2,113,096	1,714,867	1,137,966	4,729,778
Total 10-year capital works for Customer Services	19,048,297									

2021-31 Capital works programme for Environmental Management

Renewals	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Animal control renewals, Kaikohe	-	-	-	-	-	35,545	-	-	-	-
Animal control renewals, Kaitaia	27,803	-	-	-	-	6,424	-	-	-	-
Building renewals, Kerikeri	-	-	7,040	-	-	914,282	-	4,544	-	-
Monitoring renewals	-	-	-	12,183	-	-	-	-	-	-
Total renewals	**27,803**	**-**	**7,040**	**12,183**	**-**	**956,251**	**-**	**4,544**	**-**	**-**
Total capital works for Environmental Management	27,803	-	7,040	12,183	-	956,251	-	4,544	-	-
Total 10-year capital works for Environmental Management	1,007,821									

2021-31 Capital works programme for Governance & Strategic Administration

New works / level of service	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Digital information workflows	355,000	468,650	322,324	-	-	-	-	-	-	-
Digital spatial information	230,000	654,050	618,228	-	-	-	-	-	-	-
Digital Strategy Nothing But Net	405,000	381,100	391,016	-	-	-	-	-	-	-
Fit for Purpose IT Programme	470,000	571,650	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-	-	31,900
Total new works	**1,460,000**	**2,075,450**	**1,331,568**	**-**	**-**	**-**	**-**	**-**	**-**	**31,900**
Renewals	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**
Aerial photography	86,016	-	-	-	-	-	-	103,864	-	-
Asset management system	-	-	-	-	587,981	-	-	-	-	-
EDRMS renewals	-	113,510	-	-	949,244	-	-	133,071	-	-
GIS renewals	-	210,599	-	74,409	-	-	97,071	147,101	-	-
HR Finance 1 Module	-	-	-	262,919	-	-	-	-	-	-
Information pathway renewals	43,786	-	-	-	-	-	1,694,780	52,872	-	-
Interplan Software System Renewals	-	-	-	-	116,477	-	-	-	-	133,463
Office equipment renewals	78,500	80,855	82,959	85,118	87,418	89,694	92,206	94,789	97,536	208,626
Other scheduled renewals	322,867	285,324	297,113	225,538	447,946	321,237	297,117	280,219	492,041	265,412
Peripheral renewals	107,324	7,896	26,228	19,882	89,203	38,427	163,575	107,529	34,658	108,946
Pool vehicles	480,000	494,400	507,264	520,464	534,528	548,448	563,808	579,600	596,400	612,480
ProMapp Software System Renewals	-	-	82,683	-	-	-	-	94,474	-	-
Server renewals	690,616	685,211	48,007	666,700	253,485	37,580	1,078,088	26,645	138,503	983,514
Service centre renewals, Kaikohe	-	-	65,038	195,961	1,214	39,991	252,691	182,697	212,500	262,372
Techone software renewals	-	-	-	-	159,822	-	1,102,921	-	-	-
Telephony Hardware Renewals	5,858	-	-	1,038	58,356	6,693	10,445	63,277	2,777	-
Telephony Software Renewals	81,613	132,344	29,280	32,529	90,884	34,278	-	188,605	101,404	38,280
Video Conferencing Renewals	49,950	54,409	-	7,860	126,972	-	103,597	27,751	71,070	57,606
Total renewals	**1,946,530**	**2,064,548**	**1,138,572**	**2,092,418**	**3,503,530**	**1,116,348**	**5,456,299**	**2,082,494**	**1,746,889**	**2,670,699**
Total capital works for Governance & Strategic Administration	**3,406,530**	**4,139,998**	**2,470,140**	**2,092,418**	**3,503,530**	**1,116,348**	**5,456,299**	**2,082,494**	**1,746,889**	**2,702,599**
Total 10-year capital works for Governance & Strategic Administration	**28,717,245**									

2021-31 Capital works programme for Strategic Planning & Policy

Renewals	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Building renewals, Kerikeri	-	-	-	253,659	-	-	-	10,655	5,416	15,658
Total renewals	**-**	**-**	**-**	**253,659**	**-**	**-**	**-**	**10,655**	**5,416**	**15,658**
Total capital works for Strategic Planning & Policy	**-**	**-**	**-**	**253,659**	**-**	**-**	**-**	**10,655**	**5,416**	**15,658**
Total 10-year capital works for EStrategic Planning & Policy	**285,388**									
Total annual capital works programme	**79,088,782**	**92,827,040**	**86,223,284**	**101,563,133**	**120,257,100**	**99,939,508**	**96,204,193**	**92,708,078**	**118,388,781**	**112,967,172**

Crown-funded Economic Stimulus Projects	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Crown Share	FNDC Share
Maritime facilities, boat ramp parking Rangitane	-	3,726,827	-	-	-	-	-	-	-	-	2,523,500	1,203,327
Maritime renewals, Unahi	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000	-
Maritime renewals, Unahi	600,000	-	-	-	-	-	-	-	-	-	-	600,000
Mangonui Board Walk Extension	3,450,000	3,290,850	-	-	-	-	-	-	-	-	1,750,000	4,990,850
Maritime facilities, waterfront storm mitigation, Paihia	12,551,465	1,293,693	-	-	-	-	-	-	-	-	8,000,000	5,845,158
Maritime renewals, Pukenui	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000	-
Maritime renewals, Pukenui	1,600,000	-	-	-	-	-	-	-	-	-	-	1,600,000
BOI Sports Development	4,237,799	811,871	-	-	-	-	-	-	-	-	-	5,049,670
Te Hiku o te Ika Revitalisation	4,656,157	1,063,639	-	-	-	-	-	-	-	-	3,500,000	2,219,796
Te Hiku o te Ika Revitalisation	92,986	69,438	-	-	-	-	-	-	-	-	-	162,424
Lindvart park pavilion, Kaikohe	8,924,915	293,638	-	-	-	-	-	-	-	-	5,992,060	3,226,493
Sweetwater borefield, Kaitaia	4,851,721	-	-	-	-	-	-	-	-	-		4,851,721
Total economic stimulus projects	**42,965,043**	**10,549,956**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**23,765,560**	**29,749,439**
Total annual capital works programme (with ESEO)	**122,053,825**	**103,376,996**	**86,223,284**	**101,563,133**	**120,257,100**	**99,939,508**	**96,204,193**	**92,708,078**	**118,388,781**	**112,967,172**		

Capital Achievability Statement

Council is very aware of the historical capital expenditure deficit that arises from having an overly ambitious capital programme that is further impacted by carrying forward incomplete work at year end.

Over the last eighteen months the IAM team has been working towards a new model of capital planning and delivery. In 2019-20 it was recognised that if the planning for capital works didn't change, then we would continue on the downhill slope of non-achievement. It was also recognised that the work that needed to be done BEFORE a project could commence needed to be factored into the operational budgets as the lack of planning at this point was a major contributor to delays.

A slide deck was put together for a Council workshop and the information below has been extracted from that information to provide background support for the process change Council has been through.

Planning and Delivery – 2019-20

2018/19 capital budgets

- Total for the year:

LTP year 1	$62,478,567
Carry forwards	$ 8,861,644
Total budget	$71,340,211

- Total individual projects of 350+
- The Capital Works Programme in Years 1 – 3 of the LTP 18/28 does not accurately reflect deliverable projects supported by robust planning
- Very few projects have Indicative Business Cases
- Project Budgets seem to be overly optimistic around when they can be achieved
- Project Budgets don't include enough contingency to reflect the level of uncertainty / unknown scope of works

High level road map

- The planning line is the work that needs to be completed PRIOR to the project moving to the delivery team (develop IBC to better inform cost and duration of effort required e.g define the need for investment, confirm asset condition, high level scope of work, options, indicative costs, identify high level project cost breakdown, RMA/Legal, consultation and engagement approach)
- In each year are the break points for completing delivery
  - Detail planning needed by 1 November if the project is going to commence in year.
  - This is a good practice approach of up front planning with strict cut off dates

What does this mean?

- We keep putting values into the plan without any real idea what they are for (an IBC)
- If we don't break the cycle now – nothing will change
- Delivery will continue to be compromised due to a lack of planning - always playing catch up to understand what it is the Capital Delivery Team are required to deliver??
- Projects will continue to be underfunded/ resourced
- Carry forwards will continue to be high year on year

Recommendations

Undertake a Business Process Re-Engineering (BPR) exercise to identify an Organisational approach to manage this cross-departmental change.

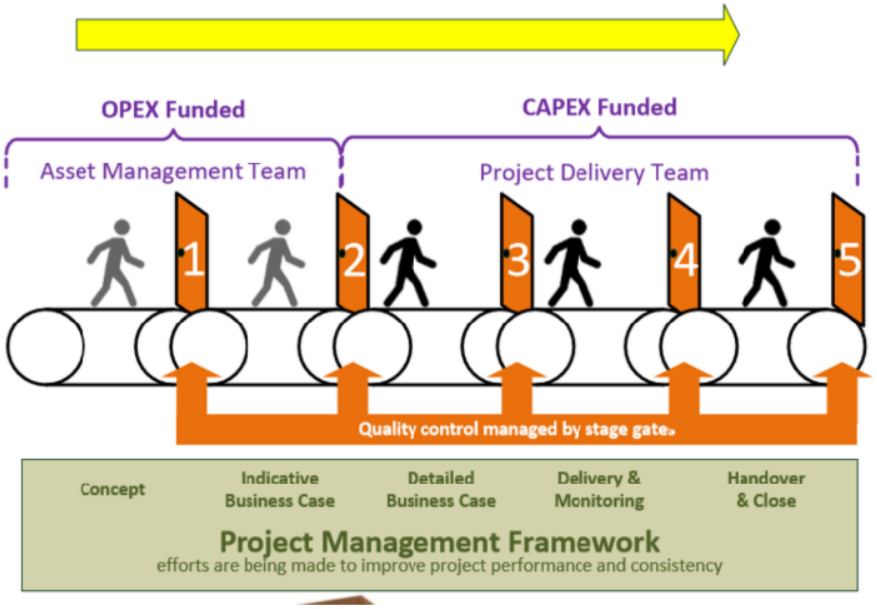
Appoint a Business Analyst / Project Planner in PMO / IAM: This resource works closely with subject matter experts, Finance, managers and leads, to help plan and co-ordinate the initiation of major organisational projects efficiently prior to LTP inclusion.
Done

Appoint a Project Coordinator in the Capital Delivery Team to manage the administrative tasks, such as document and information distribution, report collation and communication support. This role would act as link to LTP / Finance / PMO process.
Done

Continue Implementation of project management framework with clear lines of responsibilities and accountability. This will require a culture change in how FNDC delivers Capital programme.
Done

Structural change to an asset condition-based renewals/ LOS programme opposed to current financial depreciation model. Benefit in supplier's confidence, minimised risk and a valued client from an external supplier perspective resulting in cost reduction.
In progress

The move towards a stage gate approach was taken and this has been regularly discussed with Elected Members. The diagram below outlines the process that has now been adopted for project planning and delivery.



Outcomes

Clearly identifying where the project is in relation to the project management framework.

Stage gates identified and ensuring all boxes have the right labels, instructions, and parts before they transition to next stage in framework.

Benefits is a more informed and achievable LTP capital programme.

At the same time, Council understood that it didn't necessarily know the condition of the assets it was trying to plan to renew and acknowledged the fact that reliance on the financial information generated by the fixed asset register was not the ideal basis for modelling future asset renewal information.

Work commenced to develop an asset management system, and this soon developed into Programme Darwin as it was recognised that a system to manage asset information was only part of the puzzle.

Programme Darwin

Programme Darwin is about evolving asset management so that Council has an enterprise-wide view (ie. from strategy to operation) of how we manage the assets we own. The intention of Programme Darwin is to move Council from reactive asset management and into proactive asset management. This will be done by:

- Implementing an asset management system that will integrate with our other core systems
- Analysing the data in the system to provide better information to decision makers so that we make the best financial decisions and ensure better outcomes for our communities
- Having an asset condition programme, so our assets are regularly inspected, and we know how our assets are functioning at any point in time
- Delivering a Living Asset Management Plan which is easy to navigate, uses real time data and informs the plans for our assets
- Establishing an enterprise management culture, where roles and responsibilities regarding assets are clear across the organisation.

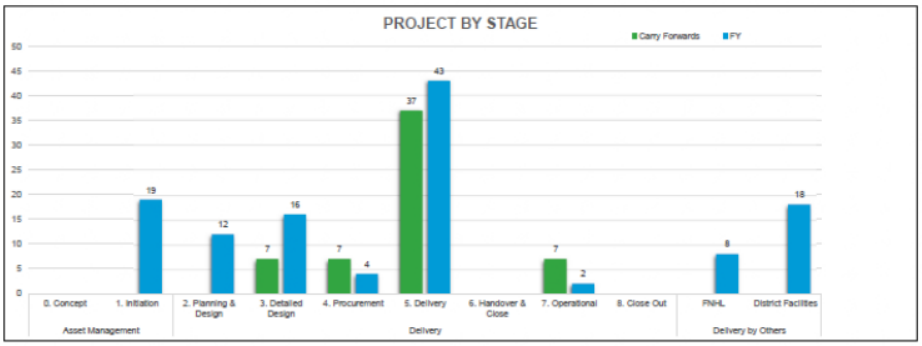
As work commenced on the 2021-31 LTP, the IAM department developed a series of workshops with the Elected Members that reviewed capital work plans across all functional areas (District Facilities, Solid Waste, Water, Wastewater, Roading, Stormwater)

A concept register was developed, and the asset managers worked to prioritise plans for the work that was needed, using the condition information that was to hand. This provided a basis for the elected members to decide which projects had to be done and that if they were different to those recommended by the asset managers, what could be done to accommodate the changes. It was made very clear that there would be a $$ limit applied to core infrastructure capital (this excluded areas such as Corporate services etc) in order to ensure that the plan was deliverable.

At the start of the 2020-21 financial year, the project delivery team were able to commence work earlier that ever before as the upfront planning and scoping, as per the stage gates, had been done and the projects were in a "go ready" state. This has resulted in better performance as indicated below:

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

PROJECT DELIVERY REPORT - DECEMBER 2020



Capital Spend Analysis

as at 31-Dec-2020

	YTD ($000's)		Full Year ($000's)					
LTP Group	**YTD Actual**	**Commitments**	**Total Annual Budget**	**Actual vs Budget %**	**Total Annual Forecast**	**Actual vs Forecast %**	**Actual + commitments vs budget**	**Actual + commitments vs forecast**
District Facilities	1,785	2,095	13,392	13.3%	12,967	13.8%	29.0%	29.9%
Wastewater	3,141	3,125	11,696	26.9%	11,552	27.2%	53.6%	54.2%
Water Supply	230	1,597	6,549	3.5%	8,675	2.6%	27.9%	21.1%
Stormwater	795	101	1,844	43.1%	1,636	48.6%	48.6%	54.8%
Solid Waste	18	80	421	3.8%	421	3.8%	22.8%	22.8%
Project Delivery Team Subtotal	**5,966**	**6,998**	**33,903**	**17.6%**	**35,251**	**16.9%**	**38.2%**	**36.8%**
Roading & Footpaths	14,389	22,595	45,362	31.7%	42,464	33.9%	81.5%	87.1%
IAM Total	**20,355**	**29,593**	**79,265**	**25.7%**	**77,716**	**26.2%**	**63.0%**	**64.3%**
Environmental Management	518	956	1,182	43.8%	1,471	35.2%	124.8%	100.2%
Governance & Strategic Administratio	2,177	918	4,206	50.8%	4,357	50.0%	72.2%	71.0%
Customer Services	394	56	1,467	26.8%	1,557	25.3%	30.7%	28.9%
Strategic Planning	0	0	0	0.0%	40	0.0%	0.0%	0.0%
Other Total	**3,089**	**1,930**	**6,934**	**44.6%**	**7,424**	**41.6%**	**72.4%**	**67.6%**
Sub Total	**23,444**	**31,523**	**86,199**	**27.2%**	**85,140**	**27.5%**	**63.8%**	**64.6%**

This report shows that at the end of December, 64.3% of capital works forecast for the year were "in flight" and a significant number of projects were in the final stages of planning to allow delivery to commence. This is a greater percentage than was achieved overall in any of the last three financial years. Careful monitoring of the projects is taking place and whilst it is understood that projects will always be inflight at year end, it is anticipated that this will be much lower, in relation to core infrastructure, than in previous years.

Condition Assessments and Capacity Modelling

Council clearly understands that the condition and capacity of the assets is key to achieving better outcomes for the community. A programme of condition assessments has been put in place and funding of $1.6m for this work is planned over a number of years to ensure that current and future decisions are based on asset condition and not simply age as in the past.

Work has also been commenced to establish the capacity of key strategic assets to inform the future requirements for development contributions. Using the data from .iD, the work has been prioritised to review the current areas of growth along the East Coast of the Far North. This work will enable the asset management team to determine growth work requirements and provide the necessary

information for Council to re-activate the Development Contribution policy, which is currently suspended.

Response to Audit questions:

a. **Impacts on the cost of capital expenditure due to project timing delays**
Not considered as part of developing the capital programme, but efforts were taken to make the overall programme more "deliverable" to reduce systemic programme delays. Mostly in raising awareness with Council of the limited ability of organisation and the market to deliver and to ramp up delivery instantaneously.

b. **Impacts on the funding sources with the focus being on the borrowings due to delays in Capex delivery**
Delays to the delivery of Major and Externally Funded Projects and the potential funding implications for external fund sources were considered a risk for that programme and treatments have been identified for those separately from projects that are ultimately rates/loan funded. We are aware when building the programme of the impact of a delay to capital delivery means increasing (potentially the amount that are loan funded) the duration over which the funding is loaned and therefore incurring greater interest before servicing the loan and interest via rates. Again, emphasis was placed on developing a deliverable programme to reduce the systemic likelihood of this. Other measures have also been taken to shore up deliverability consistency through standard process and practices through the Project Management Framework.

c. **Impacts on operational expenditure such as maintenance, where there is an increased asset breakage or failure due to age of assets**
Due to our renewals programme being slower to deliver on what is currently perceived to be a 'bow wave' of overdue renewals. The bow waves is primarily based on accounting asset-life and not asset condition and so is not a proven renewals need in all cases and remains an assumption. Unplanned renewals capital may need to be higher in the first three years, as renewals programme is ramped up to account for conditional assessments. The existing maintenance and operations budgets align with the status quo, and while there may be spikes to this, over time they will reduce as the renewals programme is undertaken.

d. **How the Council will consider the impacts of delays on future CAPEX work programmes.**
An area of focus that needs to be considered by Management in terms of planning priorities as we improve asset management and capital planning.

Draft Council Mark assessment (Extract from draft report – grading yet to be confirmed)

Delivering what's important
Service delivery and asset management

Council has made significant investments in new systems and capability across its asset management and service delivery functions. Now, attention must move to ensure it consistently delivers against service level expectations.

Delivering what's important

Priority grading
Competent

> *"Council has made huge progress in the last three years to improve its asset management and service delivery performance."*

Service delivery and asset

Aligning services with vision and strategy

Council's core service delivery and asset management plans are broadly linked to vision and strategy, and these are explained in public documents. However, the long-term strategy is being re-thought as part of FN2100, and significant asset planning and major infrastructure improvements are underway or planned. Consequently, refinements will be required to ensure Council's new strategic direction, asset planning and delivery of core services is explicitly aligned in the future.
Council is committed to developing its long-term strategy, and associated infrastructure improvement programmes, in consultation with the community in a transparent manner. Council recognises it is operating in a challenging environment, which has been further complicated by recent drought and flooding emergencies, and the COVID-19 outbreak. Some difficult trade-offs will be required, as Council considers long-term strategy, levels of service and affordability.

Service levels and quality

Council has a comprehensive set of service levels and service level measures covering quality, timelines, value and key deliverables. These are determined in consultation with the community, during the long-term planning process.
Road condition is benchmarked to a peer group of councils via the Road Efficiency Group (REG). Similarly, Council's performance against Resource Management Act (RMA) and Building Act timelines are benchmarked.
Historically, Council has not performed well against its Key Performance Indicators (KPIs). There has been some improvement in recent years, but external factors including COVID-19 and the drought have adversely affected performance in 2020, especially in terms of response times. While overall customer satisfaction levels (as measured by the latest community survey) show some improvement, they remain stubbornly low, although with significant variability across individual functions. This presents a communications challenge for Council: to tell the improvement 'story' as progress is made.

Management of water and roading assets

Asset management plans are in place for three waters, transport and communities. These were developed in 2015, and they are aligned with previous visions and strategies.
Council acknowledges that their Asset Management Plans (AMPs) need to be improved to address weaknesses and ensure they are aligned with emerging strategy. Transport asset management is working well, but other areas are still developing.
Programme Darwin has been instigated to address weaknesses in asset management of three waters and community facilities. Significant progress has already been made to provide a solid foundation for long-term planning and decision-making. Longer-term risks such as the effects of changing climate, rising national freshwater standards and the expectations of iwi around access to resources are all being considered within the work underway.
All asset classes are maintained and monitored in accordance with the KPIs in existing AMPs. However, many of the KPIs have not been consistently met in recent years (especially requests for service timelines). Performance has been further impacted in 2020 due to the effects of significant external events.
All water supply facilities meet national standards, but restrictions necessitated by the recent drought exposed resilience issues that need to be addressed. Wastewater treatment plants have compliance problems from time to time. Nine existing wastewater consents have either expired or will do so before 2024.

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

Annual Plan 2017-18 $'000s	Revised 2017-18 $'000s	PROSPECTIVE FINANCIAL STATEMENTS 2021-31	LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
1,655,580	**1,728,279**	**Opening Balance**	**2,030,858**	**2,143,740**	**2,221,038**	**2,290,411**	**2,363,223**	**2,447,933**	**2,534,673**	**2,630,568**	**2,728,517**	**2,829,546**
56,600	57,801	Total Comprehensive Income	112,882	77,298	69,373	72,812	84,710	86,740	95,895	97,948	101,029	92,450
1,712,180	**1,786,080**	**Closing Balance**	**2,143,740**	**2,221,038**	**2,290,411**	**2,363,223**	**2,447,933**	**2,534,673**	**2,630,568**	**2,728,517**	**2,829,546**	**2,921,996**

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

Annual Plan 2020-21 $'000s	Revised 2020-21 $'000s	PROSPECTIVE FINANCIAL STATEMENTS 2018-28	LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
		PUBLIC EQUITY										
607,486	543,564	Other reserves	626,688	693,676	754,749	818,152	886,813	956,135	1,033,621	1,113,929	1,199,933	1,283,435
13,875	8,468	Restricted reserves	9,045	9,632	10,227	10,815	11,403	11,991	12,579	13,167	13,756	14,344
1,362,568	1,478,826	Retained earnings	1,508,008	1,517,731	1,525,436	1,534,257	1,549,717	1,566,547	1,584,369	1,601,421	1,615,858	1,624,217
1,983,929	**2,030,858**	**Public Equity**	**2,143,741**	**2,221,039**	**2,290,411**	**2,363,223**	**2,447,933**	**2,534,673**	**2,630,569**	**2,728,517**	**2,829,546**	**2,921,996**
		Represented by;										
		CURRENT ASSETS										
19,887	18,782	Cash & cash equivalents	22,771	22,715	21,530	8,938	731	(4,712)	(11,494)	(10,965)	(9,551)	(5,539)
37,227	41,227	Trade & other receivables	42,711	43,950	45,048	46,175	47,329	48,512	49,774	51,117	52,498	53,863
0	0	Other financial assets	0	0	0	0	0	0	0	0	0	0
104	130	Inventories	130	130	130	130	130	130	130	130	130	130
57,217	**60,139**	**Current Assets**	**65,612**	**66,794**	**66,708**	**55,243**	**48,190**	**43,930**	**38,409**	**40,282**	**43,076**	**48,454**
		Less;										
		CURRENT LIABILITIES										
22,977	23,768	Trade & other payables	24,624	25,338	25,972	26,621	27,286	27,969	28,696	29,471	30,266	31,053
39,000	6,000	Borrowings	26,000	0	6,500	10,000	0	10,000	0	10,000	0	0
25	26	Provisions	11	40	11	39	9	6	28	6	6	5
1,103	0	Financial guarantee liabilities	0	0	0	0	0	0	0	0	0	0
0	0	Derivative financial instruments	0	0	0	0	0	0	0	0	0	0
2,699	2,393	Employee benefits	2,479	2,551	2,615	2,680	2,747	2,816	2,889	2,967	3,047	3,126
65,803	**32,187**	**Current Liabilities**	**53,114**	**27,929**	**35,097**	**39,340**	**30,043**	**40,791**	**31,613**	**42,443**	**33,319**	**34,184**
(8,586)	**27,953**	**Working Capital**	**12,498**	**38,866**	**31,611**	**15,903**	**18,148**	**3,140**	**6,796**	**(2,161)**	**9,757**	**14,270**

Annual Plan 2020-21 $'000s	Revised 2020-21 $'000s	PROSPECTIVE FINANCIAL STATEMENTS 2018-28	LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
		NON CURRENT ASSETS										
1,096	823	Other financial assets	823	823	823	823	823	823	823	823	823	823
801	708	Forestry	715	722	729	737	744	752	759	767	774	782
13,884	10,594	Intangible assets	11,582	12,003	11,741	11,506	12,900	12,385	14,242	14,183	13,764	13,199
18,000	18,000	Investments in subsidiaries	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
0	0	Derivative financial instruments	0	0	0	0	0	0	0	0	0	0
2,010,044	2,078,094	Property, plant & equipment	2,232,925	2,348,944	2,438,573	2,542,984	2,666,234	2,767,357	2,868,161	2,965,650	3,092,654	3,207,423
2,043,825	**2,108,219**	**Non Current Assets**	**2,264,045**	**2,380,492**	**2,469,866**	**2,574,051**	**2,698,701**	**2,799,317**	**2,901,984**	**2,999,423**	**3,126,015**	**3,240,227**
		NON CURRENT LIABILITIES										
50,537	104,655	Borrowings	132,155	198,034	210,792	226,495	268,690	267,564	278,021	268,559	306,047	332,326
0		Trade & other payables										
501	322	Derivative financial instruments	322	0	0	0	0	0	0	0	0	0
0	-	Employee benefits	0	0	0	0	0	0	0	0	0	0
272	336	Provisions	325	285	274	235	226	220	191	185	179	174
51,310	**105,313**	**Non Current Liabilities**	**132,802**	**198,319**	**211,067**	**226,730**	**268,916**	**267,784**	**278,212**	**268,745**	**306,226**	**332,501**
1,983,929	**2,030,858**	**Net Assets**	**2,143,740**	**2,221,039**	**2,290,411**	**2,363,224**	**2,447,933**	**2,534,673**	**2,630,570**	**2,728,516**	**2,829,546**	**2,921,995**

PROSPECTIVE STATEMENT OF CASHFLOWS

Annual Plan 2020-21 $'000s	PROSPECTIVE FINANCIAL STATEMENTS 2021-31	LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	OPERATING ACTIVITIES										
	Cash was provided from:										
97,974	Rates	103,814	108,837	112,143	118,250	122,200	126,412	129,597	133,677	138,193	138,576
42,400	Other Income	67,322	51,344	50,265	50,351	58,455	62,309	65,367	66,769	65,922	63,883
495	Interest and Dividends	1,055	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405	1,405
140,869		**172,192**	**161,586**	**163,813**	**170,006**	**182,060**	**190,126**	**196,369**	**201,850**	**205,520**	**203,864**
	Cash was applied to:										
101,256	Supply of Goods, Services & Employees	104,260	108,609	109,163	111,036	113,767	116,797	119,203	122,715	126,141	127,022
1,715	Interest Paid	2,383	2,454	2,311	2,250	2,143	2,226	1,948	1,544	1,143	1,145
35	Fringe Benefit Tax Paid	53	55	56	57	58	60	61	62	64	65
103,006		**106,697**	**111,118**	**111,530**	**113,343**	**115,969**	**119,083**	**121,213**	**124,322**	**127,347**	**128,233**
37,863	**Net Cash Inflows / (Outflows) from Operating Activities**	**65,495**	**50,468**	**52,284**	**56,663**	**66,091**	**71,043**	**75,156**	**77,529**	**78,172**	**75,632**
	FINANCING ACTIVITIES										
	Cash was provided from:										
27,718	Borrowing and reserve cash	70,600	65,556	47,782	48,844	63,986	43,941	35,767	37,539	63,688	65,650
27,718		**70,600**	**65,556**	**47,782**	**48,844**	**63,986**	**43,941**	**35,767**	**37,539**	**63,688**	**65,650**
	Cash was applied to;										
8,210	Borrowing	10,053	12,703	15,027	16,535	18,026	20,488	21,502	21,831	22,058	24,301
8,210		**10,053**	**12,703**	**15,027**	**16,535**	**18,026**	**20,488**	**21,502**	**21,831**	**22,058**	**24,301**
19,508	**Net Cash Inflows / (Outflows) from Financing Activities**	**60,547**	**52,853**	**32,755**	**32,309**	**45,960**	**23,453**	**14,266**	**15,708**	**41,630**	**41,348**

Annual Plan 2020-21 $'000s	PROSPECTIVE FINANCIAL STATEMENTS 2018-28	LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	INVESTING ACTIVITIES										
	Cash was provided from:										
	Cash was applied to:										
66,751	Purchase & Development of Property, Plant & Equipment	122,054	103,377	86,223	101,563	120,257	99,940	96,204	92,708	118,389	112,967
	Investment in subsidiary										
66,751		**122,054**	**103,377**	**86,223**	**101,563**	**120,257**	**99,940**	**96,204**	**92,708**	**118,389**	**112,967**
(66,751)	**Net Cash Inflows / (Outflows) from Investing Activities**	**(122,054)**	**(103,377)**	**(86,223)**	**(101,563)**	**(120,257)**	**(99,940)**	**(96,204)**	**(92,708)**	**(118,389)**	**(112,967)**
(9,380)	**Net Increase / (Decrease) in Cash Flows**	**3,988**	**(56)**	**(1,185)**	**(12,592)**	**(8,207)**	**(5,443)**	**(6,782)**	**529**	**1,414**	**4,013**
	NET CASH POSITION										
	Opening Balances 1 July										
29,268	Cash & cash Equivalents	18,782	22,771	22,715	21,530	8,938	731	(4,712)	(11,494)	(10,965)	(9,551)
29,268		**18,782**	**22,771**	**22,715**	**21,530**	**8,938**	**731**	**(4,712)**	**(11,494)**	**(10,965)**	**(9,551)**
	Less Balances 30 June										
19,887	Cash & cash Equivalents	22,771	22,715	21,530	8,938	731	(4,712)	(11,494)	(10,965)	(9,551)	(5,539)
19,887		**22,771**	**22,715**	**21,530**	**8,938**	**731**	**(4,712)**	**(11,494)**	**(10,965)**	**(9,551)**	**(5,539)**
9,380	**Cash Movements for the Year**	**(3,988)**	**56**	**1,185**	**12,592**	**8,207**	**5,443**	**6,782**	**(529)**	**(1,414)**	**(4,013)**

PROSPECTIVE STATEMENT OF FINANCIAL PERFORMANCE

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	2022-23 $'000s	2023-24 $'000s	2024-25 $'000s	2025-26 $'000s	2026-27 $'000s	2027-28 $'000s	2028-29 $'000s	2029-30 $'000s	2030-31 $'000s
	Revenue										
57,659	Rates - General	58,905	60,816	62,609	65,763	68,070	69,814	71,278	74,223	76,951	77,977
2,227	Rates - Targeted Water	2,477	3,096	2,986	4,086	4,652	5,472	5,953	6,256	7,054	6,994
27,382	Rates - Targeted Excluding Water	29,622	32,016	33,544	35,295	36,265	37,798	38,917	39,621	40,480	39,761
2,073	Rates - Penalties	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063	2,063
17,059	Fees, Fines and Charges	18,008	18,149	18,425	18,573	18,724	18,879	19,037	19,200	19,366	19,534
10,397	Subsidies Operational	14,445	15,800	14,923	14,884	15,191	15,538	15,975	16,453	16,965	17,454
60,205	Subsidies Capital	42,325	24,756	24,149	24,169	31,866	35,275	37,848	38,728	37,278	34,606
-	Other Contributions	-	0	-	-	0	0	0	0	0	0
3,686	Other Income	- -	-	-	-	-	-	-	-	-	-
		2,244	2,451	2,452	2,453	2,453	2,454	2,455	2,456	2,457	2,458
180,688	**Total Comprehensive Revenue**	**170,088**	**159,148**	**161,151**	**167,287**	**179,285**	**187,293**	**193,526**	**199,000**	**202,613**	**200,849**

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	2022-23 $'000s	2023-24 $'000s	2024-25 $'000s	2025-26 $'000s	2026-27 $'000s	2027-28 $'000s	2028-29 $'000s	2029-30 $'000s	2030-31 $'000s
	Expenses by expense type										
30,452	Personnel costs	31,807	32,455	33,203	33,934	34,682	35,445	36,224	37,022	37,836	38,669
34,645	Depreciation & amortisation costs	36,847	40,951	44,432	47,684	50,510	54,074	57,221	60,416	63,665	67,197
1,715	Finance costs	2,433	2,850	2,965	3,249	3,538	4,022	4,156	4,164	4,173	4,584
64,884	Other expenses	69,243	72,581	72,251	73,011	74,506	76,334	77,516	79,758	81,915	81,451
131,696	**Total operating expenses**	**140,330**	**148,839**	**152,851**	**157,878**	**163,236**	**169,875**	**175,117**	**181,360**	**187,588**	**191,901**
48,992	**Net Operating Surplus/(Deficit)**	**29,758**	**10,310**	**8,300**	**9,409**	**16,049**	**17,418**	**18,409**	**17,640**	**15,025**	**8,948**

WHOLE OF COUNCIL
STATEMENT OF SOURCE AND COMPREHENSIVE REVENUE AND EXPENSES

	Surplus/(Deficit) attributable to:										
48,992	**Far North District Council**	**29,758**	**10,310**	**8,300**	**9,409**	**16,049**	**17,418**	**18,409**	**17,640**	**15,025**	**8,948**
	Items that will not be reclassified to surplus										
46,843	Gain/(Loss) on asset valuations	80,267	64,094	57,870	59,486	63,530	63,445	70,236	72,110	76,659	74,007
46,843	**Total other comprehensive revenue**	**80,267**	**64,094**	**57,870**	**59,486**	**63,530**	**63,445**	**70,236**	**72,110**	**76,659**	**74,007**
95,835	**Total comprehensive revenue**	**110,025**	**74,404**	**66,170**	**68,895**	**79,579**	**80,863**	**88,645**	**89,750**	**91,684**	**82,955**

Depreciation in the statement of financial performance differs from the depreciation shown in the funding impact statement reconciliation as depreciation on corporate activities is allocated to the activities and forms part of the direct and indirect costs.

	Expenditure										
	Customer Services	10,866	11,163	11,690	12,236	12,489	12,805	13,139	13,423	13,741	14,066
	District Facilities	17,272	19,523	20,326	21,033	21,395	21,898	22,310	22,709	23,235	23,283
	Environmental Management	15,056	15,149	15,697	16,306	16,638	17,001	17,370	17,782	18,111	18,535
	Governance & Strategic Administration	5,760	6,112	5,885	5,966	6,491	6,279	6,290	6,828	6,618	6,635
	Roading and Footpaths	45,469	48,722	48,896	50,371	52,520	55,205	58,223	61,534	64,773	67,955
	Solid Waste Management	5,416	5,716	5,846	6,018	6,225	6,506	6,749	6,948	7,158	7,360
	Stormwater	5,085	5,229	5,479	5,922	5,926	6,249	6,403	6,634	6,837	6,684
	Strategic Planning & Policy	8,945	9,096	9,685	9,847	10,142	10,597	10,064	10,277	10,694	10,716
	Wastewater	15,755	16,804	18,133	18,501	19,167	20,273	21,025	21,378	21,778	22,083
	Water Supply	10,706	11,325	11,214	11,677	12,243	13,062	13,544	13,847	14,645	14,585
0	**Total Operating Expenditure**	**140,330**	**148,839**	**152,851**	**157,878**	**163,236**	**169,875**	**175,117**	**181,360**	**187,588**	**191,901**

COVID 19 Statement

BACKGROUND

On Wednesday 25 March 2020, the Government moved New Zealand to level 4 and instigated a total shutdown of all non-essential businesses. A gradual closure of businesses within the district had already started as a result of the border closures and the impact on tourism-based companies/suppliers.

Early into lockdown, staff were receiving significant contact from the community attempting to cancel direct debit payments because they were, at that time, unsure of their future financial circumstances. There has also been contact from customers who rent property on a commercial basis seeking help to manage their finances during this period.

Revenue for rates, water and rental payments are key to Council being able to continue to meet its obligation to provide essential services such as water, wastewater and community services such as public toilets. In past LTP reviews it has been suggested that FNDC's reliance on rates should be reviewed and other funding sources identified. However, the fact that Council does have a high level of rate income has actually transpired to be a positive – with other income sources generally holding well.

Rates and water charges

Council has policies to address any circumstances where a remission or postponement of rates is required. In the case of COVID-19, there is a policy for the remission of penalties on rates and water accounts and this was applied if the ratepayer made an application.

Council has a "Rates Easy Pay" scheme that provides for ratepayers to spread payments over a maximum period of 2 years. Providing that payments are made; penalties are not charged.

Staff worked with customers who were requesting to cancel direct debit payments to reduce the amount on a direct debit rather than cancelling it. This was both to maintain payments to avert a significant arrears value being created and to minimise the impact on the ratepayer as once a direct debit is cancelled, the bank freezes the ability to re-instate it for 12 months.

Lease/rental charges

Council has no policies in relation to tenants of Council buildings.

There are currently 31 properties leased to individuals or organisations. Of these, 7 were on the new ADLS lease and had the section 27.5 clause concerning "No access in an Emergency"

No Access in Emergency

27.5 If there is an emergency and the Tenant is unable to gain access to the premises to fully conduct the Tenant's business from the premises because of reasons of safety of the public or property or the need to prevent reduce or overcome any hazard, harm or loss that may be associated with the emergency including:

(a) a prohibited or restricted access cordon applying to the premises; or

(b) prohibition on the use of the premises pending the completion of structural engineering or other reports and appropriate certifications required by any competent authority that the premises are fit for use; or

(c) restriction on occupation of the premises by any competent authority,

then a fair proportion of the rent and outgoings shall cease to be payable for the period commencing on the date when the Tenant became unable to gain access to the premises to fully conduct the Tenant's business from the premises until the inability ceases.

This suggests that the tenant does not have to pay a "fair proportion" of the rent and outgoings for the period they are unable to conduct business.

Council is also a tenant in 15 properties and the above clause features in 5 of the leases.

Council agreed to reduce rent for affected businesses that met the criteria by 60% for 3 months with a review following that. Overall, the impact on Council was less than $50k

Payment holiday

Council allowed ratepayers who had a previously good payment record to take a payment "holiday" for the May 2020 payment. This was then spread over a period of time under the rates Easy Pay options. There were criteria as follows:

Commercial ratepayers:

a) A 30% reduction in revenue; or
b) Qualification for the Government support package; or
c) Qualification for a mortgage holiday from the bank.

Residential ratepayers:

d) Evidence of loss of employment; or
e) Payment from an employer under the government support package; or
f) Qualification for a mortgage holiday from the bank; or
g) Means testing using a simple income and expenditure review.

For the lease/rent payments a similar process was used.

Council considered 2 options

Option 1.

Provide support for customers on a case by case basis by

h) Remitting penalties if required
i) Arranging a rates easy pay plan that allows for the delayed payment of the May instalment but can encompass the July instalment if required.
j) In the case of seasonal tourism activities, arrange a seasonal payment plan if necessary, to allow the business to recover from the tourism impacts of border closures.

Staff recommend this option

Option 2.

Do nothing and allow the penalties to stand as charged if payment of any instalment is missed. Do not provide any additional flexibility in the rates easy pay scheme and do not provide for seasonal payment plans for tourism related activities.

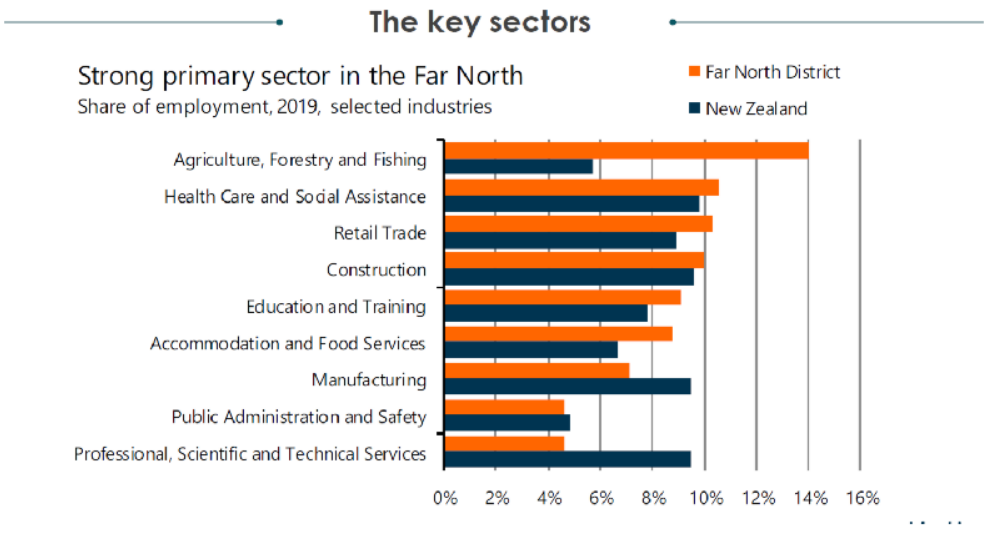
Staff do not recommend this option.

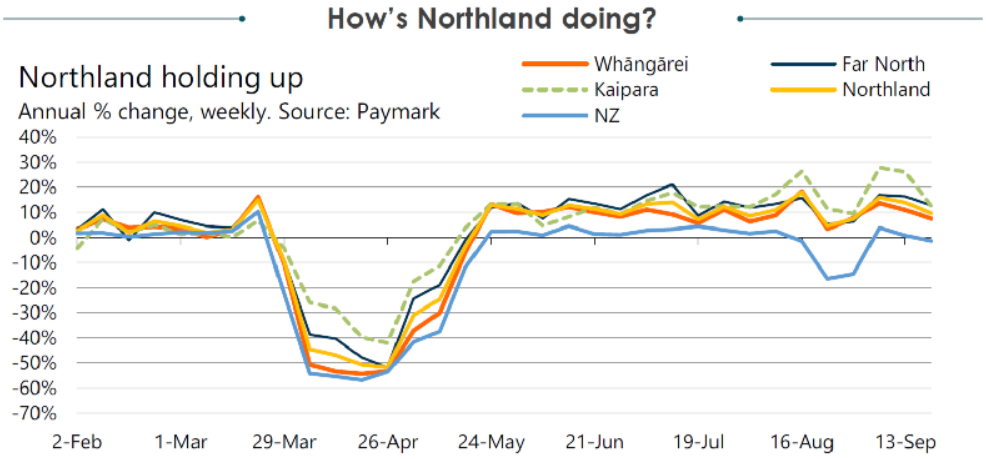
Infometrics information for September 2020 was:

Far North District - quarterly overview by Infometrics

The Far North economy bounced back in the September quarter as industries continued to build momentum post-lockdown. Economic activity in the September quarter was up 2.6% per annum in the Far North, limiting the decline in year-end growth to -1.8% per annum, according to provisional estimates from Infometrics. Local households have proved resilient in the face of COVID-19. Consumer spending rose by 19.2% per annum in the September 2020 quarter, according to Marketview data. The post-lockdown surge in spending in the Far North was the third highest rise across the two-thirds of the country we monitor. Part of this rise in spending is also down to a still growing population. Health enrolments in the Far North rose 2.1% per annum in the September quarter, the 14th highest rate of growth throughout the country. The Infometrics Local Economic Insights Dashboard confirms this growth, with a sustained rise in broadband data use in the Far North. With additional demand, house prices have risen strongly, up 6.8% per annum. However, construction activity has softened in recent quarters, with a 25% fall in residential consents over the 12 months to September 2020. Non-residential construction has also softened, down 23% per annum over the same period, although work on major projects continues. Tourism activity has suffered a less severe hit than in other parts of the country. Tourism spending in the Far North is down just under 4% over the 12 months to September, compared to a 17% per annum hit nationally. Domestic tourism has proved a strong area of focus, but without cruise ships over the summer, tourism activity will still be constrained. The economic hit due to COVID-19 remains strongly felt by some households. Jobseeker Support recipient numbers have risen by just over 1,200 from last September, a 27% per annum rise. However, this rise is less substantial than the 43% per annum national rise. The less severe economic hit and comparably lower job losses have been supported by solid performances from the primary sector. Exports are holding up well, all things considered, with dairy expected to earn the district $157 million in the current season. However, concerns around drought over the summer will be important to monitor.

Information from Brad Olsen in October 2020 provided the following indicators



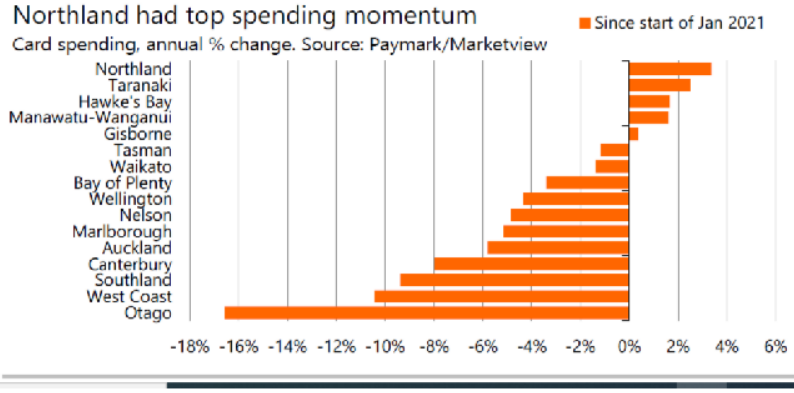


As a direct result of the recent case identified in Northland additional information was provided as follows:

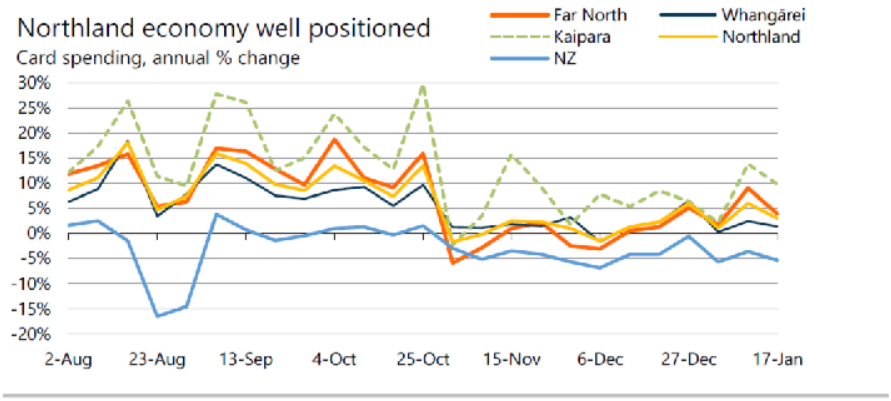
Northland economy remains resilient

- Northland has the highest annual increase in spending across New Zealand for the January month so far. Regional spending so far in January 2021 is up 3.4%pa on average from a year earlier – (see **Graph 1**).
- We expect the current case to knock back spending and general economic momentum, including reduced local tourism activity for a period.

Graph 1



Graph 2



Far North actions

- In order to track the potential impact on Council, a tracking mechanism was put in place to compare income being received from the start of lockdown to the same period in the previous year. This has been continued and over the 46 weeks rate income has increased over last year by $1.1m. A portion of this is due to the reactivation of debt collection protocols in January 2021. Overall, rate income held steady for FNDC as ratepayers generally opted to spread payments on a monthly basis rather than take advantage of the payment holiday option.
- Council also took advantage of the funds offered by Central Government and made bids against all packages. The bids ranged from support to establish a dog pound in the south of the region to sealing of a major tourist route. In order to ensure delivery of the projects, staff were seconded to a specialist delivery team that was able to engage with external consultants to project manage delivery within the specified timeframes. To encourage the creation of job opportunities, information and training sessions were help with Tier 2 and 3 suppliers to encourage them to become Site Safe accredited and bid for work that they would not normally have considered.

CEO "Weekender" *27 November 2020*

Support for Māori business is trailblazing

The support the Council is giving to Māori-owned companies, so they can bid for infrastructure contracts, is trailblazing, according to the Ministry of Māori Development, Te Puni Kōkiri. The Council and health and safety accreditation provider, SiteSafe, are working with 28 local and mostly Māori-owned businesses that are keen to tender for Council infrastructure projects, including projects funded by the Government's COVID Response and Recovery Fund. Council and SiteSafe staff met with these businesses last week to discuss how they can help them to become approved Council contractors for these projects. Te Puni Kōkiri says the work the Council is doing is leading the way in New Zealand.



Opportunities: *North Drill Ltd co-owner Bronson Murray was among the Māori contractors who attended a forum in Kaikohe in October. Click here to watch a YouTube video about the forum.*

North Drill Ltd co-owner and manager Bronson Murray was among Māori business owners who attended a forum the Council organised for contractors in October. At the time, he said his company had the capability to undertake some of the work the Council was planning to tender. However, it would benefit from support on how to tender for contracts. "I suppose all we need is maybe for the Council to come half way and give us a hand to get across that bridge." Most of his staff are aged from 15 to 20 and all of them are Māori. "A lot of them have come from unemployment. All we need is the work. We can hire more people, train them and upskill them. North Drill also wants to support broader social outcomes in its workplace. "We are looking for longer outcomes like financial literacy, home ownership. All that sort of stuff."

The range of work, which spreads across the activities of Council, has meant that the supply chain has been sound.

- The housing market in the Far North is strong and application fees for consents and licenses is showing an increase of $1m over the same period last year. Building and Resource Consents both showed a slow down as a result of the lockdown and the subsequent few months. However, this has been short term and applications for consents and LIM's are now at an all-time high.
- The I Sites have not fared as well. Over the same period that rates have held, I Site income has dropped $1m of which $100k (FNDC's commission) would impact FNDC directly. This indicates that people visiting the area have not been using the I Sites for bookings over the summer period but have booked directly with the provider. Actual visitor numbers over the summer period have been high, with TV1 News advising, just before Christmas, that there was no accommodation in the Far North for the coming holiday period.

All of the above information has been used to create the significant forecasting assumptions for the 2021 – 31 LTP. The risk has been established as "low" as the indicators that other Councils are seeing are not present in the Far North. The future state for Council is not expected to differ dramatically from the position we see now. The LTP has therefore been prepared on a "steady as we go" approach.

FAR NORTH DISTRICT COUNCIL WHOLE OF COUNCIL

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
61,989	General rates, uniform annual general charges, rates penalties	64,556	66,557	68,434	71,671	74,062	75,893	77,445	80,481	83,301	84,422
29,610	Targeted rates	32,099	35,112	36,530	39,381	40,917	43,270	44,870	45,877	47,534	46,755
12,645	Subsidies and grants for operating purposes	14,485	15,840	14,963	14,924	15,231	15,578	16,015	16,493	17,005	17,494
16,942	Fees and charges	17,892	18,031	18,305	18,450	18,600	18,752	18,907	19,068	19,231	19,398
50	Internal charges and overheads recovered	256	113	114	115	115	116	117	118	119	120
1,505	Local authority fuel tax, fines, infringement fees, and other receipts	2,063	2,416	2,418	2,420	2,423	2,425	2,427	2,430	2,432	2,435
122,740	**Total operating funding (A)**	**131,351**	**138,069**	**140,763**	**146,963**	**151,348**	**156,034**	**159,782**	**164,466**	**169,622**	**170,623**
	Applications of operating funding										
97,594	Payments to staff and suppliers	104,637	108,714	109,215	110,790	113,117	115,794	117,844	120,974	124,037	124,501
1,715	Finance costs	2,433	2,850	2,965	3,249	3,538	4,022	4,156	4,164	4,173	4,584
(0)	Internal charges and overheads applied	0	0	0	0	0	(0)	0	0	(0)	0
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
99,308	**Total applications of operating funds (B)**	**107,070**	**111,564**	**112,180**	**114,039**	**116,655**	**119,816**	**122,000**	**125,138**	**128,210**	**129,085**
23,432	**Surplus (deficit) of operating funding (A - B)**	**24,281**	**26,505**	**28,583**	**32,924**	**34,692**	**36,218**	**37,782**	**39,328**	**41,412**	**41,538**
	Sources of capital funding										
21,187	Subsidies and grants for capital expenditure	42,325	24,756	24,149	24,169	31,866	35,275	37,848	38,728	37,278	34,606
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
20,086	Increase (decrease) in debt	48,035	39,879	19,258	19,202	32,195	8,874	456	539	27,487	26,280
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
41,273	**Total sources of capital funding (C)**	**90,360**	**64,635**	**43,407**	**43,372**	**64,062**	**44,149**	**38,305**	**39,267**	**64,765**	**60,886**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
34,713	- to improve the level of service	88,623	65,721	46,207	47,135	68,581	50,173	45,544	45,378	71,478	69,574
32,093	- to replace existing assets	33,431	37,656	40,017	54,428	51,676	49,767	50,660	47,331	46,911	43,393
(2,101)	Increase (decrease) in reserves	(7,413)	(12,237)	(14,233)	(25,268)	(21,503)	(19,573)	(20,117)	(14,113)	(12,212)	(10,543)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
64,705	**Total applications of capital funding (D)**	**114,641**	**91,140**	**71,990**	**76,295**	**98,754**	**80,367**	**76,087**	**78,595**	**106,177**	**102,424**
(23,432)	**Surplus (deficit) of capital funding (C - D)**	**(24,281)**	**(26,505)**	**(28,583)**	**(32,924)**	**(34,692)**	**(36,218)**	**(37,782)**	**(39,328)**	**(41,412)**	**(41,538)**
0	**Funding balance ((A - B) + (C - D))**	**(0)**	**(0)**	**0**	**0**	**0**	**(0)**	**(0)**	**(0)**	**0**	**0**

FAR NORTH DISTRICT COUNCIL ROADING & FOOTPATHS

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
11,851	General rates, uniform annual general charges, rates penalties	12,165	13,129	13,291	13,865	14,643	15,593	16,641	17,716	18,735	19,783
4,943	Targeted rates	5,022	5,122	5,133	5,181	5,267	5,379	5,504	5,627	5,736	4,339
12,532	Subsidies and grants for operating purposes	14,445	15,800	14,923	14,884	15,191	15,538	15,975	16,453	16,965	17,454
689	Fees, charges, and targeted rates for water supply	661	661	661	661	661	661	661	661	661	661
2	Internal charges and overheads recovered	27	27	27	27	27	27	27	27	28	28
600	Local authority fuel tax, fines, infringement fees, and other receipts	600	600	600	600	600	600	600	600	600	600
30,617	**Total operating funding (A)**	**32,921**	**35,340**	**34,635**	**35,219**	**36,389**	**37,799**	**39,408**	**41,085**	**42,725**	**42,866**
	Applications of operating funding										
25,744	Payments to staff and suppliers	27,221	29,165	27,965	28,059	28,655	29,308	30,098	30,963	31,875	32,761
519	Finance costs	638	668	698	785	910	1,072	1,232	1,395	1,506	1,596
(2,814)	Internal charges and overheads applied	(1,970)	(1,949)	(1,939)	(1,964)	(2,013)	(2,052)	(2,095)	(2,138)	(2,183)	(2,230)
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
23,449	**Total applications of operating funds (B)**	**25,889**	**27,884**	**26,724**	**26,880**	**27,551**	**28,328**	**29,235**	**30,220**	**31,198**	**32,127**
7,168	**Surplus (deficit) of operating funding (A - B)**	**7,032**	**7,457**	**7,911**	**8,338**	**8,838**	**9,470**	**10,174**	**10,865**	**11,527**	**10,739**
	Sources of capital funding										
20,676	Subsidies and grants for capital expenditure	21,274	22,042	24,149	24,169	31,866	35,275	37,848	38,728	37,278	34,606
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
6,561	Increase (decrease) in debt	8,121	9,364	5,824	8,342	10,802	10,659	10,873	7,387	5,975	3,310
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
27,238	**Total sources of capital funding (C)**	**29,395**	**31,406**	**29,973**	**32,511**	**42,668**	**45,934**	**48,721**	**46,115**	**43,253**	**37,917**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
14,144	- to improve the level of service	18,953	20,955	19,587	22,962	33,055	36,245	40,495	37,192	35,757	30,069
23,244	- to replace existing assets	18,133	18,830	19,647	18,994	19,948	21,228	20,416	23,357	20,497	21,922
(2,982)	Increase (decrease) in reserves	(660)	(922)	(1,350)	(1,106)	(1,498)	(2,069)	(2,017)	(3,569)	(1,474)	(3,334)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
34,406	**Total applications of capital funding (D)**	**36,427**	**38,863**	**37,884**	**40,850**	**51,506**	**55,404**	**58,895**	**56,980**	**54,780**	**48,656**
(7,168)	**Surplus (deficit) of capital funding (C - D)**	**(7,032)**	**(7,457)**	**(7,911)**	**(8,338)**	**(8,838)**	**(9,470)**	**(10,174)**	**(10,865)**	**(11,527)**	**(10,739)**
0	**Funding balance ((A - B) + (C - D))**	**(0)**	**(0)**	**0**	**0**	**0**	**(0)**	**(0)**	**(0)**	**0**	**0**

FAR NORTH DISTRICT COUNCIL WATER

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
225	General rates, uniform annual general charges, rates penalties	225	225	225	225	225	225	225	225	225	225
2,227	Targeted rates	2,477	3,096	2,986	4,086	4,652	5,472	5,953	6,256	7,054	6,994
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
6,642	Fees and charges	7,434	7,434	7,434	7,434	7,434	7,434	7,434	7,434	7,434	7,434
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
9,094	**Total operating funding (A)**	**10,136**	**10,755**	**10,644**	**11,745**	**12,311**	**13,130**	**13,612**	**13,915**	**14,713**	**14,653**
	Applications of operating funding										
4,970	Payments to staff and suppliers	5,968	6,263	6,035	6,170	6,417	6,585	6,789	6,932	7,556	7,308
316	Finance costs	374	417	364	384	423	622	650	613	580	558
1,739	Internal charges and overheads applied	1,483	1,549	1,607	1,667	1,701	1,741	1,781	1,821	1,861	1,901
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
7,025	**Total applications of operating funds (B)**	**7,826**	**8,229**	**8,006**	**8,221**	**8,541**	**8,949**	**9,220**	**9,366**	**9,997**	**9,768**
2,069	**Surplus (deficit) of operating funding (A - B)**	**2,310**	**2,526**	**2,639**	**3,524**	**3,770**	**4,182**	**4,392**	**4,549**	**4,716**	**4,885**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
2,433	Increase (decrease) in debt	6,179	1,075	1,372	2,546	13,288	1,876	(2,448)	(2,243)	(1,443)	(2,130)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
2,433	**Total sources of capital funding (C)**	**6,179**	**1,075**	**1,372**	**2,546**	**13,288**	**1,876**	**(2,448)**	**(2,243)**	**(1,443)**	**(2,130)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
3,639	- to improve the level of service	7,223	2,750	3,071	4,341	15,442	5,261	411	423	435	447
815	- to replace existing assets	2,256	3,110	10,243	11,813	9,673	5,427	5,579	4,782	5,905	4,530
49	Increase (decrease) in reserves	(990)	(2,259)	(9,303)	(10,083)	(8,057)	(4,630)	(4,046)	(2,899)	(3,067)	(2,221)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
4,502	**Total applications of capital funding (D)**	**8,489**	**3,601**	**4,011**	**6,071**	**17,058**	**6,058**	**1,944**	**2,306**	**3,273**	**2,755**
(2,069)	**Surplus (deficit) of capital funding (C - D)**	**(2,310)**	**(2,526)**	**(2,639)**	**(3,524)**	**(3,770)**	**(4,182)**	**(4,392)**	**(4,549)**	**(4,716)**	**(4,885)**
0	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

FAR NORTH DISTRICT COUNCIL WASTEWATER

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
283	General rates, uniform annual general charges, rates penalties	296	303	334	401	451	500	552	605	660	712
11,747	Targeted rates	13,799	14,842	16,167	17,528	18,171	19,255	19,981	20,308	20,680	20,959
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
403	Fees, charges, and targeted rates for water supply	301	301	301	301	301	301	301	301	301	301
(0)	Internal charges and overheads recovered	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
12,433	**Total operating funding (A)**	**14,396**	**15,446**	**16,802**	**18,230**	**18,923**	**20,056**	**20,834**	**21,214**	**21,641**	**21,972**
	Applications of operating funding										
6,850	Payments to staff and suppliers	7,837	8,453	9,042	8,530	8,413	8,611	8,997	9,098	9,062	8,415
621	Finance costs	990	919	959	1,077	1,192	1,328	1,289	1,206	1,198	1,421
2,031	Internal charges and overheads applied	1,769	1,854	1,927	2,002	2,041	2,092	2,140	2,188	2,236	2,285
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
9,502	**Total applications of operating funds (B)**	**10,596**	**11,226**	**11,928**	**11,608**	**11,646**	**12,031**	**12,425**	**12,492**	**12,496**	**12,121**
2,931	**Surplus (deficit) of operating funding (A - B)**	**3,800**	**4,220**	**4,875**	**6,622**	**7,276**	**8,025**	**8,409**	**8,722**	**9,145**	**9,852**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
3,345	Increase (decrease) in debt	6,077	12,850	7,877	7,667	9,068	(2,584)	(5,549)	(540)	14,856	11,558
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
3,345	**Total sources of capital funding (C)**	**6,077**	**12,850**	**7,877**	**7,667**	**9,068**	**(2,584)**	**(5,549)**	**(540)**	**14,856**	**11,558**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
5,779	- to improve the level of service	9,104	15,636	12,371	13,214	14,701	3,129	84	4,945	20,445	18,108
1,745	- to replace existing assets	4,114	3,531	2,579	7,835	8,181	8,274	8,750	7,511	7,822	1,442
(1,248)	Increase (decrease) in reserves	(3,340)	(2,097)	(2,198)	(6,760)	(6,537)	(5,962)	(5,974)	(4,274)	(4,266)	1,860
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
6,276	**Total applications of capital funding (D)**	**9,878**	**17,069**	**12,752**	**14,289**	**16,344**	**5,441**	**2,860**	**8,182**	**24,001**	**21,410**
(2,931)	**Surplus (deficit) of capital funding (C - D)**	**(3,800)**	**(4,220)**	**(4,875)**	**(6,622)**	**(7,276)**	**(8,025)**	**(8,409)**	**(8,722)**	**(9,145)**	**(9,852)**
0	**Funding balance ((A - B) + (C - D))**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

FAR NORTH DISTRICT COUNCIL STORMWATER

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
4,850	General rates, uniform annual general charges, rates penalties	4,603	4,747	4,997	5,744	5,748	6,071	6,225	6,456	6,659	6,507
651	Targeted rates	711	711	711	711	711	711	711	711	711	711
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0	Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
0	Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	0	0	0
5,501	**Total operating funding (A)**	**5,313**	**5,458**	**5,708**	**6,455**	**6,459**	**6,782**	**6,936**	**7,166**	**7,370**	**7,217**
	Applications of operating funding										
1,942	Payments to staff and suppliers	2,000	1,994	2,145	2,432	2,280	2,444	2,422	2,471	2,535	2,230
164	Finance costs	130	141	128	122	140	155	194	231	242	259
1,860	Internal charges and overheads applied	1,649	1,726	1,795	1,865	1,902	1,948	1,992	2,036	2,081	2,126
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
3,966	**Total applications of operating funds (B)**	**3,779**	**3,861**	**4,068**	**4,418**	**4,323**	**4,547**	**4,608**	**4,739**	**4,857**	**4,615**
1,535	**Surplus (deficit) of operating funding (A - B)**	**1,534**	**1,597**	**1,639**	**2,037**	**2,136**	**2,235**	**2,328**	**2,427**	**2,512**	**2,602**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
663	Increase (decrease) in debt	1,900	703	(410)	1,230	984	2,587	2,510	722	1,338	1,033
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
663	**Total sources of capital funding (C)**	**1,900**	**703**	**(410)**	**1,230**	**984**	**2,587**	**2,510**	**722**	**1,338**	**1,033**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
1,121	- to improve the level of service	2,407	1,300	227	1,843	1,695	3,438	3,524	1,769	2,423	2,233
58	- to replace existing assets	515	1,339	1,374	1,350	2,906	2,542	2,631	2,705	2,709	2,718
1,019	Increase (decrease) in reserves	512	(339)	(371)	73	(1,482)	(1,159)	(1,317)	(1,325)	(1,281)	(1,315)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
2,198	**Total applications of capital funding (D)**	**3,434**	**2,300**	**1,230**	**3,266**	**3,120**	**4,821**	**4,838**	**3,149**	**3,850**	**3,635**
(1,535)	**Surplus (deficit) of capital funding (C - D)**	**(1,534)**	**(1,597)**	**(1,639)**	**(2,037)**	**(2,136)**	**(2,235)**	**(2,328)**	**(2,427)**	**(2,512)**	**(2,602)**
0	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

FAR NORTH DISTRICT COUNCIL SOLID WASTE MANAGEMENT

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
3,620	General rates, uniform annual general charges, rates penalties	3,723	4,030	4,162	4,333	4,540	4,821	5,063	5,260	5,470	5,671
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
1,185	Fees, charges, and targeted rates for water supply	1,200	1,193	1,191	1,191	1,192	1,192	1,193	1,194	1,194	1,195
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
220	Local authority fuel tax, fines, infringement fees, and other receipts	220	220	220	220	220	220	220	220	220	220
5,025	**Total operating funding (A)**	**5,142**	**5,442**	**5,572**	**5,744**	**5,951**	**6,233**	**6,475**	**6,674**	**6,884**	**7,086**
	Applications of operating funding										
4,282	Payments to staff and suppliers	4,422	4,641	4,731	4,869	4,997	5,144	5,305	5,476	5,657	5,828
51	Finance costs	41	38	33	31	70	100	112	106	102	98
679	Internal charges and overheads applied	667	705	735	766	780	801	820	839	858	877
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
5,012	**Total applications of operating funds (B)**	**5,131**	**5,384**	**5,499**	**5,665**	**5,847**	**6,044**	**6,237**	**6,421**	**6,617**	**6,803**
13	**Surplus (deficit) of operating funding (A - B)**	**12**	**58**	**73**	**79**	**104**	**188**	**239**	**253**	**268**	**283**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
(99)	Increase (decrease) in debt	254	95	(151)	2,595	1,996	807	(368)	(298)	(237)	(214)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
(99)	**Total sources of capital funding (C)**	**254**	**95**	**(151)**	**2,595**	**1,996**	**807**	**(368)**	**(298)**	**(237)**	**(214)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
205	- to improve the level of service	556	383	104	2,825	2,354	1,282	155	172	192	213
120	- to replace existing assets	96	627	97	169	540	141	458	219	130	396
(412)	Increase (decrease) in reserves	(386)	(857)	(279)	(320)	(794)	(428)	(742)	(436)	(292)	(540)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
(86)	**Total applications of capital funding (D)**	**266**	**153**	**(78)**	**2,674**	**2,099**	**995**	**(129)**	**(45)**	**30**	**69**
(13)	**Surplus (deficit) of capital funding (C - D)**	**(12)**	**(58)**	**(73)**	**(79)**	**(104)**	**(188)**	**(239)**	**(253)**	**(268)**	**(283)**
(0)	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**0**	**(0)**	**0**

FAR NORTH DISTRICT COUNCIL DISTRICT FACILITIES

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
3,750	General rates, uniform annual general charges, rates penalties	3,921	4,917	5,522	6,001	6,117	6,278	6,418	6,559	6,701	6,345
10,041	Targeted rates	10,091	11,340	11,534	11,875	12,116	12,453	12,721	12,974	13,353	13,752
75	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
1,240	Fees, charges, and targeted rates for water supply	1,293	1,297	1,301	1,305	1,310	1,314	1,319	1,323	1,328	1,333
11	Internal charges and overheads recovered	11	11	11	11	12	12	12	12	12	13
105	Local authority fuel tax, fines, infringement fees, and other receipts	105	105	105	105	105	105	105	105	105	105
15,221	**Total operating funding (A)**	**15,420**	**17,671**	**18,474**	**19,298**	**19,660**	**20,162**	**20,575**	**20,974**	**21,499**	**21,547**
	Applications of operating funding										
9,554	Payments to staff and suppliers	9,190	9,353	9,375	9,589	9,710	9,973	10,181	10,363	10,673	10,335
370	Finance costs	451	804	847	884	862	827	784	742	699	825
3,016	Internal charges and overheads applied	3,117	3,301	3,448	3,596	3,663	3,759	3,848	3,939	4,026	4,115
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
12,940	**Total applications of operating funds (B)**	**12,759**	**13,458**	**13,670**	**14,069**	**14,234**	**14,559**	**14,813**	**15,044**	**15,397**	**15,276**
2,282	**Surplus (deficit) of operating funding (A - B)**	**2,662**	**4,213**	**4,803**	**5,229**	**5,426**	**5,603**	**5,761**	**5,930**	**6,102**	**6,272**
	Sources of capital funding										
510	Subsidies and grants for capital expenditure	21,051	2,714	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
7,618	Increase (decrease) in debt	24,447	12,369	2,747	(1,570)	(2,382)	(2,925)	(2,911)	(2,962)	8,346	13,987
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
8,129	**Total sources of capital funding (C)**	**45,498**	**15,083**	**2,747**	**(1,570)**	**(2,382)**	**(2,925)**	**(2,911)**	**(2,962)**	**8,346**	**13,987**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
9,083	- to improve the level of service	48,264	20,104	7,450	1,863	1,238	709	754	739	12,071	18,300
3,945	- to replace existing assets	5,968	7,778	4,230	11,370	6,381	8,793	5,377	5,082	7,112	5,143
(2,617)	Increase (decrease) in reserves	(6,071)	(8,586)	(4,130)	(9,574)	(4,575)	(6,824)	(3,280)	(2,853)	(4,735)	(3,185)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
10,411	**Total applications of capital funding (D)**	**48,160**	**19,296**	**7,551**	**3,659**	**3,044**	**2,678**	**2,851**	**2,968**	**14,448**	**20,258**
(2,282)	**Surplus (deficit) of capital funding (C - D)**	**(2,662)**	**(4,213)**	**(4,803)**	**(5,229)**	**(5,426)**	**(5,603)**	**(5,761)**	**(5,930)**	**(6,102)**	**(6,272)**
0	**Funding balance ((A - B) + (C - D))**	**(0)**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

FAR NORTH DISTRICT COUNCIL CUSTOMER SERVICES

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
9,949	General rates, uniform annual general charges, rates penalties	10,975	11,414	11,817	12,451	12,694	12,998	13,320	13,592	13,897	14,210
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
417	Fees, charges, and targeted rates for water supply	412	413	552	562	573	584	596	609	622	634
0	Internal charges and overheads recovered	147	3	3	3	3	3	3	3	3	3
26	Local authority fuel tax, fines, infringement fees, and other receipts	18	18	18	18	18	18	18	18	18	18
10,391	**Total operating funding (A)**	**11,552**	**11,849**	**12,391**	**13,035**	**13,289**	**13,604**	**13,938**	**14,222**	**14,540**	**14,865**
	Applications of operating funding										
5,653	Payments to staff and suppliers	6,198	6,151	6,295	6,472	6,610	6,765	6,949	7,075	7,233	7,391
158	Finance costs	130	108	118	138	127	116	105	94	85	76
3,096	Internal charges and overheads applied	3,707	4,009	4,272	4,499	4,582	4,700	4,809	4,919	5,027	5,137
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
8,907	**Total applications of operating funds (B)**	**10,035**	**10,268**	**10,685**	**11,109**	**11,319**	**11,581**	**11,862**	**12,089**	**12,345**	**12,605**
1,484	**Surplus (deficit) of operating funding (A - B)**	**1,517**	**1,581**	**1,706**	**1,926**	**1,970**	**2,023**	**2,076**	**2,133**	**2,195**	**2,260**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
(454)	Increase (decrease) in debt	64	1,892	1,321	(746)	(725)	(718)	(710)	(646)	(561)	(529)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
(454)	**Total sources of capital funding (C)**	**64**	**1,892**	**1,321**	**(746)**	**(725)**	**(718)**	**(710)**	**(646)**	**(561)**	**(529)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
56	- to improve the level of service	657	2,518	2,065	86	96	108	121	137	155	174
478	- to replace existing assets	375	377	701	540	542	1,289	1,992	1,578	983	4,556
496	Increase (decrease) in reserves	550	579	261	555	607	(92)	(747)	(228)	497	(2,999)
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
1,030	**Total applications of capital funding (D)**	**1,581**	**3,473**	**3,027**	**1,180**	**1,245**	**1,305**	**1,366**	**1,487**	**1,635**	**1,731**
(1,484)	**Surplus (deficit) of capital funding (C - D)**	**(1,517)**	**(1,581)**	**(1,706)**	**(1,926)**	**(1,970)**	**(2,023)**	**(2,076)**	**(2,133)**	**(2,195)**	**(2,260)**
0	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**(0)**	**(0)**	**0**	**0**	**0**	**0**	**0**

FAR NORTH DISTRICT COUNCIL ENVIRONMENTAL

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
9,381	General rates, uniform annual general charges, rates penalties	9,308	9,257	9,670	10,146	10,342	10,567	10,794	11,061	11,243	11,516
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
5,366	Fees, charges, and targeted rates for water supply	5,646	5,787	5,920	6,050	6,184	6,320	6,459	6,601	6,746	6,894
8	Internal charges and overheads recovered	7	7	7	7	7	8	8	8	8	8
89	Local authority fuel tax, fines, infringement fees, and other receipts	96	98	100	103	105	107	109	112	114	117
14,844	**Total operating funding (A)**	**15,056**	**15,149**	**15,697**	**16,306**	**16,638**	**17,001**	**17,370**	**17,782**	**18,111**	**18,535**
	Applications of operating funding										
10,489	Payments to staff and suppliers	10,398	10,140	10,368	10,703	10,930	11,157	11,396	11,676	11,874	12,165
74	Finance costs	64	49	39	36	34	32	30	27	25	23
3,886	Internal charges and overheads applied	4,264	4,621	4,944	5,212	5,313	5,443	5,567	5,693	5,817	5,945
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
14,448	**Total applications of operating funds (B)**	**14,727**	**14,810**	**15,351**	**15,952**	**16,277**	**16,632**	**16,993**	**17,396**	**17,717**	**18,132**
396	**Surplus (deficit) of operating funding (A - B)**	**330**	**338**	**346**	**354**	**361**	**369**	**377**	**386**	**394**	**403**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
(154)	Increase (decrease) in debt	(154)	(154)	(154)	(154)	(153)	(153)	(150)	(149)	(146)	(146)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
(154)	**Total sources of capital funding (C)**	**(154)**	**(154)**	**(154)**	**(154)**	**(153)**	**(153)**	**(150)**	**(149)**	**(146)**	**(146)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
0	- to improve the level of service	0	0	0	0	0	0	0	0	0	0
0	- to replace existing assets	28	0	7	12	0	956	0	5	0	0
242	Increase (decrease) in reserves	148	184	185	188	208	(740)	228	232	249	257
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
242	**Total applications of capital funding (D)**	**176**	**184**	**192**	**200**	**208**	**216**	**228**	**237**	**249**	**257**
(396)	**Surplus (deficit) of capital funding (C - D)**	**(330)**	**(338)**	**(346)**	**(354)**	**(361)**	**(369)**	**(377)**	**(386)**	**(394)**	**(403)**
0	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**0**

FAR NORTH DISTRICT COUNCIL STRATEGIC PLANNING & POLICY

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
8,036	General rates, uniform annual general charges, rates penalties	8,870	9,021	9,610	9,772	10,067	10,522	9,989	10,202	10,619	10,641
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
0	Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
0	Fees, charges, and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0
0	Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0
75	Local authority fuel tax, fines, infringement fees, and other receipts	75	75	75	75	75	75	75	75	75	75
8,111	**Total operating funding (A)**	**8,945**	**9,096**	**9,685**	**9,847**	**10,142**	**10,597**	**10,064**	**10,277**	**10,694**	**10,716**
	Applications of operating funding										
6,500	Payments to staff and suppliers	7,303	7,322	7,789	7,856	8,113	8,518	7,939	8,105	8,474	8,449
6	Finance costs	5	4	3	2	2	2	1	1	1	1
1,561	Internal charges and overheads applied	1,604	1,738	1,859	1,954	1,992	2,040	2,086	2,133	2,180	2,227
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
8,067	**Total applications of operating funds (B)**	**8,912**	**9,063**	**9,651**	**9,812**	**10,107**	**10,560**	**10,026**	**10,239**	**10,655**	**10,677**
44	**Surplus (deficit) of operating funding (A - B)**	**33**	**33**	**34**	**35**	**36**	**36**	**37**	**38**	**39**	**40**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
(23)	Increase (decrease) in debt	(23)	(23)	(23)	(23)	(23)	(23)	(22)	(8)	(8)	(8)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
(23)	**Total sources of capital funding (C)**	**(23)**	**(23)**	**(23)**	**(23)**	**(23)**	**(23)**	**(22)**	**(8)**	**(8)**	**(8)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
0	- to improve the level of service	0	0	0	0	0	0	0	0	0	0
0	- to replace existing assets	0	0	0	254	0	0	0	11	5	16
21	Increase (decrease) in reserves	10	11	11	(241)	13	14	15	19	25	16
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
21	**Total applications of capital funding (D)**	**10**	**11**	**11**	**12**	**13**	**14**	**15**	**30**	**31**	**32**
(44)	**Surplus (deficit) of capital funding (C - D)**	**(33)**	**(33)**	**(34)**	**(35)**	**(36)**	**(36)**	**(37)**	**(38)**	**(39)**	**(40)**
(0)	**Funding balance ((A - B) + (C - D))**	**(0)**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**0**

FAR NORTH DISTRICT COUNCIL GOVERNANCE & STRATEGIC ADMINISTRATION

Funding Impact Statement For 2021-2031 Long Term Plan

Annual Plan 2020-21 $'000s		LTP 2021-22 $'000s	LTP 2022-23 $'000s	LTP 2023-24 $'000s	LTP 2024-25 $'000s	LTP 2025-26 $'000s	LTP 2026-27 $'000s	LTP 2027-28 $'000s	LTP 2028-29 $'000s	LTP 2029-30 $'000s	LTP 2030-31 $'000s
	Sources of Operational Funding										
10,045	General rates, uniform annual general charges, rates penalties	10,469	9,512	8,805	8,733	9,236	8,320	8,219	8,805	9,093	8,812
0	Targeted rates	0	0	0	0	0	0	0	0	0	0
38	Subsidies and grants for operating purposes	40	40	40	40	40	40	40	40	40	40
1,001	Fees, charges, and targeted rates for water supply	945	945	945	945	945	945	945	945	945	945
29	Internal charges and overheads recovered	64	65	65	65	66	66	66	67	67	68
390	Local authority fuel tax, fines, infringement fees, and other receipts	950	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
11,503	**Total operating funding (A)**	**12,469**	**11,862**	**11,155**	**11,083**	**11,587**	**10,671**	**10,570**	**11,157**	**11,445**	**11,165**
	Applications of operating funding										
21,610	Payments to staff and suppliers	24,099	25,231	25,468	26,110	26,992	27,288	27,769	28,814	29,097	29,618
(563)	Finance costs	(390)	(298)	(223)	(210)	(221)	(231)	(240)	(252)	(263)	(272)
(15,054)	Internal charges and overheads applied	(16,291)	(17,553)	(18,648)	(19,598)	(19,961)	(20,473)	(20,947)	(21,431)	(21,901)	(22,384)
0	Other operating funding applications	0	0	0	0	0	0	0	0	0	0
5,993	**Total applications of operating funds (B)**	**7,418**	**7,380**	**6,597**	**6,302**	**6,811**	**6,585**	**6,581**	**7,131**	**6,933**	**6,962**
5,510	**Surplus (deficit) of operating funding (A - B)**	**5,051**	**4,482**	**4,558**	**4,781**	**4,776**	**4,086**	**3,989**	**4,025**	**4,513**	**4,203**
	Sources of capital funding										
0	Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
0	Development, financial and other contributions	0	0	0	0	0	0	0	0	0	0
196	Increase (decrease) in debt	1,170	1,708	853	(686)	(660)	(652)	(769)	(723)	(633)	(582)
0	Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0
0	Lump sum contributions	0	0	0	0	0	0	0	0	0	0
196	**Total sources of capital funding (C)**	**1,170**	**1,708**	**853**	**(686)**	**(660)**	**(652)**	**(769)**	**(723)**	**(633)**	**(582)**
	Applications of capital funding										
	Capital Expenditure										
0	- to meet additional demand	0	0	0	0	0	0	0	0	0	0
686	- to improve the level of service	1,460	2,075	1,332	0	0	0	0	0	0	32
1,690	- to replace existing assets	1,947	2,065	1,139	2,092	3,504	1,116	5,456	2,082	1,747	2,671
3,330	Increase (decrease) in reserves	2,814	2,050	2,941	2,003	612	2,317	(2,237)	1,219	2,133	918
0	Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0
5,706	**Total applications of capital funding (D)**	**6,220**	**6,190**	**5,411**	**4,095**	**4,116**	**3,434**	**3,220**	**3,302**	**3,879**	**3,621**
(5,510)	**Surplus (deficit) of capital funding (C - D)**	**(5,051)**	**(4,482)**	**(4,558)**	**(4,781)**	**(4,776)**	**(4,086)**	**(3,989)**	**(4,025)**	**(4,513)**	**(4,203)**
0	**Funding balance ((A - B) + (C - D))**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(0)**	**(0)**	**0**

PROPOSED FUNDING IMPACT STATEMENT (RATES)

Rate	Basis of Assessment	Differential Matter*	Rates 2021/22		Rates 2020/21
			Rate (GST Inc)	Total Rate	GST Inc
GENERAL RATES					
Uniform Annual General Charge	Per SUIP[1]	-	$450.00	$17,431,425	$450.00
General Differential	Per $ of Land Value	1	$0.0048643	$48,420,242	$0.0046211
Commercial Differential	Per $ of Land Value	1	$0.0133768	$6,262,954	$0.0127080
TARGETED WARD SERVICES RATE					
BOI - Whangaroa Ward Differential	Per SUIP	6	$317.90	$5,521,580	$310.60
Te Hiku Ward Differential	Per SUIP	6	$268.00	$3,407,277	$276.10
Kaikohe - Hokianga Ward Differential	Per SUIP	6	$338.60	$2,832,977	$339.00
TARGETED ROADING RATES					
Uniform Roading Rate	Per SUIP	-	$100.00	$3,873,650	$100.00
Roading Differential Rate					
Residential	Per $ of Land Value	1	$0.0001039	$432,736	$0.0001019
Lifestyle	Per $ of Land Value	1	$0.0001071	$298,439	$0.0001038
Farming Gen	Per $ of Land Value	1	$0.0001211	$238,751	$0.0001182
Horticulture	Per $ of Land Value	1	$0.0000728	$14,922	$0.0000756
Dairy	Per $ of Land Value	1	$0.0001804	$104,454	$0.0001740
Forestry	Per $ of Land Value	1	$0.0019801	$193,985	$0.0018944
Commercial	Per $ of Land Value	1	$0.0002772	$104,454	$0.0002727
Industrial	Per $ of Land Value	1	$0.0003412	$29,844	$0.0003300
Mining/Quarry	Per $ of Land Value	1	$0.0087831	$59,688	$0.0085496
Other	Per $ of Land Value	1	$0.0001945	$14,922	$0.0001779
STORMWATER TARGETED RATES					
General Differential	Per rating unit	1	$35.78	$504,462	$35.78
Commercial Differential	Per rating unit	1	$71.56	$108,127	$71.56
TARGETED DEVELOPMENT RATES					
Paihia CBD Development Rate					
General Differential	Per SUIP	1	$18.00	$37,791	$18.00
Commercial Differential	Per SUIP	1	$56.00	$19,376	$56.00
Kaitaia BID Rate	Per $ of Land Value	-	$0.0013551	$57,500	$0.0013444
BOI RECREATION CENTRE RATE					
Uniform Targeted Rate	Per SUIP	-	$5.00	$24,965	$5.00
PRIVATE ROADING RATES					
Hupara Road Sealing Rates					
Uniform Rate	Per SUIP	-	$661.73	$25,146	$661.73
SEWERAGE TARGETED RATES					
Sewerage Capital Rates					
Ahipara					
Ahipara Connected	Per SUIP	5	$264.42	$141,729	$207.55
Ahipara Availability	Per rating unit	5	$264.42	$37,283	$207.55
Ahipara Additional Pans	Per Sub Pan[2]	-	$158.65	$9,043	$124.53
East Coast					
East Coast Connected	Per SUIP	5	$229.48	$342,155	$156.01
East Coast Availability	Per rating unit	5	$229.48	$103,037	$156.01
East Coast Additional Pans	Per Sub Pan	-	$137.69	$19,552	$93.61
Hihi					
Hihi Connected	Per SUIP	5	$463.81	$73,746	$435.28
Hihi Availability	Per rating unit	5	$463.81	$12,059	$435.28
Hihi Additional Pans	Per Sub Pan	-	$278.29	$1,948	$261.17
Kaeo					
Kaeo Connected	Per SUIP	5	$587.14	$100,401	$543.34
Kaeo Availability	Per rating unit	5	$587.14	$11,156	$543.34
Kaeo Additional Pans	Per Sub Pan	-	$352.28	$29,592	$326.00
Kaikohe					
Kaikohe Connected	Per SUIP	5	$186.90	$316,796	$148.69

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Rate	Basis of Assessment	Differential Matter*	Rates 2021/22 Rate (GST Inc)	Rates 2021/22 Total Rate	Rates 2020/21 GST Inc
Kaikohe Availability	Per rating unit	5	$186.90	$13,831	$148.69
Kaikohe Additional Pans	Per Sub Pan	-	$112.14	$87,581	$89.21
Kaitaia & Awanui					
Kaitaia & Awanui Connected	Per SUIP	5	$192.03	$500,238	$189.43
Kaitaia & Awanui Availability	Per rating unit	5	$192.03	$18,435	$189.43
Kaitaia & Awanui Additional Pans	Per Sub Pan	-	$115.22	$98,167	$113.66
Kawakawa					
Kawakawa Connected	Per SUIP	5	$394.44	$225,620	$364.59
Kawakawa Availability	Per rating unit	5	$394.44	$3,550	$364.59
Kawakawa Additional Pans	Per Sub Pan	-	$236.66	$38,102	$218.75
Kerikeri					
Kerikeri Connected	Per SUIP	5	$549.69	$714,597	$309.62
Kerikeri Availability	Per rating unit	5	$549.69	$45,075	$309.62
Kerikeri Additional Pans	Per Sub Pan	-	$329.81	$133,903	$185.77
Kohukohu					
Kohukohu Connected	Per SUIP	5	$570.13	$49,601	$542.77
Kohukohu Availability	Per rating unit	5	$570.13	$5,131	$542.77
Kohukohu Additional Pans	Per Sub Pan	-	$342.08	$5,473	$325.66
Opononi					
Opononi Connected	Per SUIP	5	$248.95	$97,339	$237.68
Opononi Availability	Per rating unit	5	$248.95	$29,127	$237.68
Opononi Additional Pans	Per Sub Pan	-	$149.37	$16,729	$142.61
Paihia					
Paihia Connected	Per SUIP	5	$389.00	$809,509	$272.98
Paihia Availability	Per rating unit	5	$389.00	$83,635	$272.98
Paihia Additional Pans	Per Sub Pan	-	$233.40	$291,983	$163.79
Rangiputa					
Rangiputa Connected	Per SUIP	5	$215.34	$22,611	$205.62
Rangiputa Availability	Per rating unit	5	$215.34	$3,445	$205.62
Rangiputa Additional Pans	Per Sub Pan	-	$129.20	$517	$123.37
Rawene					
Rawene Connected	Per SUIP	5	$454.37	$109,049	$426.96
Rawene Availability	Per rating unit	5	$454.37	$13,177	$426.96
Rawene Additional Pans	Per Sub Pan	-	$272.62	$12,813	$256.18
Russell					
Russell Connected	Per SUIP	5	$385.88	$222,653	$346.27
Russell Availability	Per rating unit	5	$385.88	$59,426	$346.27
Russell Additional Pans	Per Sub Pan	-	$231.53	$44,454	$207.76
Whangaroa					
Whangaroa Connected	Per SUIP	5	$477.95	$7,169	$506.12
Whangaroa Availability	Per rating unit	5	$477.95	$2,390	$506.12
Whangaroa Additional Pans	Per Sub Pan	-	$286.77	$3,154	$303.67
Whatuwhiwhi					
Whatuwhiwhi Connected	Per SUIP	5	$258.42	$190,972	$240.25
Whatuwhiwhi Availability	Per rating unit	5	$258.42	$106,986	$240.25
Whatuwhiwhi Additional Pans	Per Sub Pan	-	$155.05	$2,791	$144.15
Sewerage Operating Rate					
Connected Rate (All Schemes)	Per SUIP	-	$692.14	$8,834,537	$620.01
Subsequent Pan Rate (All Schemes)	Per Sub Pan	-	$415.29	$1,719,703	$372.01
WATER TARGETED RATES					
Water Capital Rates					
Kaikohe					
Kaikohe Connected	Per SUIP	5	$251.12	$473,612	$224.42
Kaikohe Availability	Per rating unit	5	$251.12	$20,592	$224.42
Kaitaia					
Kaitaia Connected	Per SUIP	5	$248.00	$563,203	$217.52

Rate	Basis of Assessment	Differential Matter*	Rates 2021/22 Rate (GST Inc)	Rates 2021/22 Total Rate	Rates 2020/21 GST Inc
Kaitaia Availability	Per rating unit	5	$248.00	$17,265	$217.52
Kawakawa					
Kawakawa Connected	Per SUIP	5	$339.50	$394,839	$301.96
Kawakawa Availability	Per rating unit	5	$339.50	$10,864	$301.96
Kerikeri					
Kerikeri Connected	Per SUIP	5	$143.88	$392,361	$129.69
Kerikeri Availability	Per rating unit	5	$143.88	$20,575	$129.69
Okaihau					
Okaihau Connected	Per SUIP	5	$280.50	$51,051	$271.95
Okaihau Availability	Per rating unit	5	$280.50	$1,964	$271.95
Omapere/Opononi					
Omapere/Opononi Connected	Per SUIP	5	$539.19	$217,294	$576.00
Omapere/Opononi Availability	Per rating unit	5	$539.19	$50,145	$576.00
Paihia					
Paihia Connected	Per SUIP	5	$179.50	$388,438	$169.01
Paihia Availability	Per rating unit	5	$179.50	$14,719	$169.01
Rawene					
Rawene Connected	Per SUIP	5	$486.09	$154,091	$380.73
Rawene 60% Non-Potable	Per SUIP	5	$0.00	$0	$0.00
Rawene Availability	Per rating unit	5	$486.09	$10,694	$380.73
Water Operating Rates					
Water by Meter Rates					
Potable Water	Per M^3	-	$3.58	$8,119,946	$3.17
Non-potable Water	Per M^3	-	$2.33	$2,318	$2.06
Non-Metered Rates					
Non-metered Potable Rate	Per SUIP	-	$1,132.11	$68,470	$1,009.87
Non-metered non-potable Rate	Per SUIP	-	$818.96	$3,241	$732.06
DRAINAGE TARGETED RATES					
Kaitaia Drainage Area	Per Ha of Land Area		$9.43	$87,694	$8.66
Kaikino Drainage Area					
Kaikino A	Per Ha of Land Area	6	$19.22	$7,219	$11.73
Kaikino B	Per Ha of Land Area	6	$9.61	$3,618	$5.87
Kaikino C	Per Ha of Land Area	6	$3.21	$4,231	$1.96
Motutangi Drainage Area					
Motutangi A	Per Ha of Land Area	6	$90.07	$43,047	$48.19
Motutangi B	Per Ha of Land Area	6	$45.04	$22,890	$24.09
Motutangi C	Per Ha of Land Area	6	$15.04	$23,317	$8.05
Waiharara Drainage Area					
Waiharara A	Per Ha of Land Area	6	$21.66	$2,256	$17.80
Waiharara B	Per Ha of Land Area	6	$10.83	$8,422	$8.90
Waiharara C	Per Ha of Land Area	6	$3.62	$1,916	$2.97

*** Differential Matters**

1 Land Use
5 Provision or availability of a service
6 Location of the rating unit

Notes

1 Per SUIP - Separately Used or Inhabited part of a Rating Unit
2 Per Sub Pan - Per subsequent Pan

All Rates are GST Inclusive

Forecast Reserve Funds

	AP 2019/20 $'000s	Annual Plan 2020/21 $'000s	Annual Report 2019/20 $'000s	LTP 2021/22 $'000s	LTP 2022/23 $'000s	LTP 2023/24 $'000s	LTP 2024/25 $'000s	LTP 2025/26 $'000s	LTP 2026/27 $'000s	LTP 2027/28 $'000s	LTP 2028/29 $'000s	LTP 2029/30 $'000s	LTP 2030/31 $'000s
Revaluation Reserves													
Opening Balance	480,664	560,687	515,481	605,241	621,472	686,607	746,255	808,415	875,877	943,995	1,020,200	1,099,101	1,183,559
Appropriations	44,273	44,554	(21,119)	16,231	65,135	59,648	62,160	67,462	68,118	76,205	78,901	84,458	85,458
Closing Balance	**524,937**	**605,241**	**494,362**	**621,472**	**686,607**	**746,255**	**808,415**	**875,877**	**943,995**	**1,020,200**	**1,099,101**	**1,183,559**	**1,269,017**
Fair Value through Equity Reserve													
Opening balance	77	91	34	49	49	49	49	49	49	49	49	49	49
Closing balance	**77**	**91**	**34**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**	**49**
Capital Reserve													
Opening balance	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697	2,697
Closing balance	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**	**2,697**
Cash Flow Hedge Reserve													
Opening balance	(694)	(543)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)
Closing balance	**(694)**	**(543)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**	**(387)**
General Separate Fund													
Opening Balance	7,034	7,579	(3,190)	2,659	2,986	3,486	3,978	4,448	4,919	5,386	5,856	6,325	6,795
Appropriations	575	531	531	577	669	669	669	669	669	669	669	669	669
Withdrawals	-	-		(250)	(169)	(177)	(199)	(198)	(202)	(199)	(200)	(199)	(200)
Closing Balance	**7,609**	**8,110**	**(2,659)**	**2,986**	**3,486**	**3,978**	**4,448**	**4,919**	**5,386**	**5,856**	**6,325**	**6,795**	**7,264**
Special Fund													
Opening Balance	4,617	4,762	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859
Appropriations		-											
Withdrawals		-											
Closing Balance	**4,617**	**4,762**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**	**4,859**
Amenity Development Fund													
Opening Balance	239	239	263	238	238	238	238	238	238	238	238	238	238
Appropriations		-											
Withdrawals													
Closing Balance	**239**	**239**	**263**	**238**	**238**	**238**	**238**	**238**	**238**	**238**	**238**	**238**	**238**
Community Services Fund													
Opening Balance	481	764	(723)	962	962	962	962	962	962	962	962	962	962
Appropriations		-											
Withdrawals		-											
Closing Balance	**481**	**764**	**(723)**	**962**	**962**	**962**	**962**	**962**	**962**	**962**	**962**	**962**	**962**
Development Contributions													
Opening Balance	(16,981)	(16,907)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)	(16,943)
Appropriations	-												-

	AP 2019/20 $'000s	Annual Plan 2020/21 $'000s	Annual Report 2019/20 $'000s	LTP 2021/22 $'000s	LTP 2022/23 $'000s	LTP 2023/24 $'000s	LTP 2024/25 $'000s	LTP 2025/26 $'000s	LTP 2026/27 $'000s	LTP 2027/28 $'000s	LTP 2028/29 $'000s	LTP 2029/30 $'000s	LTP 2030/31 $'000s
Withdrawals	-	-											-
Closing Balance	**(16,981)**	**(16,907)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**	**(16,943)**
Open Spaces Development Contributions													
Opening Balance	(3,758)	(3,768)	(3,721)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)	(3,768)
Appropriations													
Withdrawals	-	-		-	-	-	-	-	-	-	-	-	-
Closing Balance	**(3,758)**	**(3,768)**	**(3,721)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**	**(3,768)**
Depreciation Reserve													
Opening Balance	68,327	78,481	72,379	76,945	58,255	58,255	58,255	58,255	58,255	58,255	58,255	58,255	58,255
Appropriations	36,153	30,557	21,390	36,847	40,951	44,432	47,684	50,510	54,074	57,221	60,416	63,665	67,197
Withdrawals	(35,969)	(32,093)	(19,498)	(32,099)	(38,958)	(42,826)	(58,541)	(56,506)	(56,056)	(58,150)	(53,737)	(53,966)	(56,107)
Closing Balance	**68,511**	**76,945**	**74,271**	**81,693**	**60,248**	**59,861**	**47,398**	**52,259**	**56,274**	**57,326**	**64,934**	**67,954**	**69,345**
Retained Earnings													
Opening Balance	1,292,160	1,299,197	1,299,949	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693	1,308,693
Retained Earnings Generated	3,537	3,657		97,037	129,782	140,100	163,740	176,874	193,096	213,548	226,799	241,697	248,929
Retained Earnings Generated OPE	-	-		-	-	-	-	-	-	-	-	-	-
Withdrawals	-	-		-	-	-	-	-	-	-	-	-	-
Closing Balance	**1,295,697**	**1,302,854**	**1,299,949**	**1,405,730**	**1,438,475**	**1,448,793**	**1,472,433**	**1,485,567**	**1,501,789**	**1,522,241**	**1,535,492**	**1,550,390**	**1,557,622**
Emergency Event Reserve													
Opening Balance	2,497	3,196	1,776	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196	3,196
Appropriations	1,636			-	-	-	-	-	-	-	-	-	-
Withdrawals	(217)			-	-	-	-	-	-	-	-	-	-
Closing Balance	**3,916**	**3,196**	**1,776**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**	**3,196**
Mineral Survey Reserve													
Opening Balance	50	50	50	50	50	50	50	50	50	50	50	50	50
Appropriations													
Withdrawals													
Closing Balance	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**	**50**
Property Disposal Reserve													
Opening Balance	169	198	362	169	169	169	169	169	169	169	169	169	169
Appropriations													
Withdrawals	-			-	-	-	-	-	-	-	-	-	-
Closing Balance	**169**	**198**	**362**	**169**	**169**	**169**	**169**	**169**	**169**	**169**	**169**	**169**	**169**

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Accounting Policies

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

Reporting entity

The Far North District Council is a territorial local authority governed by the Local Government Act 2002 (LGA). The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The prospective financial statements reflect the operations of Far North District Council and do not include the consolidated results of Council Controlled Trading Organisations (CCTO).

Council has not presented group prospective financial statements because it believes that the parent prospective financial statements are more relevant to users. The main purpose of the prospective financial statements in the LTP is to provide the reader with information about the core services that Council intends to provide.

Far North District Council has designated itself to be a Tier 1 public benefit entity (PBE) for the purposes of International Public Sector Accounting Standards (IPSAS). Council's primary objective is to provide local infrastructure, goods and services for community or social benefit and equity has been provided with a view to supporting that primary objective rather than for a financial return.

These financial statements are for the 10 years ended 30 June 2031 and were authorised by Far North District Council for consultation on 25 February 2021.

Accounting principles compliance

To meet all the requirements of local government legislation Council provides two sets of financial information:

- Generally Accepted Accounting Principles (GAAP) regulated statements of financial position, comprehensive revenue and expense, cashflow and changes in equity; and
- non-GAAP compliant Funding Impact Statements (FIS's).

Key differences between these two sets of information are that GAAP regulated financial statements must adhere to GAAP requirements.

The intention of the FIS is to make the sources and applications of Council funds more transparent to its stakeholders which may not be achievable if only GAAP financial statements were provided. The FIS is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 and is required by the Local Government Act 2002 (Schedule 10 Part 1).

A disclosure statement is required by Schedule 6 of the Local Government (Financial Reporting and Prudence) Regulations 2014 that discloses the Council's planned financial performance in relation to various benchmarks to enable an assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Statement of compliance and basis of preparation

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 93 and Part 1 of Schedule 10, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP), and the Local Government (Financial Reporting and Prudence) Regulations 2014.

These prospective financial statements have been prepared in accordance with NZ GAAP. They comply with the PBE International Public Sector Accounting Standards (IPSAS), in particular these prospective financial statements have been prepared in accordance with PBE FRS42: Prospective Financial Statements, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Council is responsible for the prospective financial statements included in the LTP 2021-31, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures included in the document.

The prospective financial statements are for the period 1 July 2021 to 30 June 2031 and do not reflect any actual results. The actual results achieved for the period covered by this plan are likely to vary from the information presented in the document and these variations may be material. Council does not intend to update prospective financial statements after publication.

In the opinion of Council and the management of the Far North District Council, the prospective financial statements for the 10 year period ending 30 June 2031 fairly reflect the prospective financial position, performance and operations of the Far North District Council.

Measurement base

The prospective financial information has been prepared on a historical cost basis, modified by the revaluation of forestry assets, certain classes of property, plant and equipment, certain classes of intangible assets, and certain financial instruments (including derivatives).

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars (NZD) and are rounded to the nearest thousand dollars ($000's).

Changes in accounting policies

An additional accounting policy was introduced 1 July 2020 that explained the treatment that would be applied to funding depreciation:

Accounting treatment – funding depreciation

a. All depreciation on assets will be funded from rates except for:
   - Roading/footpath assets – the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year.
   - Water/wastewater/public toilet assets – the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current rate payers is applied.
   - Swimming pools – the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made.

b. Asset groups where depreciation will not be fully funded from depreciation:
   - All strategic assets, as per our Significance & Engagement Policy, will have depreciation funded at 76% until 30 June 2024, followed by a phased return to 100% over 10 years. This does not apply to the items identified in (A).
   - Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums.
   - Depreciation will not be funded from rates for Civil Defence (alarms), carparks, maritime assets, motor camps, parks and reserves minor structures (e.g. boardwalks / park benches etc) and solid waste assets.

Any asset groups not covered above will have depreciation fully funded from rates (corporate assets etc.)

Standards issued and not yet effective or adopted early

Financial instruments

In January 2017, the XRB issued PBE International Financial Reporting Standard (IFRS) 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses
- Revised hedge accounting requirements to better reflect the management of risks.

Council plans to apply this standard in preparing its 30 June 2022 financial statements.

Council has not yet assessed the effects of the new standard.

SPECIFIC ACCOUNTING POLICIES

Cost allocation

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

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

Criteria for direct and indirect costs

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities based on cost drivers and related activity / usage information. The costs of internal services not directly charged to activities are allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

For the purposes of rates revenue recognition the following policies have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Revenue arising from late payment penalties is recognised as revenue when rates become overdue.
- Rates postponement applies where ratepayers meet the postponement policy criteria. Rates are shown as income in the year of postponement and recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to Council.
- Rates remissions are recognised as a reduction in rate revenue when the Council has received an application that satisfies its rate remission policy.
- Rates collected on behalf of the Northland Regional Council (NRC) are not recognised in the financial statements, as the Council is acting as an agent for the NRC.

Building and resource consent

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Landfill

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed of by users.

Development contributions

The revenue recognition point for development contributions is when Council provides or is ready to provide the service for which the contribution is levied or the event that will give rise to a requirement for a development contribution under the legislation.

Subsidy

Subsidies are recognised as revenue upon entitlement once conditions pertaining to eligible expenditure have been fulfilled.

Council receives funding assistance from Central Government from three main agencies:

- New Zealand Transport Authority (NZTA) subsidises the cost of maintenance and capital expenditure on the local roading network
- Ministry of Health (MOH) subsidises the cost of capital expenditure on water and wastewater facilities
- Ministry of Business, Innovation and Employment (MBIE) subsidises applications such as tourism infrastructure.

Vested or donated physical assets

Assets received for zero or nominal consideration are recognised at fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Grants

Grants are recognised as revenue when they become receivable, unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Rental revenue

Rental revenue is recognised in the financial statements on a straight line basis over the term of the lease.

Dividends

Dividends are recognised on an accrual basis net of imputation credits when the right to receive the dividend is established.

Third party revenue

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

Interest

Interest revenue is recognised using the effective interest method.

Borrowings and other financial liabilities

Borrowing

Borrowings are initially recognised at fair value. After initial recognition, all borrowings are measured at amortised cost.

Council classifies borrowings as Current Liabilities unless there is an unconditional right to defer settlement of the liability for at least twelve months after balance date.

Borrowing costs

Borrowing costs are expensed in the period they are incurred.

Financial guarantee contract

A financial guarantee contract is a contract that requires Council to make specific payments to reimburse the holder of the contract for any loss it incurs if a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value.

If a financial guarantee contract is issued in a stand-alone arm-length transaction to an unrelated party, then the fair value at inception is equal to the consideration received.

When no consideration is received, the fair value of the liability is initially measured using a valuation methodology, such as considering the credit enhancement arising from the guarantee or the probability that Council will be required to reimburse a holder for a loss incurred, discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability

is recognised only when it is probable there will be an outflow under the guarantee.

Financial guarantees are subsequently measured at the higher of:

- the estimated present value of the amount to settle the guarantee obligation if it is probable that there will be an outflow to settle the guarantee; and
- the amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Grants

Council considers two types of grants:

- Non-discretionary
  - awarded if the grant application meets the specific criteria
  - recognised as expenditure when an application meeting the criteria has been received.
- Discretionary
  - where Council has no obligation to award on receipt of a grant application
  - recognised as expenditure when approved by Council and the approval communicated to the applicant
  - Council grants have no substantive conditions attached.

Income tax

Income tax expense includes components relating to current tax.

Current tax is the expected income tax payable on the taxable income for the year plus any adjustment to income tax payable in respect of previous years. It is calculated using tax rates (and tax laws) that have been enacted (or substantively enacted) at balance date.

Current tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the Inland Revenue, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Leases

Operational lease

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, an operational lease is recognised.

Payments under this type of lease are charged as expenses in the periods in which they are incurred.

Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Debtors and other receivables

Short term debtors and other receivables are stated at the amount due, less any provision for impairment.

Creditors and other payables

A liability is recognised when the service has been received or the goods received or when it has been established that the rewards of ownership have been transferred from the seller / provider to Council and when it is certain that an obligation to pay arises. Short term creditors and other payables are recorded at face value.

Employee benefits

Short term employee entitlements

Employee benefits expected to be settled within twelve months after the end of the period in which the employee provides the related service are based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

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

A liability and an expense are recognised for bonuses where Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within twelve months of balance date, are classified as a current liability. All other employee entitlements are classified as non-current liabilities.

Defined contribution schemes

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense and reflected in either the surplus or (deficit) when incurred.

Property, plant and equipment

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses. When significant parts of property, plant and equipment are required to be replaced at intervals, Council recognises such parts as individual assets / components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

- Operational assets
- These include land, buildings, improvements to leased assets, plant and equipment, and motor vehicles.
- Restricted assets
- Restricted assets are parks and reserves owned by Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets
- Infrastructure assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function; for example, sewer reticulation includes reticulation piping and sewer pump stations.

Revaluations

Council accounts for revaluations of property, plant and equipment on a class of asset basis.

Valuations are performed with sufficient regularity to ensure that the carrying amount is not materially different to the fair value. If there is a material difference then a revaluation is performed.

All assets are valued at historical cost, except the following assets which are shown at fair value, based on periodic valuations by independent valuers, less subsequent depreciation:

- Roading infrastructure assets
- Stormwater infrastructure assets
- Water and sewerage infrastructure assets
- Maritime assets
- Footpaths and footbridges
- Carparks

- Refuse transfer stations
- Library books
- Ferry assets
- Heritage assets
- Parks and reserves;
- Land;
- Community facilities buildings.

Revaluation results are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus / (deficit). Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus / (deficit) will be recognised first in the surplus / (deficit) up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

Additions of property, plant and equipment between valuations are recorded at cost, except for vested assets.

Certain infrastructure assets and land have are vested in Council as part of the sub divisional consent process. Vested reserve land is valued at 50% of the surrounding residential land as per an appropriately certified government valuation. Vested infrastructure assets are valued based on the actual quantities of infrastructure components vested and the current unit rates for that component provided by the most recent valuation.

Subsequent costs

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

The costs of day to day maintenance of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Assets under construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals

Gains and losses are determined by comparing the proceeds of asset disposals with the carrying amount of the asset disposed of. Gains and losses are included in the surplus / (deficit). When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Depreciation

Depreciation is calculated on a straight-line basis on all property, plant and equipment, other than land and roading formation, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Assessed economic life is calculated using the methodology in the New Zealand Institute of Asset Management (NZIAM) manual.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Operational assets

	Useful life (Years)	Straight line depreciation (%)
Runways	25	4
Buildings	15 – 120	0.83 – 6.67
Motor vehicles	3 – 5	20 – 33
Plant and machinery	1 – 40	2.5 – 100
Wharves (concrete)	10 - 85	1.17 – 10

	Useful life (Years)	Straight line depreciation (%)
Wharves (timber), moorings and ramps	10 – 50	2 – 10
Office furniture and equipment	5 – 15	6.67 – 20
Computers	3 - 7	14.28 – 33
Library books	3 – 40	2.5 – 33
Heritage assets	10 – 185	0.54 – 10

Infrastructure assets

Roads	Useful life (Years)	Straight line depreciation (%)
Top surface (seal)	5 - 50	2 – 20
Pavement (base course) – sealed	35	2.85
Culverts, cesspits	15 - 100	1 – 6.7
Footpaths	30 – 60	1.6 – 3.3
Kerbs	50 – 80	1.25 – 2
Streetlights	8– 60	1.67 – 12.5
Signs	20	5
Bridges	50 – 100	1 – 2
Railings	30 – 50	2 – 3.3

Water reticulation	Useful life (Years)	Straight line depreciation (%)
Pipes	50 – 100	1 – 2
Valves, hydrants	50 - 70	1.43 – 2
Pump stations	10 – 50	2 – 10
Tanks / dams	40 – 100	1. – 2.5

Sewerage reticulation	Useful life (Years)	Straight line depreciation (%)
Pipes	40 – 100	1 – 2.5
Manholes	80	1.25
Treatment plant	5 – 70	1.43 – 20

Stormwater systems	Useful life (Years)	Straight line depreciation (%)
Pipes	40 – 100	1 – 2.5%
Manholes	100	1%

Improvements to leased assets are depreciated over the shorter of the unexpired period of the relevant lease and the estimated useful life of the improvement. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Land is not depreciated.

Impairment

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and the value of the asset in use.

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

The carrying amounts of Council assets are reviewed at balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus / (deficit). Impairment losses on revalued assets offset any balance in the asset revaluation reserve, with any remaining impairment loss being posted to the surplus / (deficit).

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus / (deficit), a reversal of the impairment loss is also recognised in the surplus / (deficit).

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the surplus / (deficit).

Critical accounting estimates and assumptions

Infrastructural assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset. Council may be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, such as stormwater, wastewater and water supply underground assets. This risk is minimised by Council performing physical inspections and assessments;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. If useful lives do not reflect the actual consumption of the benefits of the asset, Council could be over or underestimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, Council's infrastructure asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience.

Experienced independent valuers perform Council's infrastructure asset revaluations.

Critical judgments in applying Council's accounting polices

Management has exercised the following critical judgments in applying the Council accounting policies for the 10-year period ended 30 June 2031.

Classification of property

Council owns a number of properties which are maintained primarily to provide housing to pensioners. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are held for service delivery objectives as part of the Council's social housing policy. These properties are accounted for as property, plant and equipment.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Easements, resource consents, public access rights, software and electronic books are included in this category.

Computer software

Acquired computer software systems are capitalised on the basis of costs incurred to acquire and bring the software to use. Costs associated with developing or maintaining computer software programmes are recognised as expense when incurred.

Other intangible assets

Other intangible assets, excluding easements which are not amortised, are stated at cost less accumulated amortisation and impairment losses. The useful lives and associated amortisation classes of intangible assets have been estimated as follows:

	Years	%
Resource consents	5 – 30	3.33 – 20
Easements	Not amortised	0
IT software	3 – 10	10 – 33
Public access rights	10 – 50	2 – 10
Electronic books	5	20

Where Council invests at least $100,000 in a project, but will not ultimately own an asset, the cost of the right will be treated as an intangible asset where:

- the community has the right to use the facility; and
- in terms of the contract, that right exists for longer than 12 months.

In all instances the cost will be amortised over the shorter of the expected life of the asset or the term of the contract rights.

Subsequent costs

Subsequent expenditure on capitalised intangible assets will be capitalised only when:

- it increases the future economic benefits embodied in the specific asset to which it relates; and
- it meets the definition of, and recognition criteria for, an intangible asset.

All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised:

- over the period of that finite life;
- annually assessed for indicators of impairment (and tested for impairment if indicators exist); and
- carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised but is tested annually for impairment.

Forestry assets

Forestry assets are independently revalued to estimated market valuation. The net gain or loss arising from changes in the forest asset valuation is included in the surplus / (deficit). All gains and losses from harvesting are recognised in the statement of comprehensive revenue and expense when realised.

Forestry maintenance costs are expensed when incurred.

Equity

Equity is the community's interest in Council and is measured as the difference between total assets and liabilities.

Public equity is disaggregated and classified into a number of components to enable clear identification of the specified uses that Council makes of its accumulated surpluses:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves
- Fair value through equity reserves
- Cash flow hedge reserve
- Capital reserves.

Restricted reserves

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

Restricted reserves are those reserves subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Funds that are received or set aside for particular purposes, and have legislative restrictions placed upon them, are considered restricted funds. These include certain special funds or reserves and sinking funds created prior to the repeal of the Local Authorities Loans Act. The apportioned values of these funds not required in the current year have been shown as restricted funds.

Council created reserves are reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Property revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Fair value through equity reserves

This reserve comprises the cumulative net change in fair value of equity assets.

Cash flow hedge reserves

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

Development costs

Expenditure on development projects is carried forward to be expended against expected future revenue from the project. Expenditure carried forward is expensed when Council determines that the project has ceased or that no identified future benefits are likely to be derived.

Financial assets

Council classifies its financial assets in the following categories for the purpose of measurement:

Financial assets at fair value through surplus or deficit

This category has two sub-categories:

- financial assets held for trading; and
- those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so, designated by management.

Council does not have any financial assets that meet this definition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, unless where maturity is greater than 12 months after balance date, in which case they are included in non-current assets.

After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or de-recognised are recognised in the surplus / (deficit).

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the intention and ability to hold to maturity.

Council does not have any financial assets that meet this definition.

Financial assets at fair value through equity

Fair value through equity financial assets are non-derivatives that are either designated in this category or not classified in any other category. Financial assets included in this category are shares in Local Government Insurance Corporation Limited and LGFA borrower's notes per the financial instrument note.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus / (deficit).

Loans and receivables

Impairment is established when there is evidence that Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are considered an indicator that the asset is impaired. The amount of the impairment is the difference between the assets carrying amount and the present value of estimated future cash flows.

For debtors and other receivables the impairment is provided for in a provision and recognised in the surplus / (deficit).

When the receivable is uncollectible it is written off against the provision.

Financial assets at fair value through surplus or deficit

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus / (deficit)) recognised in the statement of comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus / (deficit) are not reversed through the surplus / (deficit).

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus / (deficit).

Inventories

Inventories are valued at the lower of cost (determined on a first-in first-out basis) and net realisable value. This valuation includes allowances for slow-moving and obsolete inventories.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The write-down from cost to current replacement cost or net realisable value is recognised in the surplus / (deficit).

Investment properties

Investment properties are properties held to earn rental revenue, for capital appreciation, or for both. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Council measures all investment properties at fair value determined annually by an independent valuer. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the surplus / (deficit). There is no depreciation on investment properties.

Rental revenue from investment property is accounted for as described in the accounting policy for revenue recognition.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item the gain is transferred to accumulated comprehensive revenue and expense. Any loss arising in this manner is recognised immediately in the surplus / (deficit).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

When Council begins to redevelop an existing investment property for continued future use as an investment property, the property remains an investment property and is not reclassified as property, plant and equipment during the redevelopment.

Provisions

A provision is recognised in the statement of financial position when Council has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Landfill post-closure costs

Council as an operator of both closed and operational landfills has a legal obligation under the Resource Management Act (1991) to provide ongoing maintenance and monitoring services at landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure costs arises.

The provision is based on the present value of future cash flows expected to be incurred, taking into account ongoing future events including new legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Council measures landfill assets using the cost model with changes in the provision for decommissioning costs being added to, or deducted from, the asset value until closure of the asset, at which time all changes to the provision are taken to the surplus / (deficit).

The discount rate used is a pre-tax rate that reflects current market assessments of time value of money and risks specific to Council.

Statement of cash flows

Cash or cash equivalents refers to cash balances on hand, cash held in bank accounts, on-demand deposits of three months or less and other highly-liquid investments in which Council or its subsidiaries invest as part of its day-to-day cash management.

Operating activities include cash received from all revenue sources of Council and record cash payments made for the supply of goods and services.

Agency transactions (for example, the collection of regional council rates) are recognised as receipts and payments in the statement of cash flows, given that they flow through Council's main bank account.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of Council.

Non-current assets held for sale

Non-current assets are classified as held for sale and are stated at the lower of their carrying amount and fair value less costs to sell if the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of for accounting purposes.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these prospective financial statements, Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Landfill aftercare provision

The following major assumptions have been made in the calculation of the provision:

The future cash flows for the landfill post closures are expected to occur for the years between 2022 and 2037. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash flows have been estimated taking into account existing technology. The Treasury Forward Rate is used to discount future cashflows.

Derivative financial instruments and hedge accounting

Council uses derivative financial instruments to hedge interest rate risks arising from financing activities.

In accordance with its Treasury Policy, Council does not hold or issue derivative financial instruments for trading purposes.

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

The method of recognising any gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus / (deficit).

Council designates certain derivatives as either:

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

At the inception of the transaction, Council documents the relationship between hedging instruments and hedged items, its risk management objective and its strategy for undertaking hedge transactions. Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

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

Cash flow hedge

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised directly in equity through the statement of changes in equity and the ineffective portion of the gain or loss on the hedging instrument is recognised in the surplus / (deficit).

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

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

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

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Revenue and Financing Policy

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

OVERVIEW

The Local Government Act 2002 (LGA) requires all councils to adopt a Revenue and Financing Policy showing how they propose to fund operating and capital expenditures, and more importantly, who will pay these and why.

Council must decide, in accordance with s101(3) of the LGA, how each activity will be funded, taking into consideration:

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

This Revenue and Financing Policy sets out how the Far North District Council plans to fund its operating and capital expenditure, over the life of the Long-Term Plan.

The Policy discusses all available potential revenue and funding sources and outlines how and when it will use these. In considering funding arrangements Council has taken the following factors into account:

- The community outcomes to which each activity primarily contributes
- Who benefits from the activity
- The period over which the benefits are delivered
- Whether the activity is needed in response to the action(s) (or lack of action(s)) of some person or group
- Whether it would be more prudent for the activity to be funded separately or included with other activities
- The overall impact of any allocation of liability for revenue needs on the community.

How has Council developed its Policy?

Every activity has been analysed using the factors discussed above. This analysis was then used to develop a set of funding decisions about the use of rates, both general and targeted, user charges, and other funding sources to arrive at what Council considers is an optimal funding arrangement for the activity.

Council then considered the overall effects of each separate funding proposal on the District as a whole.

The ultimate objective of this analysis was to find ways of funding Council's activities that are, as far as possible, affordable, transparent, and accountable.

Funding principles

After considering the above factors, Council agreed the following basic principles to guide the assessment of fairness and equity in choosing funding sources:

- Each generation of ratepayers should pay for the services they receive
- User charges are preferred whenever a private benefit can be identified, and it is efficient to collect the revenue
- Council will use any other funding sources before rates
- Capital expenditure to replace assets will be funded from rates in the form of funded depreciation
- Capital expenditure to upgrade or build new assets will be funded through borrowings

- Rate increases will be within the limits set in the financial strategy
- Borrowing will be within the limits set in the financial strategy.

Complying with these principles can at times be challenging. Council must apply judgment in assessing options to determine fairness in the development of budgets or the acquisition of assets along with the choice of funding sources.

Operating costs

Operating costs are the day-to-day outgoings used to maintain the services delivered by Council, including a contribution to the wear and tear on assets used (referred to as depreciation). Council generally operates a balanced budget, meaning that all operating costs are met from operating income. This ensures that those who pay for Council services are those who use them.

Operating cost funding sources:

- User charges
- User charges are levied for services where there is a benefit to an individual or group. The price of the service is set, taking account of several factors, including:
- The cost of providing the service
- An estimate of the private benefit derived from the use of the service
- The impact of cost in encouraging/discouraging behaviours
- The impact of cost on the demand for the service
- The cost and efficiency of fee collection mechanisms
- The impact of affordability on users
- Other matters as determined by Council.

Grants, sponsorship, and subsidies

Grants, sponsorship, and subsidies are leveraged when available. Council expects to continue receiving substantial subsidies for roading and footpath activities from the New Zealand Transport Agency (NZTA).

Investment income, dividends, and interest

Income from dividends and interest is used to offset the overall costs of Council.

Other revenue

Council receives other operating income from:

- Petrol tax
- Property rentals
- Other minor sources.

Rates review

a. Since the last local body election, Council has reviewed its rates structure, and recently carried out soft consultation to see if there is an appetite by the community for some changes to improve fairness and equity across the District. 230 submissions to the online survey were received. The survey sought feedback on several potential rating changes:
    - Maintaining the current ward (targeted) rate for Kaikohe-Hokianga, Te Hiku and Bay of Islands-Whangaroa wards
    - Increasing the urban stormwater targeted rate to better cover costs
    - Consult on changing the targeted water and wastewater rates to a district wide rate and include a small 'public good' charge.
    - Reduce the availability charge by 40% for those who could connect to a reticulated system but choose not to
    - Reduce the commercial differential from 2.75 to 1.75
    - Transition over the next 10 years to capital value as the basis for calculating the general rate.
    - Disestablish uniform charges (the uniform annual general charge and the roading uniform charge)

- Remove the current roading targeted rate.
- The outcome of the survey showed that many ratepayers supported a change in rates but were undecided about what part of the rating system should change. This is likely linked to the complexity of rates in general. Council has decided to consult on the above changes as part of the 2021-31 Long Term Plan.

Rates

Having identified all other potential funding sources, Council funds operating expenses from rates as follows:

General Rates

Council sets its General Rates on the basis of Land Value

Council may change the basis of rating from land value to capital value with a transition over 10 years

This means that the current method of calculating rates based on land value, such as the general rate, would transition to capital value over 10 years.

The General Rate is set using two differentials, general and commercial. This reflects Council's view that the general rate is a form of property-based tax, where different benefits are received by general and commercial ratepayers.

Uniform Annual General Charge (UAGC)

Council sets a UAGC. The UAGC is applied to each Separately Used or Inhabited Parts (SUIP) of a Rating Unit.

As a result of consultation

Council may decide to remove the UAGC portion of the general rate. This means that funds previously collected through the UAGC would need to be collected through the general rate itself.

Targeted Rates

Council sets targeted rates where it believes that the cost of the service should be paid for by the group that benefits most or exclusively from the activity. Targeted rates may be set on a uniform basis or differentially for different categories of rateable land.

Some targeted rates can be considered proxies for user charges, particularly for services such as water and sewerage. They are referred to as 'proxies' because they are generally fixed amounts payable by the different category of ratepayer, rather than an amount based on the level of usage.

An example of the difference between a proxy and a user charge is the way that Council charges for sewerage. Council charges a fixed amount to the rating unit based on the number of users (SUIPS) and/or the number of pans. If that rate were a true user charge, Council might charge on the basis of the amount of sewerage being discharged. Although the community regularly requests that form of rating, that mechanism is currently not permitted by law. The only legal volumetric charge a council can impose is water by meter charges.

Council's targeted rates are:

- Ward rates for the Bay of Islands-Whangaroa, Kaikohe-Hokianga and Te Hiku wards

Council is not proposing a change to ward rates

This means that the ward rate is likely to continue to be calculated the same way it always has been, which is each ward's percentage share of operating costs (for those services funded by the rate) divided by the number of each rated unit in the ward.

- The Urban Stormwater rate
- Drainage rates for Kaitaia, Kaikino, Motutangi, Waiharara
- Sewerage capital rates for each Council wastewater scheme

Council may change the targeted wastewater rates to a district wide rate and is suggesting that the availability rate be lowered

This means that the current capital and operational rates for each scheme will be apportioned across all those who are connected to (or could be connected to) the scheme and the availability rate may be reduced by 40%.

- Sewerage operating rates for each Council wastewater scheme
- Water capital rates for each Council water scheme

Council may change the targeted water rates to a district wide rate but as for wastewater it is suggesting that the availability rate be lowered

This means that the current capital rate will be apportioned across the district and the cubic metre charge will continue to be levied to those who are connected to (or could be connected to) the scheme, the availability rate may be reduced by 40%.

- Community Development rates for Paihia and Kaitaia CBDs
- The Bay of Islands Recreation Centre rate
- The roading uniform rate
- A differential roading rate

As a result of consultation

Council may decide to remove the entire roading rate, including its uniform charge. This means that funds previously collected through the roading rate would need to be collected through the general rate.

- Water by meter charges
- Private roading sealing rate for Hupara Road

The Kaikohe Business Association has asked Council to put a new targeted rate in place for business owners in Kaikohe to cover the cost of operating security lighting outside shops.

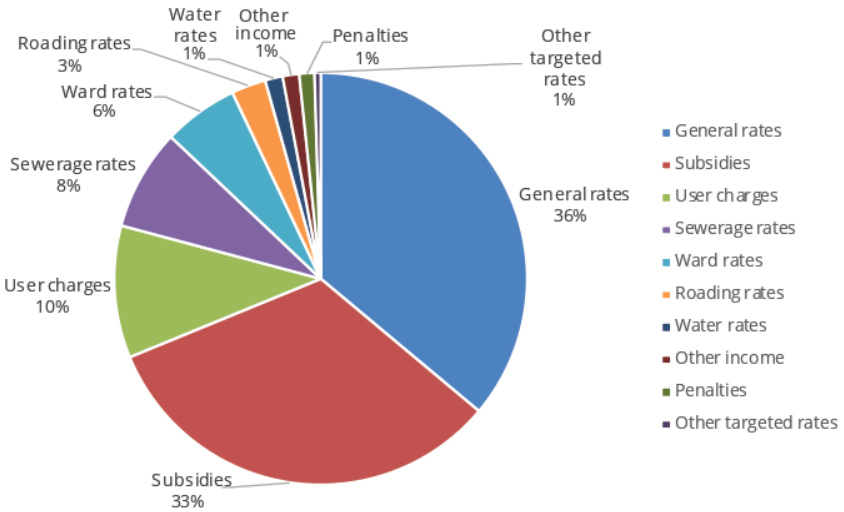
While we are not seeking general community feedback on this item, we are talking directly to the business owners in the area in which the money would be spent. Following consultation Council may choose to put this rate in place if the enough of the business owners are supportive of it.

Details of all rates charged are included in the Funding Impact Statement published in the Long-Term Plan and each year's Annual Plan.

Operating funding sources for 2021-22

Operating costs are the day to day spending that maintains the services delivered by Council. This includes a contribution to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and a contribution to corporate overheads.

Figure 1 – Summary of operating income



Note: Operating funding sources may change from year to year; this summary shows funding arrangements for 2021/22

Capital costs

Capital costs are those relating to the purchase, development or acquisition of long-term assets.

Capital cost funding sources

As shown in figure 2, funding of capital costs may come from a variety of sources including:

Borrowings

Funds for assets that will provide long term benefits to the community will be borrowed to ensure the achievement of inter-generational equity.

Council reserves

Reserves include financial contributions collected under the Resource Management Act 1991 and development contributions collected under the Local Government Act 2002.

While Council has resolved to continue to suspend the charging of development contributions for this LTP, contributions will continue to be received with respect to consents granted prior to the suspension of the policy in 2015.

Capital contributions

Capital contributions are made by ratepayers or other parties in support of specific capital projects.

Lump sum contributions

Lump sum contributions are made by ratepayers where they choose this method of payment towards specified capital works.

Grants, subsidies and other income

Contributions towards capital expenditure from other parties such as the New Zealand Transport Agency (NZTA) in relation to certain roading projects, and the Crown in relation to certain wastewater projects.

Revenue collected to fund renewals

Renewal projects are primarily funded from depreciation reserves where those funds are available.

Council has approved the following:

Accounting treatment – funding depreciation

A. All depreciation on assets will be funded from rates except for:
    - Roading/footpath assets – the subsidy element relating to the depreciation for these assets will not be funded by the relevant roading subsidy rate applicable in the relevant year.
    - Swimming pools – the depreciation for these assets will be reduced equal to any community contribution to ensure that the community benefits from the contributions made.
    - Water/wastewater/public toilet assets – the depreciation for these assets will be reduced equal to any subsidy element to ensure that the benefit expected to be received by the current rate payers is applied.

B. Asset groups where depreciation will not be fully funded from depreciation:
    - All strategic assets, as per our Significance and Engagement Policy, will have depreciation funded at 76% until 30 June 2024 followed by a phased return to 100% over the next 10 years. This does not apply to the items identified in (A).
    - Depreciation will be funded at a rate of 50% for community buildings/centres, halls and museums.
    - Depreciation will not be funded from rates for Civil Defence (alarms), carparks, maritime assets, motor camps, parks and reserves minor structures (e.g. boardwalks / park benches etc) and solid waste assets.

Any asset groups not covered above will have depreciation fully funded from rates (corporate assets etc.)

Proceeds from the sale of assets

From time-to-time Council sells assets and may use the proceeds (after paying for the cost of the sale) to repay any debt attached to the asset.

Rates

Rates are primarily used to fund Council's day-to-day expenses. This includes funding an annual amount toward the ongoing renewal of existing assets, and the funding of financing costs on debt incurred to purchase or develop assets.

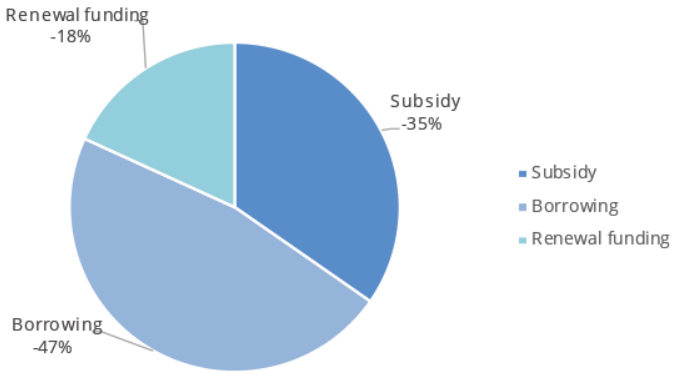
From time-to-time Council may undertake specific capital works funded by borrowings, where the debt repayment is sourced from targeted rates, usually for specific community projects.

Operating surpluses

Operating surpluses may be used to fund capital expenditure.

Capital Funding Sources 2021-22

Figure 2 – Summary of capital funding



Note: Capital funding sources may change from year to year. This summary shows funding arrangements for 2021/22

Balanced budget

Section 100 of the LGA requires that Council's projected operating revenues match its projected operating expenditures. Despite this, Council may choose not to fully fund operating expenditure in any particular year if it can show that it is financially prudent to do so and where the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees, or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary, to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The details of the funding apportionment are set out in the Funding Sources Summary that is included in this Policy.

The LGA requires Council to produce Funding Impact Statements (FIS), which provide details of the funding mechanisms to be used for each group of activities for each year covered by the LTP. These FIS show how Council intends to implement the Revenue and Financing Policy. It also shows the amounts to be collected from each available source for each group and how various rates are to be applied.

FUNDING NEEDS ANALYSIS

This section sets out how Council proposes to fund each of its activities. It has been prepared in accordance with the provisions of Section 101(3) of the Local Government Act 2002 (the Act).

Note that throughout this section references are made to legislative provisions. Unless stated otherwise, these references refer to the Local Government Act 2002.

This analysis document is designed to show how Council has considered each of these requirements and how they relate to the final Revenue and Financing Policy.

Analysis identifies the arrangements Council proposes to apply when budgeting for each activity. Frequently there is a mix of funding mechanisms including both general and targeted rates together with a range of fees and charges. In many instances the final funding mix depends on the level of activity and Council's ability to recover costs from user charges.

Section 101(3) analysis of operating expenditure by activity

Council has reviewed the funding for each of its individual activities using the methodologies set out in s101(3) of the LGA. The method used for this process was to consider each activity individually and reach a conclusion on each of the required factors.

Once this was completed, Council was then able to then decide how much of the activity should be funded by direct user charges and how much by rates. In this context, rates include the General Rate, Targeted Rates and Water by Meter charges, while user charges include all other forms of fees and charges.

Appendix A shows the results of this analysis and outlines the different funding arrangements. To add clarity the splits between Rates and User Charges are presented in 10% bands.

Section 101(3) analysis of capital expenditure by activity

Council will fund the cost of borrowing on the same basis as operating costs unless it resolves otherwise.

It is not practical to create separate funding policies for every capital project, so Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider a separate funding policy Council will consider the sources of funds outlined above, the Revenue and Financing Policy and complete a s101(3) assessment to determine a fair funding and equitable arrangement for the project.

Generally, Council will resolve the funding policy at the time the project is proposed in an Annual or Long-Term Plan.

APPENDIX A – Funding of operational expenditure

Activity	Community Outcomes - refer Appendix B	Who benefits	Period of benefit	Whose actions creates a need	Separate funding	Rationale
Notes:						
1. The Funding Source relates to Council costs only. It excludes any subsidies that may be received						
2. The split between public (rate) and private (user) funding is an approximation and is arranged in 10% bands						
3. Refer to Appendix C for a description of these headings						
Funding source – Rates 100% (approx. may include other minor funding sources)						
Customer Services	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is fully funded by general rates.	The community as a whole benefits from this activity. Whilst there are opportunities to recover some costs by way of fees and charges, these are very limited.
Economic Development	Sustainable Development	Individuals, businesses	Ongoing	Individuals, businesses, Community	High level of public benefit so the activity is fully funded by general rates.	This activity benefits the whole district but in particular the commercial and industrial sectors recognised through the General Rate differentials.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Governance	Leadership	Community	Ongoing	Community	This activity is core to Council's democratic operations so it is fully general rate funded.	This activity supports Council's democratic process it is therefore fully funded from General Rates.
Land Drainage	Sustainable Infrastructure	Individuals, Groups	Ongoing	Landowners in areas of benefit	Fully funded by benefiting property owners using separate targeted rates.	This activity provides a private benefit for the land owners located within the defined drainage areas. It is therefore fully funded by local targeted rates.
Maori Engagement	Partnerships Te Tiriti o Waitangi	Community	Ongoing	Community	High level of public benefit so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Public Safety	Safety	Individuals, Groups	Ongoing	Individuals, Groups	Most of the costs of this activity relate to its public benefits so it is fully general rate funded.	Council provides for 100% emergency management from rates to ensure that the Community is safeguarded. Where possible recovery is sought from exacerbators to reduce public funding which is provided from General Rates.
Recreation	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Individuals	Some private benefits but limited or no opportunities to charge so it is fully funded from general and ward rates.	Most of Council's recreational activities are non-excludable. That means that Council cannot exclude people from using the facilities. For that reason the activity is fully funded from General and Ward Rates.
Stormwater	Safety Sustainable Infrastructure	Community	Ongoing	Landowners	Primarily General Rate funded with a limited targeted rate over urban areas to fund specific capital projects.	Despite the private benefit received from the provision of stormwater, Council is of the view that the overall benefit to the community as a whole supports the continuation of the funding from the general rate with a smaller stormwater rate over urban communities.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Strategic Planning	Sustainable Development	Community	Ongoing	Community	This is a core planning function so it is fully general rate funded.	This activity supports Council's democratic process which benefits all ratepayers therefore it is fully funded from General Rates.
Town Maintenance	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Community	Most of the costs of this activity relate to its public benefits so it is funded by ward and general rates.	Council needs to balance maintenance and up-grade costs against what the communities want and can afford. Most town maintenance activities benefit the communities at large so it is fully rate funded.
Water Supply	Safety Sustainable Infrastructure	Individuals, Groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district wide meter operating rate.	The activity is primarily undertaken for the benefit of the consumers so no public funding is provided. The mix of district wide and scheme based rates balances the individual benefits with affordability.
Sewerage Treatment and Disposal	Safety Environmental Protection	Individuals, groups	Ongoing	Landowners in areas of benefit	Separately funded with a mix of targeted rates - scheme based capital rates and a district wide operating rate.	The activity is primarily undertaken for the benefit of the ratepayers connected to the schemes however there is a small public benefit arising from wastewater treatment protecting the environment. For this reason a small general rate contribution provided.
Roading legalisation, cycleway and core administration	Safety Sustainable infrastructure	Individuals, groups	Ongoing	Users	This is a core function, so it is fully general rate funded.	This is a public good activity core to the District's planning and governance functions therefore it is fully funded from General Rates.
Funding source – Rates 90% - 99% User Charges 1% - 10% The mix of district wide and scheme-based rates balances the individual benefits with affordability						
Roading emergency works	Safety Sustainable Infrastructure	Community	Ongoing	Users	Council recognised that different categories of ratepayers receive different benefits. When an emergency event occurs Council can access additional subsidy from NZTA	Emergency works are hard to predict and often costly therefore additional subsidy support is required

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Monitoring and Enforcement	Safety	Individuals, groups and community	Ongoing	Individuals, Groups	This activity relates to the control of negative effects but the ability to recover these is limited by statute. Unrecovered costs are funded from general rates.	The majority of work carried out under this activity is for public good and it is primarily funded from General Rates. The only individual or private good relates to the bylaw licensing aspect of the role where these costs are recovered by fees.
Libraries	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Individuals, Groups	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	By their nature libraries are seen as a public benefit provided to the community. Given the remote nature of many of the district's communities and the relatively low level internet access, libraries are important facility providing sources knowledge and supporting and improving educational opportunities in the district. For these reasons they are primarily funded from General Rates.
Swimming Pools	Sustainable Development Sustainable Infrastructure	Individuals, groups and community	Ongoing	Individuals, Community	High level of private benefit, but with a limited ability to apply user charges. Primarily general rate funded.	Swimming pools are used by the public therefore user charges are applied but they do not necessarily cover all costs.
Funding source – Rates 80% - 89% User Charges 11% - 20%						
Parking Enforcement	Safety Sustainable Development	Individuals, groups and community	Ongoing	Individuals, Groups	Council's view is that whilst parking control is primarily required because of the actions of individuals, the control of parking also provides a significant community benefit.	The majority of the costs of this activity are funded by fines and user charges. The balance is seen as a public good contribution and is funded by rates.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Building Compliance Management	Safety Environmental Protection	Community	Ongoing	Community	This activity is predominantly carried out for the public good, and whilst there is some fee income this is limited. Unrecovered costs are funded from general rates.	This activity is primarily about Council ensuring that it meets its legislative requirements as a consent authority therefore much of the costs are not recoverable. The cost of issuing compliance and other certificates are borne by applicants which the shortfall funded by general rates.
Funding source – Rates 70% - 79% User Charges 21% - 30%						
Footpaths	Safety Sustainable Infrastructure	Community	Ongoing	Users	Most of the costs of this activity relate to its public benefits so is fully general rate funded.	The provision of footpaths is one of the core Council activities and is therefore fully funded from General and Ward Rates.
Civic Buildings	Sustainable Infrastructure	Community	Ongoing	Community	Some private benefits which general some fees but because of the limited opportunities to charge the unrecovered costs are funded from general rates.	Whist Council believes that the users of these facilities should contribute towards their costs; it needs to balance the maintenance and up-grade costs against what the community can afford so it is primarily rate funded.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Solid Waste Management	Safety Sustainable Infrastructure	Community	Ongoing	Community	Council has previously considered whether to separately fund this activity but has retained the current general rate funding.	This activity is about the management of the waste stream for the district as a whole therefore it is appropriate for it to be primarily funded from general rates with some user charges. The collection and management of refuse within the communities is carried out by independent operators who charge directly for the service.
Animal Control	Safety	Individuals, groups and community	Ongoing	Individuals	Majority of funding is received from fees and charges but there is an overall benefit to the community as a whole. Unrecovered costs are funded from general rates.	Animal Control includes both dog and other animal and stock control. The majority of dog owners register their dogs in the required time and rarely call upon the service beyond the registration or micro-chipping requirements. The majority of responses to incidents or complaints come from the general public and whilst there are mechanisms to recover some costs, these are limited and the fee income rarely covers this expense.
Funding source – Rates 70% - 89% User Charges 11% - 30%						
Information Centres – i- SITEs	Sustainable Development Sustainable Infrastructure	Individuals, groups	Ongoing	Individuals	This activity is primarily provided for visitors to the district but there are limited user charging opportunities. Unrecovered costs funded from general rates.	Some fee income received but this is quite limited. Council's avowed intention is to make i-SITEs fully self-funding but, given that they also act as service centres, this is unlikely to be achieved.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Funding source – Rates 60% - 79% User Charges 21% - 40%						
Cemeteries	Safety Sustainable Infrastructure	Community Individuals	Ongoing	Individuals	High level of private benefit reflected in user charges but there is a need for indefinite maintenance requiring significant general rate funding.	Cemeteries are important to the community for cultural and social and environmental reasons. Whilst they do provide a private benefit there is a long term need to maintain them for an indefinite period of years.
Funding source – Rates 50% - 59% User Charges 41% - 50%						
Resource Consent Management	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, Groups	Primarily fee funded but some public good costs cannot be recovered. Unrecovered costs are funded from general rates.	This activity is primarily to support developers and provides a high level of private good. There is, however a significant investment in providing advice to the public on a no-fee basis and in responding to and defending consent appeals because the courts rarely award full costs.
Funding source – Rates 40% - 60% User charges 60% - 40%						
Roading	Safety Sustainable Infrastructure	Community	Ongoing	Users	Council recognised that different categories of ratepayers receive different benefits. There is a small contribution from other fees and charges.	Council considered separately funding the whole of the roading activity with differentiated targeted rates but as a result of community engagement agreed to primarily fund it from General Rates with a relatively small contribution from Targeted Rates and fees and charges. Council believes that this arrangement provides clarity and affordability for funding the roading activity.

APPENDIX A – Funding of operational expenditure						
Activity	**Community Outcomes - refer Appendix B**	**Who benefits**	**Period of benefit**	**Whose actions creates a need**	**Separate funding**	**Rationale**
Environmental Health	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, Groups	User charges are based on the level of private benefit but the ability to recover these is restricted because fees are limited by statute. Unrecovered costs are funded from general rates.	Many of the costs arising from this activity relate to private benefits and the control of negative effects. The ability to recover those costs is governed by statute or a need to remain affordable to avoid the risk of reduced compliance. There is an overall benefit to the community from increased safety and health which is reflected in the general rate funding.
Building Consent Management	Safety Environmental Protection	Individuals, groups and community	Ongoing	Individuals, groups	This activity is primarily funded by separate fees – some costs arise from the provision of 'public good' activities such as giving information and advice, this is funded by general rates.	The full costs of the consent process should be borne by the applicants, but it is currently not practical to identify and charge all those who receive advice, these costs are funded from general rates.
Funding source – Rates 30% - 49% User Charges 51% - 70%						
Housing for the Elderly	Safety Sustainable Infrastructure	Individuals	Ongoing	Individuals	High level of private benefit paid for in rental income but some costs cannot be recovered. Unrecovered costs funded from general rates.	Primarily funded by rentals paid by the occupiers but Council recognises that at times this activity may not be self-funding. This can be caused by a number of factors such as unexpected vacancies, market conditions etc. In that event the additional funding will be provided from General Rates.
Funding source – Rates 20% - 39% User Charges 61% - 80%						
Ferry	Safe and connected	Individuals, groups	Ongoing	Individuals, groups	User pay charges and subsidy from NZTA contribute to the funding of the service.	This is a key transport link that supports community access to medical services.

APPENDIX B

The Council's Community Outcomes were reviewed as part of the Long-Term Plan 2021-31.

 Communities that are healthy, safe, connected, and sustainable	**Whakatauki** He tina ki runga, he tāmore ki raro. Contentment above, firmly rooted below.
 Connected communities prepared for the unexpected	**Whakatauki** Te toka tū moana. The boulder standing in the ocean.
 Proud, vibrant communities	**Whakatauki** Te pā harakeke. A community of harakeke plants.
 Prosperous communities supported by a sustainable economy	**Whakatauki** He kūaka marangaranga, kōtahi te manu i tau ki te tāhuna, ka tau, ka tau, tau atu e. Godwits rise and flock together in the air, one bird comes down to land on the sandbank to feed, then another, then another and another.
 A wisely managed and treasured environment that recognises the role of tangata whenua as kaitiaki	**Whakatauki** Whatungarongaro te tangata, toitu te whenua. As man disappears, the land remains.
 We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride	**Whakatauki** Ahakoa he iti he pounamu. Although it is small, it is greenstone.

APPENDIX C: FACTORS CONSIDERED IN ASSESSING S101(3) MATTERS

LGA Section	Description from table	Factors considered
S101(3)(a)(i)	Community Outcomes	Information drawn from Council's Outcomes adopted 28 February 2018 and updated for Council decisions on 24 May 2018.
S101(3)(a)(ii)	Who benefits	Council has grouped the beneficiaries of every activity according to the following criteria: Individuals: where there is a direct benefit to a user Groups: where a particular group in the community benefits. For example, a group could be identified by proximity to a service or by association Community: where there is a benefit to the majority of persons or properties in the community.
S101(3)(a)(iii)	Period of benefit	For operating costs, the period of benefit is ongoing as Council regularly provides the service For the purpose of user charges the benefit is restricted to the period of use, and user charges recognise this For capital projects Council will consider the period of benefit to be the current and future generations who will benefit from the activity and will distribute the funding accordingly
S101(3)(a)(iv)	Whose act creates a need	Council considered whether the action or inaction of individuals or groups contribute to the need to undertake the activity. This assessment may help Council determine whether user charges or targeted rates may be a funding option to modify the behaviour of those whose action or inaction causes cost to Council
S101(3)(a)(v)	Separate funding and Funding source	In the first instance Council considered whether individual user charges were the best method to attribute transparent and accountable charges to beneficiaries of the service. In considering the feasibility of this, Council considered the cost of and efficiency of collecting the separate revenues Council believes that the current mix of general and targeted rates provides a transparent funding arrangement whilst, at the same time does not create an excessive complex system to maintain
S101(3)(b)	Rationale	In considering the overall impact of the liability to pay rates, Council is of the view that it is not possible or fair to allocate the cost solely on individuals' benefits (as if rates replicated user pays). It is through the collective contribution of the whole community that the wellbeing of the district is best improved Council does, however, operate a range of differentials which are designed to allocate the funding requirements to recognise the different demands that different ratepayer groups make on the services that Council provides

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Treasury, Liability and Investment Policies

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

TREASURY POLICIES

Introduction

This document includes the overarching Treasury, Liability Management and Investment Policies of the Council ("the Policy").

Policy purpose

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

As circumstances change, the Policy will be modified to ensure that treasury risks continue to be well managed. This policy must also be reviewed by an appropriate external party at least once every three years.

The review will test the existing policy against the following criteria:

- Industry best practices for a council of similar size and type to the Far North District Council
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers
- The effectiveness and efficiency of the Treasury Policy and treasury management function to recognise, measure, control, manage, and report on Council's financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks, and other associated risks
- The operation of a pro-active treasury function in an environment of control and compliance
- The robustness of the policy's risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.

This Policy version was reviewed by Earl White, from the Council's independent treasury advisor Bancorp Treasury Services Limited ("Bancorp") and has been confirmed by Bancorp as meeting market best practice.

Scope

- This Policy identifies the policies and procedures of Council in respect of treasury management activities
- The policy has not been prepared to cover other aspects of Council's operations, particularly transactional banking management, systems of internal control and financial management. Other Council policies and procedures cover these matters
- Planning tools and mechanisms are also outside of the scope of this policy.

Objectives

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

Statutory objectives and related controls

- Council is governed by the following relevant legislation:
  a. LGA, in particular Part 6 including sections 101,102,104 and 105 and Subpart 4 Sections 112 to 122
  b. Trustee Act 1956. Details of relevant Sections can be found in the Trustee Act 1956 Part II Investments
  c. Public Bodies Lease Act 1969 and Property Law Act 2007.
- All projected borrowings are to be approved by Council as part of the LTP or Annual Plan process, or by resolution of Council before the borrowing is undertaken
- All legal documentation in respect to borrowing and financial instruments other than via the LGFA, which has its own legal review processes that Council can access, will be approved by Council's in- house solicitors prior to the transaction being executed
- Council will not enter into any borrowings denominated in a foreign currency

- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
  a. The period of indebtedness is less than 91 days
  b. (including rollovers)
  c. The goods or services are obtained in the ordinary course of operations on normal terms for durations not exceeding the economic life of the asset.

General objectives

- To manage debt to optimise the cost of funding in the long-term whilst balancing risk and cost considerations
- Monitor, evaluate and report on treasury performance
- Borrow funds and transact risk management instruments within an environment of control and compliance under Council approved Treasury Policy so as to protect Council's financial assets and costs
- Arrange and structure long-term funding for Council at the lowest achievable interest margin from debt lenders in line with Council's credit characteristics
- Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy
- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/ security arrangements
- Manage interest rate risk within the parameters detailed in this policy
- Comply with financial ratios and limits stated within this policy
- Monitor Council's return on investments
- Ensure Council, management and relevant staff are kept abreast of the latest treasury products, methodologies, and accounting treatments through training and in-house presentations
- Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements
- To manage investments to optimise returns in the long- term whilst balancing risk and return considerations
- To minimise exposure to credit risk by only dealing with approved credit worthy counterparties
- Ensure that all statutory requirements of a financial nature are adhered to
- To ensure adequate internal controls exist to protect council's financial assets and to prevent unauthorised transactions
- Develop and maintain relationships with financial institutions, investors, and investment counterparties.

Overview of management structure

The treasury responsibilities of the Council and Chief Executive are detailed below. Other management responsibilities are outlined in the Treasury Procedures Manual ("TPM").

Council

Council has ultimate responsibility for ensuring that there is an effective policy for the management of its risks. In this respect, Council decides the level and nature of risks that are acceptable, given the underlying objectives of Council.

Council is responsible for approving this Policy. While the policy can be reviewed and changes recommended by other persons, the authority to make or change policy cannot be delegated. Council should also ensure that:

- It receives regular information from management on treasury risk exposures and financial instrument usage in a form that is understood, and that enables it to make informed judgements as to the level of risk accepted; issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are resolved in a timely manner;
- Submissions are received from management requesting approval for any treasury transactions falling outside the controls detailed in this policy.

Chief Executive Officer (CEO)

While Council has ultimate responsibility for the policy governing the management of Council's risks, including treasury risks, it delegates overall responsibility for the management of treasury risks to the CEO. The CEO can sub-delegate these responsibilities to members of the executive team.

Delegations are detailed in the TPM.

Delegation of authority and authority limits

Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of apparent authority. Also, insufficient authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays). Specific procedures are outlined in the TPM.

LIABILITY MANAGEMENT POLICY

Council's liabilities comprise borrowings and various other liabilities. Council maintains borrowings in order to:

- Raise specific debt associated with projects and capital expenditures
- Raise finance leases for fixed asset purchases
- Fund assets whose useful lives extend over several generations of ratepayers.

Borrowing limits

Debt will be managed within the following macro limits as shown in the following table.

Ratio	Target policy limits
Net debt as a percentage of equity	<10%
Net debt as a percentage of total revenue	<175%* (#)
Net interest as a percentage of total revenue	<20%*
Net interest as a percentage of annual rates income (debt secured under debenture)	<25%
Liquidity (external term debt + committed loan facilities + liquid investments to existing external debt	>110%
Excludes non-government capital contributions from revenue and government contributions netted from debt but excluded from revenues. (#) Would increase to 250% if FNDC obtains S&P credit rating (or Moody's or Fitch equivalent, of A+ or better.	

Notes:

- Total revenue is defined as cash earnings from rates, government grants and subsidies, user charges, interest, dividends, financial, and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net debt is defined as total consolidated debt less liquid financial assets and investments.
- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.
- Net interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- Annual rates income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002, together with any revenue received from other local authorities for services provided and for which the other local authorities rate.
- Financial covenants are measured on council only, not the consolidated group.
- Disaster recovery requirements are to be met through the liquidity ratio.

Asset Management Plans

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

Borrowing mechanisms

Council is able to borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP), debentures, direct bank borrowing, Local Government Funding Agency (LGFA), accessing the short and long-term wholesale/ retail debt capital markets directly or indirectly, or internal borrowing of reserve and special funds.

When evaluating strategies for new borrowing (in relation to source, term, size and pricing) a number of factors are considered to ensure the overall debt management objectives are achieved.

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

Security

Council's external borrowings and interest rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a deed of charge, debenture or debenture trust deed. Under a deed of charge, debenture or debenture trust deed, Council's borrowing is secured by a floating charge over all council rates, levied under the Local Government (Rating) Act 2002. The security offered by council ranks equally or pari passu with other lenders.

From time to time, and with Council approval, security may be offered by providing a charge over 1 or more of Councils assets.

Physical assets will be charged only where:

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

Debt repayment

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

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

Council will manage debt on a net portfolio basis.

Contingent liabilities

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.

Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the LGA.

Financial arrangements include:

- Tenant contribution flats
- Advances to community organisations.
- Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed NZ$1 million in aggregate over and above the existing loan guarantee to the Kerikeri Civic Centre Trust (currently $1.1 million).

New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this policy, Council may resolve to borrow from the New Zealand Local Government Funding Agency Limited ("LGFA") and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA for example borrower notes
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over council's rates and rates revenue

- Subscribe for shares and uncalled capital in the LGFA.

INVESTMENT POLICY AND LIMITS

General policy

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council. Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's Long-Term Plan
- To reduce the current ratepayer burden
- The retention of vested land
- Holding short-term investments for working capital requirements
- Holding investments that are necessary to carry out council operations consistent with annual plans
- Invest amounts allocated to accumulated surplus, council created restricted reserves and general reserves
- Invest proceeds from the sale of assets.
- Council recognises that as a responsible public authority, all investments held should be low risk. Council also recognises that low risk investments generally mean lower returns.

Objectives

In its financial investment activity, council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/return is always applied within the confines of this policy. Accordingly, only approved creditworthy counterparties are acceptable.

Council will act effectively and appropriately to:

- Protect council's investments by only transacting with counterparties and instruments that are detailed in this policy to ensure investments are risk averse and secure
- Ensure the investments benefit council's ratepayers
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

Acquisition of new investments

With the exception of approved financial investments, new investments are acquired if an opportunity arises and approval is given by the appropriate Council committee, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire financial investments is delegated to the GMCS.

Investment mix

Council may maintain investments in the following assets from time to time:

- Equity investments, including investments held in CCO/ CCTO and other shareholdings
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development
- Forestry investments
- Financial investments
- Other investments approved by Council.

Equity investments

Council maintains equity investments and other minor shareholdings.

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

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

Dividends received from Council Controlled Organisations (CCO's) and unlisted companies, not controlled by Council, are recognised when they are receivable in the Consolidated Statement of Financial Performance.

Any purchase or disposition of equity investments requires.

Council approval, and any profit or loss arising from the sale of these investments is to be recognised in the Statement of Financial Performance.

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

Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then included in the relevant consolidated capital account.

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

Property investments

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of council services. Generally, Council follows similar assessment criteria in relation to new property investments.

Council reviews the performance of its property investments on a regular basis. All income, including rentals and ground rent from property investments, is included in the Consolidated Statement of Financial Performance.

Forestry

Forestry assets are held as long-term investments on the basis of net positive discounted cash flows, factoring in projected market prices, and annual maintenance, and cutting costs.

All income from forestry is included in the Consolidated Statement of Financial Position.

Any disposition of these investments requires Council approval. Unless otherwise directed by Council, the proceeds from forestry disposition are used firstly to repay related borrowings and then included in the relevant consolidated capital account.

Financial investments

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due. Council prudently manages liquid financial investments as follows:

- Any liquid investments must be restricted to a term of no more than 12 months and must be with an approved counterparty
- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds, and other funds where interest may be credited to the particular fund
- Internal borrowing will be used as appropriate to minimise external borrowing.

Financial investment objectives

Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in Counterparty Credit Risk section. Credit ratings are monitored and any changes reported to Council.

Council may invest in approved financial instruments as set out in the approved financial instruments section. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.

Special funds, reserve and endowment funds

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

Unless otherwise directed by Council, internal borrowing to/from reserves will be undertaken at the external cost of borrowing, or in accordance with the fund agreements.

Trust funds

Where Council hold funds as a Trustee, or manages funds for a Trust, then such funds must be invested on the terms provided within the Trust. If the Trusts' Investment Policy is not specified, then this policy should apply.

New Zealand Local Government Funding Agency Limited investment

Despite anything earlier in this policy, Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- Obtain a return on the investment
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of these dual objectives, Council may resolve to invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, Council may subscribe for uncalled capital in the LGFA and be a guarantor.

RISK MANAGEMENT

The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, market, operational and legal risk of council will be as detailed below and applies to both the Liability Management Policy and Investment Policy.

RISK RECOGNITION

Interest rate risk

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

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of investment returns or funding costs.

Certainty around funding costs is to be achieved through pro-active management of underlying interest rate exposures.

Approved financial instruments

Dealing in interest rate products must be limited to financial instruments approved by Council. Approved financial instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance or similar LGFA provided facilities (short term and long-term loan facilities) Uncommitted money market facilities Retail and Wholesale Bond and Floating Rate Note (FRN) issuance and commercial paper ("CP")
Investments (term <12 months)	Call Deposits, Short-term bank deposits ("TDs")
Investments	LGFA borrower notes/CP/bills/bonds
Interest rate risk management	Interest rate swaps including: • Forward start swaps (start date <24 months) • Amortising swaps (whereby notional principal amount reduces) • Interest rate swap options (purchased swap options and 1 for 1 collars only)

Any other financial instrument must be specifically approved by Council on a case by case basis, and only be applied to the one single transaction being approved.

All investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- Structured debt where issuing entities are not a primary borrower/issuer
- Subordinated debt, junior debt, perpetual notes and hybrid notes such as convertible notes.

INTEREST RATE RISK CONTROL LIMITS

Net debt/borrowings

Fixed rate is defined as an interest rate re-pricing date (beyond 12 months forward) on a continuous rolling basis.

Floating rate is defined as an interest rate re-pricingwithin 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the CEO, or equivalent). Net debt is the amount of total debt net of liquid financial assets/ investments, cash / cash equivalents. This allows for pre hedging in advance of projected physical drawdown of new debt.

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

Fixed rate maturity profile limit		
Period	**Minimum cover**	**Maximum cover**
Year 1	40%	100%
Year 2 & 3	30%	80%
Year 4 & 5	10%	60%
Years 6 to 10	0%	40%
10 years plus	Council Approval	Council Approval

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months
- Any interest rate swaps with a maturity beyond 10 years, must be approved by Council
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable, whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, only the sold side of the collar can be closed out (i.e. re-purchased); otherwise both sides must be closed simultaneously
- Purchased borrower swap options mature within 12 months
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 1% above the appropriate swap rate at inception, cannot be counted as part of the fixed rate cover percentage calculation
- Forward start period on swaps and collar strategies to be no more than 24 months, and the underlying cap or swap starts within this period.

Financial investment risk

Council manages short term cash investment risk ensuring availability and access to financial investments held. In order to manage short-term cash risk, financial investments are required to have a term to maturity of less than 12-months.

LIQUIDITY RISK/FUNDING RISK

Risk recognition

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

The management of Council's funding risks is important as several risk factors can arise to cause an adverse movement in

borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level
- Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons
- A large individual lender to council experiences financial/exposure difficulties, resulting in council not being able to manage their debt portfolio as optimally as desired
- New Zealand investment community experiences a substantial over supply of council investment assets.
- A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at a point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

Liquidity/funding risk control limits

- External term loans and committed debt facilities together with available liquid investments must be maintained at an amount of 110% over existing external debt
- Council has the ability to prefund up to 12 months forecast debt requirements including re financings
- The GMCS has the discretionary authority to refinance existing debt on the same or more favourable terms if within current Annual Plan or LTP approved debt levels. .
- Such action is to be reported and ratified by Council at the earliest opportunity.
- No more than $100 million of external debt can mature over the next 12 months or any rolling 12 month period thereafter.

Special and general reserve funds

Given that Council may require funding for capital expenditure cash shortfalls over the remaining life of the existing special and general reserve funds, where such funds are deemed necessary, they should be used for internal borrowing purposes when external borrowing is required. Accordingly, Council maintains its funds in short-term maturities, emphasising counterparty credit worthiness and liquidity. The interest rate yield achieved on the funds is therefore a secondary objective.

This will negate counterparty credit risk and any interest rate repricing risk that occurs when Council borrows at a higher rate compared to the investment rate achieved by Special/Reserve Funds.

Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead, Council will manage these funds using internal borrowing facilities.

Counterparty credit risk

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

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

Counterparties and limits can only be approved on the basis of either long-term credit ratings of A (Standard & Poor's or Fitch) and above or short-term rating of A 1 or above (Standard & Poor's).

Limits should be spread amongst a number of counter- parties to avoid concentrations of credit exposure.

The following matrix guide will determine limits.

Counterparty/Issuer	Minimum long-term/ short-term credit rating – stated and possible	Investments maximum per counterparty ($m)	Interest rate risk management instrument maximum per counterparty ($m)
NZ Government	N/A	500	none
Local Government Funding Agency (LGFA)	N/A	500	20
NZ Registered Bank	A/ A-1	30	20
Local Government Stock/ Bonds/FRN/ CP	A/ A-1 or rates as security	30	none
NZ Corporate CP*	A/ A-1	2	none

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

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

Operational procedures around the management and reporting of Counterparty Credit Risk are detailed in the TPM.

Risk management

To avoid undue concentration of exposures, financial instruments should be used with a range of approved counterparties. Maturities should be well spread. The approval process must take into account the liquidity of the market the instrument is traded in and repriced from.

Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all significant (in excess of NZD100,000 equivalent) commitments for foreign exchange must be hedged using foreign exchange contracts, once expenditure is approved. Both spot and forward foreign exchange contracts can be used by council.

Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures, and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Too much reliance is often placed on the specialised skills of 1 or 2 people
- Most treasury instruments are executed over the phone
- Operational risk is minimised through the adoption of all requirements of this policy

The management of this risk is detailed in the TPM.

Dealing authorities and limits

Transactions will only be executed by those persons and within limits as detailed in the TPM.

Segregation of duties / procedures / reporting

As there are a small number of people involved in treasury activity, adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:

- The CFO reports to the GMCS
- There is a documented approval process for borrowing, interest rate, and investment activity
- The TPM is prepared by the CFO and reviewed and approved by the GMCS as appropriate, but at least tri-annually in line with the review requirements of this policy document. This details the day-to–day operational requirements and activities undertaken by specific personnel and how appropriate segregation of duties is achieved
- Reporting requirements are reviewed by the GMCS in consultation with senior management and Council annually. Actual reporting requirements are detailed in the TPM.

Agreements

Financial instruments can only be entered into with banks that have in place an executed International Swap and Derivatives

Association (ISDA) Master Agreement with Council.

Council's internal/appointed legal counsel must sign off on all documentation for new loan borrowings, refinancing, and investment structures.

Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

MEASURING TREASURY PERFORMANCE

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

Operational performance

All treasury limits must be complied with, including (but not limited to) counterparty credit limits, dealing limits, and control limits. All treasury deadlines are to be met, including reporting deadlines.

Management of debt and interest rate risk

The actual borrowing cost for Council (taking into consideration costs of entering into interest rate risk management transactions) is compared to budgeted borrowing costs in the current Annual and Long-Term plans.

Cash management

All cash inflows and outflows pass through bank accounts controlled by the finance function.

Accounting treatment of financial instruments

Council uses financial market instruments for the primary purpose of reducing its exposure to fluctuations in interest rates. The accounting treatment for such financial instruments is to follow IFRS accounting standards.

Valuation of treasury instruments

All treasury financial instruments must be revalued (marked to market) by an independent party annually for risk management purposes. This includes those instruments that are used only for hedging purposes.

POLICY REVIEW

The Treasury Policy is to be formally reviewed on a triennial basis.

Council receives the report, approves policy changes and/or rejects recommendations for policy changes.

LGFA LENDING POLICY

When dealing with the LGFA the Council operates under the guidelines within the LGFA lending policy to the Local Government sector. These are detailed in the TPM and are updated as required. They are available for review on the LGFA website. www.lgfa.co.nz/for-investors/risk-management

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Rating Relief Policies

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

INTRODUCTION

Section 102 (2e) of the LGA 02 requires councils to adopt a policy for the remission and postponement of rates on Māori Freehold Land. In the development of these policies, Council has considered Schedule 11 of the LGA 02 and recognises that the nature of Māori land is different to General Title Land.

Section 102(3) of the Local Government Act 2002 (LGA 02) provides that a council may adopt a rates remission policy and a postponement policy. This policy addresses both the remission and postponement of rates.

The objectives of Council's rating relief policies are to:

1. To provide a fair and equitable collection of rates from all sectors of the community.
2. Provide an equitable system of rating remission and postponement for all sectors of the community;
3. To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.
4. Provide ratepayers with financial assistance where they might otherwise have difficulty meeting their obligations to pay rates;
5. Align with Council's community outcomes and strategic priorities;
6. Recognise that certain unoccupied Māori Freehold Land not used may have particular conditions, ownership structures, or other circumstances which make it appropriate to remit or postpone rates for defined periods of time; and
7. Ensure consideration of Schedule 11 of the LGA 02 (matters relating to rates relief on Māori Freehold Land).

MAKING AN APPLICATION? THIS IS WHAT YOU NEED TO KNOW:

1. All applications under these policies must be made in writing, signed by the owner/ratepayer or relevant approved person, and accompanied by any required supporting documentation. After an application has been submitted, further documentation may be requested. In that event, the applicant will be notified accordingly.
2. As provided for in section 88 of the Local Government (Rating) Act 2002 (LGRA 02), a postponement fee may be calculated and added to the postponed rates.
3. The basis of calculating the postponement fee is included in each year's Funding Impact Statement, which can be found in the Long Term or Annual Plan for that year.
4. The owner(s) of the property must provide proof of eligibility which will be confirmed with relevant Council information.
5. Where a property or part of that property is sold within the period of remission or postponement, Council has the right to recover the rates remitted or postponed for the applicable period. This may apply to the whole property or only to that portion of the portion that has been sold.
6. Council may require further information from the applicant if deemed necessary to process the application.
7. Council reserves the right to inspect the use of a property, where appropriate, for application assessment and to confirm compliance with policy criteria from time to time.
8. Any decision made by Council under this policy is final. Remissions or postponements granted under previous policies will remain in force as per those policies.
9. Applications may be made for a remission or postponement of rates in circumstances which are not included in the separate policy category sections set out below. These are known as "outside of policy" applications. Council's authority is restricted by the provisions of the LGRA 02. For that reason, all such applications "outside of policy" must be in writing, and accompanied by sufficient detail and documentation to support a decision by Council.
10. Council is under no obligation to approve any applications that do not comply with the established policies and Council's decision on the matter is final.
11. Council's decision whether to grant or deny an application for remission or postponement of rates will be based upon:
    a. The application itself; and,
    b. All supporting documents submitted by the applicant; and,
    c. Any relevant information and/or documentation held in Council's records.
12. Except where otherwise indicated, Council reserves the right to grant or deny any and all applications for remission or postponement of rates under these policies.

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DEFINITIONS

For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.

ARREARS means unpaid rates as at 30 June of the rating year prior to application.

COMMERCIAL is defined by the land use code attributed to the property, the property has a liquor licence or by the fact that the entity buys and sells goods and services on a for profit basis.

COUNCIL means the Far North District Council and includes any person or agent authorised by the Far North District Council.

FARM BLOCK means the definition attributed to the land by the Valuer General, with an area of 20 hectares up to 50 hectares, by the valuer and not the standard definition of a farming block.

INTERNAL RETICULATION means all pipe reticulation from the meter to the house or property (known as the "private side of the meter")

LANDLOCKED LAND means a piece of land to which there is no reasonable access

LIFESTYLE BLOCK means the definition attributed to the land by the Valuer General, with an area of 1 hectare up to 20 hectares, by the valuer and not the standard definition of a lifestyle block.

MĀORI FREEHOLD LAND has the same meaning as defined in Te Ture Whenua Māori Act 1993 Part VI section 129(2)(a).

NATURAL DISASTER has the same meaning as in the Earthquake Commission Act 1993.

NEW USER is a person that has not been previously identified in Council's Rates Information Database as being responsible for the rates on the land.

OCCUPIED means a formal right by occupation order or informal right by licence to occupy Māori Freehold Land, or other arrangements are in place and are exercised.

OCCUPIER means a person, persons, organisation, or business entity that is using a rating unit or portion of a rating unit under a lease, license or other formal agreement for a specified period of time.

OUTSTANDING NATURAL LANDSCAPE refers to any largely unmodified landscape with characteristics and qualities that amount to being conspicuous, eminent or remarkable. These landscapes are afforded protection through the Resource Management Act 1991 as a matter of national importance.

PAPAKĀINGA means the use of Maori multiple owned land, Maori ancestral land or land within the meaning of Te Ture Whenua Maori Act 1993 by a (the) shareholder(s) for (a) dwelling place(s).

POSTPONEMENT means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

PRIVATE FINANCIAL PROFIT means that the owner or ratepayer receives direct financial benefit from any profit generated by the entity. Profit that is directed to charitable purposes rather than to an individual or individuals is not deemed to be private financial benefit.

RATEPAYER includes, under the Local Government (Rating) Act 2002, either the owner of the rating unit or a lessee under a registered lease of not less than 10 years, which provides that the lessee is required to be entered into the Rating Information Database as the ratepayer.

REASONABLE ACCESS in relation to land, means physical access for persons or services of a nature and quality that is reasonably necessary to enable the owner or occupier of the land to use and enjoy the land for any purpose for which it may be used in accordance with any right, permission, authority, consent, approval, or dispensation enjoyed or granted under the Resource Management Act 1991.

REMISSION means that the requirement to pay the rate levied for a particular financial year is forgiven in whole or in part.

STATUTORY LAND CHARGE means a charge registered against a Certificate of Title of a property by someone who has a financial interest in the property, such as debt or part ownership.

TREATY SETTLEMENT LANDS means any land which has been returned to Māori ownership in a Treaty Claims Settlement, or land which may have been purchased from Treaty settlement monies to replace land which could not be returned because it is in private ownership.

UNIFORM ANNUAL GENERAL CHARGE (UAGC) is a type of rate levied by Council. It is a fixed charge, or an amount that stays the same regardless of the value of the property. The UAGC is the same amount for all ratepayers across the District.

USED includes use for the purposes of any residential occupation of the land, or any activity for business or commercial purposes, including lease agreements, or storage of equipment, stock or livestock.

R21/01 – REMISSION OF PENALTIES

Background

Penalties are charged where rates instalments are not paid by the due date. Council recognises the economic hardship faced by some ratepayers. This policy provides for the remission of rates penalties on the grounds of financial hardship.

Policy Objective

To allow for the remission of penalties where the ratepayer has entered into repayment arrangements or there are reasonable grounds to remove the penalty.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Council may remit rates penalties where the application provides a reasonable reason for remission.

Conditions and Criteria

1. Applications will be considered if:
    a. The applicant has a previous good record of payment and on-time payments of all rate instalments within the last two years; or
    b. The rating unit has a new owner who has not received notice of the current invoice due date; or
    c. A request is made on compassionate grounds; or
    d. The ratepayer has entered into a Rates Easy Pay agreement and has maintained the arrangement to clear their outstanding rates for a period of 6 months.
2. If there is no cost to Council i.e. where, as an action of Council's revenue recovery process, the remission of penalty results in immediate full payment of arrears.

R21/02 - UNUSABLE LAND

Background

Natural disasters can cause land to become unusable for a long period of time. This policy addresses the issue of land that had been made unusable by a natural disaster.

Policy Objective

To provide rating relief to the owners of properties that have become unusable as a result of a natural disaster, and where the loss of the use of the property will result in financial hardship to the owner.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Council may grant a remission of rates on land that has become indefinitely unusable as a result of a natural disaster.

Conditions and Criteria

1. The applicant must set out in detail the nature of the natural disaster that has caused the land to be unusable.
2. The application must outline the steps that the owner has taken, or will take, to return the land to a usable state. If this is not possible, the application must state why.
3. The application must be supported by a report from a Registered Engineer or other similarly qualified expert setting out the reasons why the land has become, and will remain, unusable. .
4. The maximum term for the remission of rates will be 5 years. At the end of that period, if the land remains unusable a further application will be required, including a statutory declaration that confirms that the conditions of the original expert's report remain unchanged, this must be confirmed in writing by the expert.
5. The applicant will be required to sign an agreement that any remission will be cancelled immediately if the land is returned to a usable state.

R21/04 - COMMUNITY, SPORTS AND NOT-FOR-PROFIT ORGANISATIONS

Background

Community and voluntary groups provide facilities to enhance and contribute to the wellbeing of the residents of the Far North. This policy provides rating relief for those organisations that operate for the benefit of the community.

It is of note that the Local Government (Rating) Act 2002 provides for a 100% non-rateability of land owned or used by certain categories of charitable and community organisations. In addition, a 50% non-rateability is provided in respect of land owned or used by organisations for sports or any branch of the arts, except where these organisations operate a club licence under the Sale of Liquor Act. For more details on the rateability of this type of land refer to the Local Government (Rating) Act 2002, 1st schedule, Parts 1 and 2.

Policy Objectives

1. To assist in the ongoing provision of community services and recreational opportunities that benefit Far North residents.
2. To recognise that there is a community benefit in providing assistance through rating relief to certain charitable and community organisations.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

1. Council may remit up to 100% of the rates, providing the entity does not qualify for other financial support, payable on land owned or used by any entity which has, as its principal purpose and function, the provision of social housing, free access to family counselling, or, assessment, counselling and in-patient treatment for people with alcohol, drug and mental health related problems and that is a Registered Charitable Organisations or IRD approved done organisation Council may remit 50% of the rates payable on land owned or used by an entity, (society or association or persons, whether incorporated or not) for the purpose of providing benefit to Far North residents through:
    a. the promotion of recreation, health, education, or instruction for the benefit of residents or any group of residents of the district; or
    b. Land that is owned or used by, or in trust of any society or association or persons, to run a camping ground for the purpose of recreation, health, education or instruction, for the benefit of residents of the district.
2. This policy will apply for a period of three years unless the applicant's circumstances change. At the end of the three-year period, a new application will be required.

Conditions and Criteria

1. Relevant financial information must accompany all applications. This includes:
    a. statement of organisation objectives
    b. full financial accounts
    c. information on activities and programmes
    d. details of membership or clients.
2. No remission will be given on land on which a licence under the Sale of Liquor Act is held.
3. No remission will be given on land where any person or entity receives private financial profit from the activities carried out on the land. All income earned by ratepayers and entities receiving a remission under this policy must be spent on reasonable salaries, wages and other costs reasonably related to its community, sports, or not-for-profit purposes.
4. Land used for an activity which is commercial in nature does not qualify for rates remission. For example an "op-shop" does not qualify for rating relief under this policy.

R21/05 - PROPERTIES SPANNING MULTIPLE DISTRICTS

Background

There are a small number of rating units situated across the boundary line between the Far North District and other districts. These properties incur rates from both councils. This policy provides an equitable method of assessing rates for those properties.

Policy Objective

To recognise that some properties span multiple districts, and to ensure that only the portion of property within the Far North District is rated by the Far North District Council.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

Rates will be remitted on any portion of a property outside of the Far North District.

Conditions and Criteria

If there is a dwelling on the portion of the property within the Far North District:

- no portion of the Uniform Annual General Charge will be remitted; and
- the land value-based rate will continue to be remitted on the portion outside of the Far North District.

R21/06 - COMMON-USE PROPERTIES

Background

Section 20 of the LGRA 02 requires that multiple rating units be treated as one rating unit if they are:

1. Owned by the same person or persons; and,
2. Used jointly as a single unit; and,
3. Contiguous or separated only by a road, railway, drain, water race, river or stream.

This policy expands on the provisions of the Act and provides for commercial operations to be treated as one rating unit to assist economic development in the district.

The circumstances where an application for a remission of charges will be considered are:

- A residential dwelling and associated garden and ancillary buildings where the property occupies at least two rating units and those rating units are used jointly as a single property
- A farm that consists of a number of separate rating units that are either contiguous or are located within a 2 kilometre radius
- A commercial, retail, or industrial business that operates from more than 1 rating unit where those rating units are contiguous and are used jointly as a single property
- A subdivision for the period that the individual lots continue to be in the ownership of the original developer and remain vacant. This provision has a maximum term of 3 years in respect of all charges excluding those that are set to fund utility services such as stormwater, wastewater and water supplies

Policy Objectives

1. To enable Council to act fairly and equitably with respect to the imposition of the UAGC and applicable targeted rates on 2 or more separate rating units that are contiguous, separately owned and used jointly for a single residential, commercial or farming use.
2. To deal equitably with the imposition of the UAGC and applicable targeted rates on 2 or more separate rating units that have resulted from a subdivision to facilitate the development of the district.

Scope

This policy applies to both General Title and Māori Freehold Land.

Conditions and Criteria

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous, or in the case of a farm, must be situated within a radius of 2 kilometers from the primary property.
2. The rating units must:
   a. In the case of a residential/lifestyle property, be owned by the same ratepayer who uses the rating units jointly as a single residential property. In the case of residential rating units where two or more separately owned rating units are owned by an individual and/or trust and are contiguous but the ownership is not an exact match, the rating units will be considered as one. For this to apply one unit must have a dwelling and the other unit(s) considerable development which proves that the rating units are being used as one. E.g. House/dwelling on one rating unit and or garden and garage on the other rating unit.
   b. In the case of a farm/lifestyle property, be owned by the same owner, or be leased for a term of not less than 10 years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation
   c. In the case of a subdivision, commercial or residential development, be owned by the original developer and who is holding the individual rating units pending their sale or leasing to subsequent purchasers or lessees and is vacant. This remission is limited for a term of 3 years for all charges and will be calculated from 1 July in the year that the rates were first remitted.

It should be further noted that the remission under this clause does not extend to sub- sequent purchasers

3. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.
4. Council reserves the right to determine that any specific targeted charge will be excluded from this policy.

R21/07 – REMISSION OF SCHOOL SEWERAGE CHARGES

Background

The Council recognises that schools may be disproportionately charged for sewerage services where there are a higher number of toilets in relation to the actual number of students enrolled in schools. This policy ensures that schools are equitably charged for sewerage services.

Policy Objective

To ensure equitable rating of educational establishments by providing relief for sewerage charges.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

Where the nominal number of pans is less than the actual number of pans, sewage charges will be remitted on those pans that make up the difference between the two.

Conditions and Criteria

1. This policy applies to those educational establishments specified in Schedule 1, clause 6 of the Local Government (Rating) Act 2002.
2. The nominal pan number will be calculated as one pan per 20 students/staff members or part thereof.
3. The policy does not apply to schoolhouses occupied by a caretaker, principal or staff
4. The number of students in an educational establishment is the number of students on its roll on 1 March of the year immediately before the year to which the charge relates.
5. The number of staff in an educational establishment is the number of full time teaching equivalent (FTTE) staff and full time equivalent (FTE) administration staff employed by that educational establishment on 1 March of the year immediately preceding the year to which the charge relates.

R21/08 - EXCESS WATER CHARGES

Background

From time to time water consumers experience a loss as a result of leaks or damage to their water supply system. It is the normal practice for the consumer to be responsible for the maintenance of the reticulation from the water meter to the property and to account for any consumption of water supplied through the meter.

Council has taken the view that some consumers may experience an occasional water leak without them being aware of the problem. Therefore, they have decided that it would be reasonable to allow for a reduction in charges to these consumers in certain circumstances.

Policy Objectives

1. To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit
2. To incentivise ratepayers to regularly check their water meter and maintain their internal water reticulation ensuring that consumers retain responsibility for the maintenance of their private reticulation.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

1. Council may provide a full remission of excess water charges to the ratepayer once every 10 years where a leak in the internal reticulation of that property has resulted in water loss.
2. Council may provide a 50% remission of excess water charges to the ratepayer in the case of a separate leak on that property within 10 years following the grant of a first application.
3. The 10 year period will restart at zero if the property is sold and there is a new owner/ratepayer.

Conditions and Criteria

1. All applications must be made in writing and signed by the owner(s) of the property. Where a property is managed by a property management company (agent), instructions to act on behalf of the owner must be in place for the agent to act.
2. Applications made under this policy must be received by Council within six months of the first notification to the ratepayer by Council of a possible leak.
3. Meter readings will be taken after the application has been received to ensure all leaks have been repaired.
4. Proof of repairs to the internal reticulation must accompany the application. This may be in the form of a detailed written report or an invoice for repairs from a currently registered plumber, or a report from Council's service contractor.
5. Repairs carried out by the ratepayer must be peer reviewed by a currently registered plumber and a report provided to confirm that the repair is suitable and to current standards.
6. Excess water charges resulting from any other leaks within the 10 year period are not eligible for remission.
7. The maximum relief that will be provided will be the difference between the normal consumption and the actual water consumption for that period.

NOTE: The "normal consumption" will be calculated from three meter readings outside of the leak period for the property concerned.

R21/13 - INCENTIVISING MĀORI ECONOMIC DEVELOPMENT

Background

Council recognises that there is a need to incentivise economic development on Māori Freehold Land. Enabling and incentivising Māori economic development through the remission of rates may see direct economic and social benefits to landowners generating a return on the land, as well as to Council from future rates contributions, as the venture grows and becomes sustainable.

Policy Objectives

1. To provide incentives for Māori land owners to develop Māori Freehold Land for economic use.
2. To enable owners to develop an economic base and to assist with the subsequent payment of rates.

Scope

This policy applies to Māori Freehold Land only.

Policy Statement

Council will remit rates on Māori Freehold Land for the purposes of incentivising economic development.

Conditions and Criteria

1. Council will remit rates under this policy on an eight-year sliding scale as follows:
    - Years 1-3 - 100% remitted
    - Year 4 - 90% remitted
    - Year 5 - 80% remitted
    - Year 6 - 60% remitted
    - Year 7 - 40% remitted
    - Year 8 - 20% remitted; and
    - Year 9 - 0% remitted

Remission will apply from 1 July in the year of application.

2. The land, or portion of the land, for which relief is sought must be considered suitable for development and confirmed as currently not used or economically viable in its current state.
3. Applications must be accompanied by a business case which must include a cashflow analysis for at least 3 years.
4. A meeting with Council staff will be required to determine any other necessary documentation.
5. Key considerations by Council will include:
    a. Suitable professional advice has been obtained;
    b. there is a suitable management structure in place;
    c. appropriate financial arrangements for the development of the land have been made;
    d. suitable monitoring and reporting systems have or will be established; and
    e. realistic financial projections and cash flows have been provided.
6. Each application will be submitted to Council for review and assessment. The decision of Council to approve or not approve is final.
7. Upon approval, an annual report and financial statements on the development must be submitted to Council within 3 months of the end of the entity's financial year.
8. If the development on which the remission is based does not proceed or is unable to meet the requirements to achieve a viable economic return, the remission will cease at the end of the rating year in which this is identified.

R21 / 14 - TREATY SETTLEMENT LANDS

Background

Council recognises that post-settlement governance entities (PSGEs), which are formed to receive properties returned as a part of Treaty of Waitangi settlements, will require time to develop strategic plans, restore protections, and complete necessary works for cultural and commercial redress properties. These properties can be classed as General Title, which means that the rating relief policies for Māori Freehold Land do not apply to all of these properties. This policy has been developed in recognition of these circumstances.

Policy Objective

To recognise that lands acquired as part of a Treaty settlement process may have particular conditions or other circumstances which make it appropriate to remit rates.

Scope

This policy applies only to Treaty Settlement Lands and will retrospectively apply to any settlements prior to 1 July 2018.

Policy Statement

Council will agree to remit rates on Treaty Settlement Lands subject to the criteria set out below.

Conditions and Criteria

1. Before remission of rates may come into effect, Council must receive an appropriate and satisfactory application supported by sufficient documentation.
2. The applicant must provide proof that the land which is the subject of the application is Treaty Settlement Land.
3. Returned lands that were non-rateable under the previous ownership will receive a full rates remission for a period of three years.
4. Where returned lands are commercial redress properties and are not used, Council will grant a 50% remission for a period three years.
5. Where the returned lands are commercial redress properties and meet the criteria as outlined in the Incentivising Māori Economic Development Policy, Council will remit rates on an eight-year sliding scale as follows:
   - Years 1-3 - 100% remitted
   - Year 4 - 90% remitted
   - Year 5 - 80% remitted
   - Year 6 - 60% remitted
   - Year 7 - 40% remitted
   - Year 8 - 20% remitted; and
   - Year 9 - 0% remitted

P21/01 - LAND SUBJECT TO PROTECTION FOR OUTSTANDING NATURAL LANDSCAPE, CULTURAL, HISTORIC OR ECOLOGICAL PURPOSES

Background

The Far North District Council recognises that certain rateable land within the District is protected for outstanding natural landscape, cultural, heritage, or ecological purposes.

Policy Objectives

To provide rating relief to landowners who have reserved lands that have particular outstanding natural landscape, cultural, historic or ecological values for future generations.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statements

1. Council may **remit** rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection agreements listed in 2 a) through 2 g) of the conditions and criteria of this policy.
2. Council may **postpone** rates on land subject to protection for outstanding natural landscape, cultural, historic or ecological purposes under the formal protection listed in 2 h and i) of the conditions and criteria of this policy.

Conditions and Criteria

1. Applications must be supported by a copy of the formal protection agreement and a Management Plan detailing how the values of the land are to be maintained, restored, and/or enhanced.
2. The land must be subject to a formal protection agreement as set out below:
    a. An open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977; or
    b. A conservation covenant under section 77 of the Reserves Act 1977; or
    c. A Nga Whenua Rahui kawenata under section 77A of the Reserves Act 1977; or
    d. A declaration of protected private land under section 76 of the Reserves Act 1977; or
    e. A management agreement for conservation purposes under section 38 of the Reserves Act 1977; or
    f. A management agreement for conservation purposes under section 29 of the Conservation Act 1987; or
    g. A Māori reservation for natural, historic, or cultural conservation purposes under sections 338 to 341 of the Te Ture Whenua Māori Act 1993 (Māori Land Act 1993); or
    h. A covenant for conservation purposes under section 27 of the Conservation Act 1987.
    i. A covenant for conservation purposes approved under the Heritage New Zealand Pouhere Taonga Act 2014 (or Historic Places Act 1993)
3. The rating unit or portion of the rating unit that is the subject of the application must not be in use. For the purposes of this Policy, the definition of person actually using land is taken from the Local Government (Rating) Act 2002. It means a person who, alone or with others: –

    Leases the land; or

    Does 1 or more of the following things on the land for profit or other benefit:

    i. Resides on the land
    ii. Depastures or maintains livestock on the land
    iii. Stores anything on the land
    iv. Uses the land in any other way.

NOTES:

Notwithstanding the above, work undertaken to pre- serve or enhance the features covenanted on the land, including weed control, will not impact the "unused" status of the land

The removal of traditional medicinal tree and plant material by tangata whenua for personal use will not constitute actual use of the land.

4. Where the entire rating unit is the subject of the application, the remission or postponement of rates will apply to all rates levied on the property.
5. The protected and unprotected portions of the rating unit will be separately valued and assessed as separate parts pursuant to Section 45 (3) of the Local Government (Rating) Act 2002. In these instances, the remission or postponement of rates will only apply to the protected portion of the rating unit. It should be noted that these separate parts will not constitute separately used or inhabited parts for rating purposes and a full set of UAGC and other charges will be assessed against the part of the rating unit that is being used
6. Any remission or postponement granted under this policy will become effective on 1 July in the rating year following the submission of the application.
7. Any remission or postponement of rates on the land will be cancelled immediately in the event that the land ceases to be protected under a formal protection agreement. Postponed rates that have not been remitted will be repayable in the event that

the covenant conditions and the Management Plan objectives are breached in the sole opinion of the Council, whose decision is final.

Specific Conditions and Criteria for Postponement of Rates

1. After a term of ten years, the postponed rates for the first year of the covenant period will be remitted. After this, one additional year of the postponed rates will be remitted each year, so that a maximum of ten years of postponed rates are held against the land at any given time.
2. Upon expiration of the covenant or other agreement, any rates that are postponed against the land at that time, which have not been remitted under paragraph 1 above, will become due.
3. The repayment of postponed rates will not be required as a result of a change of ownership, provided that the land continues to comply with all criteria.
4. Council will not seek repayment of postponed rates where future postponement is revoked due to Council changing its criteria for postponement.

P21/03 - LANDLOCKED LAND

Background

The Property Law Act 2007 enables owners of landlocked properties to take legal action in order to gain reasonable access to their property.

landlocked land means a piece of land to which there is no reasonable access.

reasonable access, in relation to land, means physical access for persons or services of a nature and quality that is reasonably necessary to enable the owner or occupier of the land to use and enjoy the land for any purpose for which it may be used in accordance with any right, permission, authority, consent, approval, or dispensation enjoyed or granted under the Resource Management Act 1991.

Ratepayers may be unable to take action under these provisions of the Property Law Act due to their financial circumstances.

This policy has been prepared to cover the exceptional circumstances and will only be applied after all other avenues for access have been explored by the owner.

Policy Objectives

To provide rating relief to ratepayers where their land has no reasonable access and the ratepayer cannot afford to take action through the Property Law Act 2007.

Scope

This policy applies to General Title land only.

Policy Statement

Any owner who has purchased land knowing that it is land locked and no access is possible will not qualify for remission under this policy.

Council may postpone rates on landlocked land where there is no reasonable access as defined in the Property Law Act 2007.

Conditions and Criteria

1. The land must be landlocked as defined in Section 326 of the Property Law Act 2007The application must state why access cannot be obtained through procedures set forth in Part 6, Subpart 3, of the Property Law Act 2007.
2. The application must include a legal assessment that details how the land meets the definition in the Property Law Act 2007 and why access cannot be obtained through the legal channels identified in that Act.
3. The maximum term for the postponement of rates for landlocked property is three years. If the land remains landlocked at the end of that period, postponed rates will be remitted, and a new application will be required.
4. The owner must advise Council if the status of the land changes, if access is obtained, or if any person commences to use the land. If the land ceases to be landlocked during the period of the postponement, any rates postponed will be remitted at the end of the three year period, provided that the owner keeps the rates up to date for the remainder of the three year period.
5. The owner must agree to a statutory land charge being entered on the Certificate of Title.
6. As provided for in the legislation, a postponement fee will be added to the postponed rates.
7. The repayment of postponed rates will not be required merely because of a change of ownership of the land provided that the change has not arisen from the sale of the property and provided that the land continues to comply with the criteria of this policy.

P21/04 - TRANSITIONAL POLICY FOR THE POSTPONEMENT OF RATES ON FARMLAND

Background

This transitional policy statement has been prepared to address the rating of farmland that previously received a rates-postponement value pursuant to Section 22 of the Rating Valuations Act.

That section of LGA, which has now been repealed, provided for rates relief for the owners of farmland whose values were increased beyond that of other farmland in the district because of the potential use to which the land could be put for residential, commercial, industrial, or other non-farming development.

A number of proper ties in the Far North received these farmland postponement values because their values were significantly enhanced because of their proximity to high valued urban or coastal areas.

This transitional policy provides Council with the ability to continue to provide rating relief to certain proper ties that were receiving a postponement of rates prior to the introduction of the Local Government (Rating) Act 2002, and that qualified after that date under policy P04/04, which has now been repealed.

This Transitional Policy is restricted to those farms which are owner operated, where the owner is a natural person and/ or is a company where the owners live on and operate the farm as a personal business. The policy specifically excludes those farms which are held as investment properties where the owners, corporate or otherwise, live either outside the district.

Effect of rates postponement values

The postponed portion of the rates for any rating period shall be the amount equal to the difference between the amount of the rates for that period calculated according to the postponement value of the rating unit an amount of the rates that would be payable for that period if the rates were calculated on the basis of its actual value.

The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by Council in respect of the rating unit.

Any rates so postponed will, so long as the property continues to qualify for rates postponement, be remitted at the expiration of 10 years from the date at which the postponement was granted.

Each year a postponement fee will be added to the outstanding balance and will become part of the rates postponed on the rating unit pursuant to Section 88(3) of the Local Government (Rating) Act 2002.

Policy Objective

To afford rating relief to farmers who had previously been receiving this form of rating relief under the provisions of repealed legislation and/or previous versions of this policy, where Council believes that it is in the interest of the district to maintain a postponement of rates to reduce the incidence of coastal development.

Scope

This policy applies to both General Title and Māori Freehold Land.

Council will not accept any new applications under this policy.

Conditions and Criteria

1. This policy provision only applies to those rating units which previously qualified for a postponement of rates under policy P04/04, which was repealed on 30 June 2006, and which continues to be owned by the same ratepayer/s who owned it at that date.
2. For the purposes of this transitional policy, the definition of qualifying farmland has been revised as follows:
    a. Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes but excludes land that is used for forestry, lifestyle, or farm park type purposes.
    b. The farming operation must provide the principal source of revenue for the owner of the land, who must be the actual operator of the farm and who must reside on the land.
    c. The area of the land that is the subject of the application must be not less than 50 hectares.
3. The proper ties that are the subject of this policy will be identified and the rates postponement values determined by Council's Valuation Service Provider and will:
    - exclude any potential value, at the date of valuation, that the land may have for residential use or for commercial, industrial, or other non-farming use; and will preserve uniformity and equitable relativity with comparable parcels of farmland, the valuations of which do not contain any such potential value.
4. No objection to the amount of any rates postponement value determined under this policy will be accepted by Council (other than where the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential use, or for commercial, industrial, or other non-farming use).

5. The Postponement Value will be reviewed after each triennial revaluation and the revised value will be advised to the ratepayer. At that time Council will seek the advice of its valuation service provider as to whether they believe that the land continues to be actively farmed and qualifies under the terms of this policy provision. Council reserves the right to ask the owner to provide evidence showing that the land continues to operate as a farm.
6. The owner must agree to a statutory land charge being entered on the Certificate of Title of the farmland before receiving a postponement of rates.

Termination and repayment of postponed rates

All rates that have been postponed under this policy and have not been remitted become due and payable immediately on:

1. The land ceasing to be farmland;
2. The interest of the owner is passed over to, or becomes vested in, some person or other party other than;
   a. the owner's spouse, son or daughter; or
   b. the executor or administrator of the owner's estate.
3. Where only part of the land is disposed of then only part of the postponed rates will become immediately repayable. The amount repayable will be calculated in accordance with the following formula:

$$\frac{A \times C}{B}$$

Where:

A – is the difference between the rateable value and rates special value of the balance of the land retained by the person who was the occupier on the date on which the rates postponement value was entered on the valuation roll; and

B – is the difference between the rateable value and the special value of the whole of the land immediately before the date of the vesting of that interest in that other person.

That special value shall be specially redetermined if, because of a general revaluation of the district in which the land is situated, the special value appearing on the valuation roll is no longer directly related to the rateable value on the date of the vesting; and

C – is the total amount of the rates postponed immediately before the date of vesting. In all cases the amount of the rates to be repaid will be not less than 20% of the value of the total amount of rates currently postponed.

4. Subject to the land continuing to qualify for the special postponement value, any rates postponed under this policy will be remitted at the expiration of 10 years from the date on which they were assessed.

P21/06 – RESIDENTIAL RATES FOR SENIOR CITIZENS

Background

The payment of rates for senior citizens on a limited income can affect their quality of life. This policy provides senior citizens with the option of postponing their rates to be paid until a sale of the rating unit takes place, or, in the event that they pass away, until the settlement of their estate. This will relieve elderly people of potential financial hardship, and enhance the quality of their lives, including the ability to remain in their home longer with limited income.

Policy Objective

To positively contribute to the quality of life for senior citizens by postponing rates payable.

Scope

This policy applies to General Title Land. Council does not consider the application of this policy appropriate for Māori Freehold Land; because of the nature of Māori Freehold Land, Council does not consider it appropriate to charge postponed rates to the land. Landowners of Māori Freehold Land are eligible for remission of rates under the Extreme Financial Hardship Policy.

Policy Statements

Council may postpone rates for ratepayers whose primary income is the New Zealand Superannuation Scheme. Any postponed rates will be postponed until:

a. The settlement of the ratepayer's estate following their death; or
b. The ratepayer ceases to be the owner or occupier of the rating unit; or
c. The ratepayer ceases to use the property as their primary residence; or
d. The accrued charges exceed 80% of the rateable value of the property (postponed rates will remain due for payment only on death, sale, or the date specified by Council); or
e. A date specified by the Council.

Conditions and Criteria

1. Postponement under this policy will only apply to ratepayers who are:
    a. eligible to receive the New Zealand Superannuation Scheme, which is, or will be, their primary income; or
    b. on a fixed income. This is defined as "an income from a pension or investment that is set at a particular figure and does not vary like a dividend or rise with the rate of inflation".
2. The rating unit must be used by the ratepayer as their primary residence. This includes, in the case of a family trust owned property, use by a named individual or couple.
3. The ratepayer must not own any property that may be used:
    a. as a holiday home or rental property; or
    b. for commercial activities, such as farming or business.
4. People occupying a unit in a retirement village under a licence to occupy must have the agreement of the owner of the retirement village before applying for postponement of the rates payable on their unit.
5. If a property is still under a mortgage, a written and signed approval must be obtained from the Mortgagee as part of the application. This is because the payment of postponed rates will have priority over mortgage payments.
6. Properties that are the subject of a reverse mortgage are not eligible for rating relief under this policy.
7. Council has the right to decline rates postponement for a property that is in a known hazard zone. This is to minimise any risk of loss to Council.
8. Postponed rates will be registered as a statutory land charge on the rating unit title, meaning that Council will have first claim on the proceeds of any revenue from the sale or lease of the rating unit.
9. If rates are postponed, the ratepayer will still be responsible for the amount of rates equal to the maximum rebate available under the central government Rates Rebate Scheme for the current rating year. Council is able to assist applicants for the Rates Rebate Scheme. If the ratepayer is not eligible for a rates rebate, they will still be responsible for paying this amount, and will be required to enter into a payment arrangement to cover this portion.
10. Council will charge an annual administrative fee on postponed rates.
11. The postponed rates or any part thereof may be paid to Council at any time
12. The property must be insured at the time the application is granted and must be kept insured. Evidence of this must be produced annually.
13. Senior citizens for whom rates are being postponed under this policy must promptly inform Council of any substantial change in their financial status which might affect their eligibility for such postponement.

ML21/01 - MĀORI FREEHOLD LAND NOT USED

Background

The Far North District Council recognises the unique barriers to the use and development of Māori Freehold Land resulting from fragmented ownership. While Māori Freehold Land itself may not be difficult to use or develop, there may be challenges around the use and the financing of the development of the land which arise from fragmented ownership.

This policy provides relief by giving a remission where land is not used due to the difficulty of multiple ownership, obtaining collective agreement, or the lack of financing options. This policy does not apply to Māori Freehold Land in sole ownership.

Policy Objectives

To recognise and take account of the presence of wahi tapu sites of cultural significance or other cultural values that may affect the use of the land for other purposes,

To avoid further alienation of Māori Freehold Land as a result of pressures that may be brought by the imposition of rates on unoccupied lands,

To recognise matters related to the physical accessibility of the land,

To recognise land that the owners have set aside for non-use because of recognised natural features,

To recognise situations where there is no person using or gaining an economic or financial benefit from the land,

To provide the ability to grant remission for the portions of land not occupied,

In general, reasons for placement on the Register and receiving a remission of rates, would include some or all of the following: -

1. Unoccupied and Unimproved – The land is unoccupied and has no, or minimal improvements
2. The Land is Land Locked – much Māori Land is land locked, i.e. does not have legal access to Council or National Roading Network.
3. Fragmented Ownership – Ownerships vary in number and individual share proportions. Owners are scattered throughout the country and even worldwide. Attempts to contact a majority representation are often painstaking and difficult.
4. The land has Particular Conservation Value – Because of their remoteness and inaccessibility, much Māori Land has a high conservation value, which Council or the community may wish to preserve.
5. Unsecured Legal Title - Many land titles have not been surveyed. Therefore, they cannot be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted, as mortgages cannot be registered against the title.
6. Isolation and Marginal in Quality – The lands are geographically isolated and are of marginal quality.
7. No Management Structures – Lands have no management or operating structures in place to administer matters.
8. Rating Problems – Because of the above factors, there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

Scope

This policy applies only to Māori Freehold Land and will apply from 1 July in the year of application.

Policy Statement

Council may, upon application from the owners, authorised agents of the owners, or Council itself acting for the owners, agree to remit the rates on such unused land for a period not exceeding three years.

Conditions and Criteria

1. It must not be used by any person – for the purposes of this policy land will be defined as "used" if any person, alone or with others carries out any of the following activities on the land as set out in section 96 of the Local Government (Rating) Act 2002 -
   a. leases the land; or does one or more of the following things on the land for profit or other benefit:
   b. resides on the land
   c. depastures or maintains livestock on the land
   d. stores anything on the land
   e. uses of the land in any other way
2. Under no circumstances will this policy apply to any land that is has a residential or commercial characteristic and that is located within an urban township or settlement.
3. Council will have the sole judgement on whether or not to grant the application and may seek such additional information as they may require before making their final decision.
4. If the land comes under use at any point, it will no longer receive remission of rates under this policy.
5. Council expects that any rating relief will be temporary; each application will be limited to a term of 3 years. However, Council may consider renewing the rate relief upon the receipt of further applications from the owners. The owners shall endeavour to bring the land back into the rating base as soon as practicable.

ML21/02 - MĀORI FREEHOLD LAND USED FOR THE PURPOSES OF PAPAKAINGA OR OTHER HOUSING PURPOSES SUBJECT TO OCCUPATION LICENSES OR OTHER INFORMAL ARRANGEMENTS

Background

The Far North District Council recognises that occupation licenses, or other informal arrangements, only provide an interim or temporary right to occupy part or all of an area of Māori Freehold Land. This right is only available to the licensee, or informal occupier and does not create an interest that can be transferred or bequeathed as part of an estate.

This form of occupation is different to an occupation order, which provides a permanent right to occupy an area of land and can be passed on to future generations.

Occupation licenses are generally used to define a specific area of Māori Freehold Land that the licensee can occupy for the purposes establishing a dwelling. At the termination of the license, the dwelling has to be removed or transferred to the owners of the land.

Informal arrangements are where a person occupies an area of Māori Freehold Land for a period of time; however, has no formal agreement and no rights to permanent occupation.

The occupier of land that is the subject of an occupation license or informal agreement is generally not required to pay any rental to the owners of the land, i.e. it is not a commercial arrangement.

There is a willingness of occupiers of land that is the subject of these types of arrangements to pay rates in respect of the area of land that they occupy. However, there is a concern that these "parts" may become liable for the UAGC and other non-service-related charges assessed on the basis of a separately used or inhabited part of a rating unit.

This policy statement has been prepared to address these issues. It recognises that papakainga and similar housing on Māori Freehold Land are generally occupied by members of owner's families and no rentals are payable.

The policy is consistent in effect to the treatment of multiple housing on general title land, where the separate parts are occupied on a rent-free basis by members of the owner's family.

To assist the occupiers pay the rates of the parts of a rating unit that are the subject of occupation licenses, Council will issue a separate rate assessment for each part as set out in Section 45 (3) and (4) of the Local Government (Rating) Act 2002.

Policy Objectives

1. To put in place processes to allow the residents with occupation licenses or other informal arrangements to pay their portion of rates in respect of the land that they occupy.
2. To assist Māori to establish papakāinga or other housing on Māori Freehold Land.
3. To assist Māori to establish an economic base for future development.

Scope

This policy applies only to Māori Freehold Land.

Policy Statement

The Far North District Council recognises that the imposition of multiple UAGCs or other non-service-related charges might act as a disincentive to Māori seeking to occupy Māori Freehold Land for housing purposes.

Council will consider applications for the remission of multiple UAGCs and other charges, with the exception of those that are set for the provision of utilities such as water, sewerage etc., in respect of separately used or inhabited parts of a rating unit where these are the covered by occupation licenses, or other informal arrangements

Conditions and Criteria

1. The part of the land concerned must be the subject of a licence to occupy or other informal arrangement for the purposes of providing residential housing for the occupier on a rent-free basis.
2. The area of land covered by each arrangement must have a separate valuation issued by Council's valuation service providers and will be issued with a separate rate assessment pursuant to Local Government (Rating) Act 2002 Section 45 (3).
3. The occupier must agree to pay any rates assessed in respect of the part or division of the rating unit that is the subject of the application.
4. No portion of the service charges for utilities will be remitted.
5. Council reserves the right to cancel the remission on the portion of a rating unit upon which rates remain unpaid for a period of more than one month after the due date (due date can apply to the instalment date or an agreed payment plan).
6. Uniform Annual General Charges and other charges on the land will remain in remission so long as the occupation continues to comply with the conditions and criteria of this policy.

ML21/03 - NEW USERS OF MĀORI FREEHOLD LAND

Background

The Far North District Council recognises that significant rate arrears due to the challenges of multiple ownership can act as a disincentive to any new use of Māori Freehold Land where a New User could become responsible for the payment of any existing arrears of rates and penalties on the land. This policy has been developed to encourage use of Māori Freehold Land in these circumstances.

Policy Objective

To remove the barrier of rate debt for New Users to be able to use or develop the land.

Scope

This policy applies only to Māori Freehold Land.

Policy Statement

Council may postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a New User and that person agreeing to pay the rates while they are using the land.

Conditions and criteria

1. The person proposing to use the land must be a New User.
2. Where land has recently moved from multiple ownership to sole ownership, the sole owner will be treated as a New User.
3. Council has the sole discretion as to whether or not to grant the application and may seek additional information before making its final decision.
4. The New User using the land must, upon approval of the application, keep the current and future rates up to date for as long as they continue to use the land.
5. If the current and future rates are not paid within one month of the due dates, or subject to an agreed payment plan, Council reserves the right to reapply the postponed rates to the land.
6. Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

PROPOSED POLICIES FOR REVOCATION

Background

Section 109 of the LGA 02 provides for a remission or postponement policy to be revoked. The following policies have been reviewed and are proposed to be revoked for the reasons outlined below.

REVOKE – Now covered by accounting policies: Wastewater Charges on Government Funded Subsidy Schemes

Background

From time to time, Central Government establishes funds to assist the development of wastewater schemes in communities that might not otherwise be able to afford it. The Government subsidy assists in the capital costs of a scheme. This policy ensures that the benefit of the Government subsidy is passed on to ratepayers in those communities that are of greatest need.

Policy Objectives

1. To comply with the requirements of Government Funded Subsidy Schemes.
2. To ensure that ratepayers in those communities of greatest need receive a benefit from the subsidy in the form of reduced charges.

Scope

This policy applies to both General Title and Māori Freehold Land.

Policy Statement

The Far North District Council will provide a remission for the capital portion of the wastewater charge for new schemes funded by Government Subsidy where the deprivation index of that community is seven or higher.

Conditions and Criteria

1. Where the policy applies, Council will automatically grant the remission to the rate accounts that qualify.
2. The remission will only apply to the capital portion of each year's rate and is only available to existing properties and their owners at the time that the relevant wastewater scheme became operational.
3. The remission will terminate 10 years after the date at which the sewerage scheme became operational.
4. Where a qualifying property is subdivided, any new rating units that are created over and above the original single rating unit will not be eligible for this remission.

Rationale for revocation – this issue is now addressed by the change to accounting policies from 1 July 2020.

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Significance and Engagement Policy

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

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1. PURPOSE

This Policy explains how Council will determine the significance of decisions and when and how our communities can expect to participate in Council's decision-making processes.

2. CONTEXT

Genuine engagement is integral to high-quality Council planning, decision-making and operations. To be effective, we must be well acquainted with our community and their preferences, and our plans should have solid community backing.

Engagement is a process of dialogue between decision-makers, partners, communities and stakeholders for the purpose of making decisions, policies and strategies. Effective engagement serves to build trust in Council decision-making and increase Council's awareness of issues in the community.

This Policy provides guidance for assessing significance and the level of engagement suitable to the significance of the decision, along with guidance on the circumstances in which we would not consult. While our staff interact with community members, Māori partners and key stakeholders daily, some Council decisions require a more structured form of engagement due to the significance a matter has within the wider community, or for groups within the community. Conversely, it would not be appropriate for Council to take every decision to the community.

The goal is to give people a sense of ownership of decisions and ensure Council's work is relevant to the people who live in our district.

3. OBJECTIVE

The objectives of this policy are to:

1. Ensure consistency when determining the significance of proposals, assets and decisions
2. Identify the extent and type of public engagement required before a decision is made
3. Provide clarity about how and when communities can expect to be engaged in decisions
4. Build genuine relationships with Māori, Treaty partners, key stakeholders and the wider community through a better understanding of their preferences, and encouraging co-operation, respect and mutual understanding of other points of view
5. To acknowledge the enduring presence, aspirations, and cultural obligations of mana whenua as kaitiaki of the Far North
6. Comply with section 76AA of the Local Government Act 2002.

4. DEFINITIONS

Consultation is a formal type of engagement, often prescribed by legislation and time bound. It generally involves seeking community feedback on a draft proposal, plan or document in order to inform Council's decision-making.

Engagement describes a broad range of activities, which might include consultation, designed to invite community participation in solving problems or making decisions related to Council's work. This means Council's work can better reflect or respond to the needs, views, preferences or aspirations of the community.

Hapū defines a cluster of families linked by the same whakapapa that may share the same land boundaries and same marae.

Levels of service refer to the targets Council aims to achieve for the various services and facilities it provides. These are reviewed every three years in the Long-Term Plan. An example of this is the percentage of the roading network we aim to reseal each year.

Mana whenua are Māori with authority over the land and kaitiaki status.

Mātāwaka are Māori for whom their place of residence is not their traditional home, and therefore are not described as mana whenua.

Memorandum of Understanding (MOU) in this policy refers to a Crown-Māori Relationship Instrument, which is a documented agreement or arrangement, signed by both parties, that establishes or recognises an ongoing collaborative relationship between Ministers, Government agencies or Crown entities (such as Local Government), and a whānau, hapū, iwi, Māori organisation or Māori communities.

Significance is the degree of importance of an issue, proposal, decision, or matter that concerns or is before Council.

Significance relates to the likely impact on:

1. the wellbeing of the district
2. people affected
3. the ability of Council to perform its role, and the financial and other costs of doing so.

A more detailed definition can be found in section 5 of the Local Government Act 2002.

Special consultative procedure is prescribed by legislation. It requires Council to prepare and adopt a statement of proposal and a summary of the information if needed to reduce or remove confusion, and to make this widely available for public consumption and feedback, within a timeframe of no less than one month. Council must also provide an opportunity for people to present their views orally, if they wish to do so. Further detail is set out in section 83 of the Local Government Act 2002.

Strategic assets are assets, such as infrastructure or properties, that Council needs in order to achieve outcomes it decides are important to the current or future well-being of the community. A more detailed definition can be found in section 5 of the Local Government Act 2002.

Tangata whenua refers to "people of the land". It might relate to specific groups, or more broadly to Māori as a people.

4. PRINCIPLES OF ENGAGEMENT

1. Our principles for engagement are laid out in the Local Governance Statement and are guided by the Local Government Act 2002 sections 82 Principles of Consultation and section 81 Contributions to Decision Making Processes by Māori.
2. We clearly communicate how and to what extent those we are engaging with can influence outcomes and within these limits we are genuinely open to the feedback and ideas of our community.
3. We think about engagement at the beginning of any project or process so that it is planned and purposeful. This also means, where appropriate, stakeholders or the community can be involved from an early stage.
4. We consider who will be affected by or interested in the project or process, and we try to reach as many people as possible within that group.
5. We provide clear, easy-to-understand background information to those we are engaging with, so they are better equipped to discuss the project or process and provide informed feedback.
6. We consider the timing of our engagement activities so as not to overburden our community.
7. We thank community members for their contributions, provide them with a summary of feedback and explain our decisions.

5. ENGAGING WITH TANGATA WHENUA

1. Council acknowledges the unique perspective of Te Ao Māori and recognise that Māori are more than an interest group or stakeholder.
2. We will continue to build and strengthen our relationships with mana whenua representative entities and engage in a range of ways to ensure their views are appropriately represented in the decision-making process.
3. Council acknowledges that different approaches are needed for Māori who live in the Far North but do not have genealogical connections to mana whenua hapū.
4. When engaging with tāngata whenua and Māori, Council will:
    a. Engage early in the decision-making process
    b. Establish and maintain processes to provide opportunities for Māori to contribute to Council's decision-making, including partnership approaches where appropriate, and support Māori to fully engage with us
    c. Ensure existing general and project-specific relationship processes between Council and tāngata whenua will, where working well, remain as a starting point for engagement
    d. Recognise and empower existing formal relationships (i.e. MOUs) with iwi and hapū
    e. Actively consider the recognition and protection of Māori rights and interests within the Far North and how we can contribute to the needs and aspirations of Māori
    f. Ensure all Council reports identify any impacts on Māori

g. Build ongoing relationships with Māori through a range of approaches that enables Māori to guide how they want to engage with Council

h. Fulfil its obligations under any Treaty Settlement legislation.

6. ENGAGING WITH DIVERSE COMMUNITIES

1. Council will consider those in our community with visual, hearing or literacy impairments, and those who speak English as a second language.
2. When undertaking engagement, Council will consider how to meet the needs of our diverse communities in respect of accessibility, language and cultural expectations to ensure engagement with Council is enabled as much as possible.
3. Council will consider the many demographics and interested parties across the District, including but not limited to youth, business, retirees and ratepayers that do not live in the district.

7. DETERMINING SIGNIFICANCE

1. Significance is determined in the early stages of a proposal, before decision making occurs. If it becomes necessary to do so, the significance of a proposal may be re-assessed at any time.
2. In determining a proposal's degree of significance, Council will be guided by:
   a. Legislative requirements including the Local Government Act 2002 (LGA), the Resource Management Act 1991 (RMA), and Treaty Settlement (TS) legislation including Memoranda of Understanding (MOU)
   b. Whether the decision is inconsistent with previous Council decisions or current policies, according to section 80 of the LGA
   c. Commitments made in relationship agreements such as any MOU and/or mana-enhancing agreement
   d. Historic levels of community impact or interest in the proposal
   e. The likely impact on iwi/hapū/whanau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

8. CLIMATE CHANGE

1. From 31 December 2021 the RMA requires councils to have regard to emissions plans and adaptation plans under the Climate Response Act 2002.
2. Council routinely considers the implications of its actions on climate change mitigation and adaption in its decision-making.
3. The criteria in section 10. Matters of Significance are considered sufficient to assess the significance of decisions that have a climate change element, cause or impact.

9. MATTERS OF SIGNIFICANCE

1. A decision is of high significance if one of the following applies:
   a. It involves the transfer of the ownership or control of a strategic asset (Schedule 1) or other important asset (Schedule 1a) to or from Council; or
   b. It is inconsistent with Council plans or policies and meets one of the thresholds shown in the table below:

Criteria	Threshold
Transfer of a strategic asset	The proposal involves the transfer of the ownership or control of a strategic asset (Appendix A) to or from Council.
Unbudgeted financial impacts	The proposal will incur unbudgeted net operational expenditure exceeding 2.5% of total rates in the year commenced OR unbudgeted net capital expenditure exceeding 10% of total rates in the year commenced.

Criteria	Threshold
Of specific interest to Māori	The proposal has a major and long-term impact on iwi/hapū/whanau and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga
Level of public interest	The proposal is likely to generate considerable interest or community views render the community deeply divided.
Effect on the community and its demographics	The proposal is likely to have an impact on the social, economic, environmental or cultural wellbeing of the District or an aspect of the District (e.g. a particular ward, a community of interest, a geographic area, or demographic).
Level of service	The proposal is likely to result in a change in the level of service and that the change will be major and long-term.

Determining engagement

1. Council looks at the level of significance of a proposal when deciding what type of engagement is appropriate.
2. If a proposal is determined to be of high or medium significance, Council will conduct some form of engagement to inform the decision-making process.
3. If a proposal is determined to be of low significance, Council may inform the community once a decision has been made, or it may choose not to engage with the community at all (section 13).
4. Council applies the International Association of Public Participation (IAP2) spectrum to guide its approach to engagement.
5. Schedule 2 sets out the type of engagement the community can expect for proposals at different levels of significance.

10. SPECIAL CONSULTATIVE PROCEDURE

1. In some cases, the type of consultation required is set out in the legislation, i.e. the LGA. This is called a special consultative procedure and is prescribed in section 83 of the LGA, and is applied in the following situations:
2. Adoption or amendment of a Long Term Plan
3. Making, amending or revoking a bylaw that is considered of significant interest to the public or will likely cause significant impact on the public
4. When Council decides it is prudent to do so.
5. In these circumstances, the Special Consultative Procedure is a minimum requirement – Council may choose to conduct other engagement in addition to this process.

11. WHEN COUNCIL MAY CHOOSE NOT TO ENGAGE

Things Council will generally not engage on include, but are not limited to:

1. Operational matters that do not reduce a level of service
2. Emergency management activities
3. Those decisions made by delegation to Council staff
4. Commercially sensitive decisions (e.g. awarding contracts)
5. Decisions made to manage an urgent issue
6. Decisions where action is necessary to:
    a. comply with the law
    b. protect life, health, or amenity and infrastructure
    c. prevent serious damage to property
    d. avoid, remedy, or mitigate an adverse effect on the environment.

SCHEDULE 1: STRATEGIC ASSETS

The following is a list of assets that Council requires in order to achieve outcomes important to the current or future well-being of the community:

1. Council Headquarters
2. The roading network
3. The stormwater network
4. The wastewater network
5. The water supply network
6. The open space network, including parks, walkways and sports fields under the Reserves Act 1977
7. Council-owned cemeteries
8. Libraries
9. Shares in Far North Holdings Limited
10. Housing for the elderly.

SCHEDULE 1A: OTHER ASSETS OF IMPORTANCE TO THE COMMUNITY

The following are non-strategic assets (i.e. not defined as a "strategic asset" under the Local Government Act Section 5 Interpretation), but are considered by Far North District Council to be important to the well-being of the community:

1. Council land that is subject to claim under Te Tiriti o Waitangi
2. Council land/assets that have been transferred to Council Controllled Organisations

SCHEDULE 2: ENGAGEMENT ASSESSMENT

Significance	LOW	MEDIUM		HIGH	MAXIMUM
Expectation	MINIMUM	Local Government Act 2002 s82 and s83			
Level of engagement	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Engagement Focus	This is what we are doing	Tell us what you think	Help us decide	Let's work together	You make the decision
What does it involve?	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision-making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision is in the hands of the public. Under the LGA, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
When the community can expect to be involved	Council would generally advise the community once a decision is made.	Council would advise the community once a draft decision is made by Council and would generally provide the community with up to four weeks to participate and respond. Where desirable to meet the needs of affected parties or groups, and possible within timeframes available, Council may consider extending this period.	Council would generally provide the community with a greater lead-in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected, and again when options are being considered.	Council would generally provide the community with a greater lead-in time to allow them time to be involved in the process, e.g. typically a month or more.
Tools Council can use	Website and publications Social media Media release	Surveys Focus groups Submissions	Formal Hearings Public meetings Drop-in Centres	External Working Groups MOUs	Referenda Elections Polls

Te Pai Tawhiti | Long Term Plan 2021-31

Proposed Fees and Charges Schedule 2021/22

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

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ANIMALS

Dog registration

Registration fee for desexed dogs	1 July 2021 – 31 August 2021		1 Sept 2021 – 30 June 2022 Full fee and late registration penalty	
	Current	Proposed	Current	Proposed
Pet dog	$53.00	**$54.00**	$79.00	**$81.00**
Menacing / dangerous dog	$84.00	**$86.00**	$124.00	**$127.00**
Working / pig dog	$41.00	**$42.00**	$61.00	**$62.00**
Disability assist dog (approved organisation certified)	No charge	**No charge**	No charge	**No charge**
Multiple dog discount (Register five dogs, get the sixth dog free)	$0.00	**$0.00**	n/a	**n/a**
Discount for Gold Card or Community Card holders	10%	**10%**	n/a	**n/a**

Full fee, penalty and debt recovery costs are incurred between 1 September 2021 and 30 June 2022

Registration fee for non-desexed dogs	1 July 2021 – 31 August 2021		1 Sept 2021 – 30 June 2022 Full fee and late registration penalty	
	Current	Proposed	Current	Proposed
Pet dog	$63.00	$64.00	$89.00	**$91.00**
Menacing / dangerous dog	$94.00	$96.00	$134.00	**$137.00**
Working / pig dog	$51.00	$52.00	$72.00	**$74.00**
Disability assist dog (approved organisation certified)	No charge	No charge	No charge	**No charge**
Multiple dog discount (Register five dogs, get the sixth dog free)	$0.00	$0.00	n/a	**n/a**
Discount for Gold Card or Community Card holders	10%	10%	n/a	**n/a**

Full fee, penalty and debt recovery costs are incurred between 1 September 2021 and 30 June 2022

Other fees	Current	Proposed
Re-homing dog registration fee (applies to dogs re-homed by the SPCA or via Council pounds).	$37.00	**$38.00**
Dog adoption. Fee includes microchipping, dog registration until the end of the current year, vet check, vaccinations and desexing (if required).	Actual costs	**Actual costs**
Microchipping	$31.00	**$32.00**
Small dog collar	$12.00	**$12.00**
Large dog collar	$17.00	**$17.00**
Replacement registration tag (per tag)	$4.40	**$4.50**
De-sexed dog registration		
Registration of desexed dogs is free for the first year of the dog's life (desexing certificate to be supplied) for the current registration year only. All other years shall be at normal fee.		

Dog impounding	Current	Proposed
Impounding	$70.00	**$72.00**
Second impounding	$106.00	**$108.00**
Third impounding	$146.00	**$149.00**
After-hours impounding (impound fee $68.50 + after hours fee $51.00)	$122.00	**$125.00**
Daily handling	$7.50 per day	**$7.70 per day**
Veterinary care	Actual costs	**Actual costs**

Impounding fee contributes to covering the cost of collecting of the dog that is covered by the general ratepayer and serves as a form of penalty for the individuals own dog being collected.

Other animals

Stock impounding	Current	Proposed
Bovine (bull, cow, ox) where one to five head of stock are impounded	$98.00	**$100.00**
Bovine (bull, cow, ox) where six to 10 head of stock are impounded	$193.00	**$197.00**
Bovine (bull, cow, ox) where 11 plus head of stock are impounded	$290.00	**$296.00**
Equine (horse) where one to five are impounded	$108.00	**$110.00**
Equine (horse) where six to 10 are impounded	$205.00	**$210.00**
Equine (horse) where 11 plus are impounded	$302.00	**$309.00**
Ovine (sheep)	$32.00	**$33.00**
Calves, foals, lambs, piglets (feeding off the mother) – no impounding or sustenance charge	No charge	**No charge**
Sustenance fees for impounded stock	$10.00	**$10.00**
NAIT (National Animal Identification and Tracing) tagging	Actual costs	**Actual costs**
Advertising costs (Advertising of impounded stock as required prior to auction / disposal)	Actual costs + $16.00 admin cost	**Actual costs + $16.00 admin cost**
Transport of stock to pound	Actual costs + $16.00 admin cost	**Actual costs + $16.00 admin cost**
Officers time (per hour)	$92.00	**$94.00**

BUILDING CONSENTS

Building notes

It is important to note that each building project and site may be different, so please use this information as a guideline only.

Total consent costs may not be known until the consent has been processed to approval.

For an indication of fees payable with your building consent application, please use our building fee calculator or contact our Building staff on free phone 0800 920 029 (Northland land lines only) or 09 401 5200.

When are building fees payable?

If your building project falls under the criteria for fixed fee applications, then you will be paying a fee as stated in the consolidated fees schedule. This fee will be required when lodging your application.

If your building project falls outside the criteria for fixed fee applications, then you will be in the banded fee bracket. These fees will be calculated based on processing time and will be invoiced at time of issue of your consent.

When issuing a Code Compliance Certificate a check is done to see if there are any outstanding inspection or processing fees and these will be invoiced at this time.

In all cases, Council payment terms apply to all issued invoices.

How do I work out the estimated value?

This is the total value of the building work including GST. Usually the designer or architect supplies the contract square metre rate and Council checks this against national statistics, the MBIE website, Building Economist and Codeword's publications.

Why do I get charged for inspections in advance?

Council policy is to release building consents as soon as possible. Estimated inspection fees are paid in advance to assist this process to avoid delays for all parties.

What are 'actual costs' and what will they include?

- Processing, inspections and administration services
- It may also include external services engaged to carry out reviews for Council e.g. New Zealand Fire Service and Heritage NZ etc.
- Disbursements like scanning, copying, facsimile, telephone, travel and postage.

What are external services and why are they applicable to my application?

External services are usually for New Zealand Fire Service design review, engineering technical or weather-tightness review for complex design or when unproven methods are proposed or input from Heritage NZ for any archaeological reviews.

When does my consent become commercial and trigger the higher fees?

Generally when the building use is associated with public use and the engagement of employees

Some descriptions of these building types include:

- Communal residential (hostel / prison)
- Communal non-residential (church / school)
- Commercial (bank / service station)
- Industrial (agricultural building / sewage plant)

These classified uses attract the higher fee due to the additional design complexity and use of specified systems.

What happens if I don't go ahead with my building consent, do I get a total refund?

This function is carried out on a case-by-case basis and no full refund is provided due to administration and cost overheads. In normal cases there will be a refund for unused inspections, and BRANZ / MBIE levies.

If processing has already begun, partially complete or fully completed fees will be deducted accordingly.

Other fee information

Some levies are set by other agencies and are not affected by this proposal.

All fees are GST inclusive unless otherwise stated.

Building application fees are based on the project value of the building works, simple structures or minor type applications.

Fixed fee applications

This fee applies to building work with a project value of less than $20,000.

This fee applies to residential projects only.

This fee applies to specific works as listed in the chart below – the fee includes:

- Building processing
- District plan processing (where applicable)
- Inspections as nominated (additional inspections will be charged at the current fee rate)
- Code compliance certificate application fee.

This fee is non-refundable due to the reduced fee offered for these services.

Fixed fee applications	Current	Proposed
Solid fuel heating appliance – freestanding (includes inspection)	$235.00	**$240.00**
Solid fuel heating appliance – inbuilt (includes inspections)	$365.00	**$373.00**
Residential connection to Council reticulated sewer (includes inspections)	$365.00	**$373.00**
Residential ancillary buildings – e.g. carports, gazebo, garden sheds (includes inspections)	$529.00	**$541.00**
Residential outbuildings – e.g. garages unlined up to 120 m², pool changing rooms etc. (includes inspections)	$529.00	**$541.00**
Farm buildings any type up to 120 m² (includes inspections)	$529.00	**$541.00**
Residential swimming / spa pools and associated fencing (includes inspections)	$529.00	**$541.00**
Garage / sleep-out with plumbing and drainage (includes inspections)	$1,059.00	**$1,082.00**
Conservatories (includes inspections)	$730.00	**$746.00**
Other minor building work less than $20,000 – e.g. TP58 effluent systems, minor internal alterations (includes inspections)	$588.00	**$600.00**

General building fees	Current	Proposed
Amended plans application	Actual costs	**Actual costs**
BRANZ Levy (applies to project values above $20,000)	$1.00 per $1,000.00	**$1.00 per $1,000**
MBIE Levy (applies to project values above $20,000)	$2.01 per $1,000.00	**$2.01 per $1,000**
Building warrant of fitness annual renewal	$94.00	**$96.00**
Building warrant of fitness audit report and inspection fee	$354.00	**$362.00**
Building warrant of fitness (audit only)	$176.00	**$180.00**
Certificate of acceptance application instalment (actual processing costs are calculated and applied)	$558.00 + actual costs	**$570.00 + actual costs**
Certificate of public use application	$389.00	**$398.00**
Certificate of title request	$40.00	**$41.00**
Change of use application instalment (actual processing costs are calculated and applied)	$106.00 + actual costs	**$108 + actual costs**

General building fees	Current	Proposed
Code compliance certificate application	$176.00	**$180.00**
Older code compliance certificate application (includes review of building consents if over four years old)	Actual costs	**Actual costs**
Compliance schedule and statement	Actual costs	**Actual costs**
Compliance and accreditation levy (maximum levy fee $276.00)	$1.40 per $1,000.00	**$1.40 per $1,000**
Condition assessment report application	$106.00	**$108.00**
Enforcement action under the Building Act (Notice to fix notice, dangerous or insanitary notice and breach investigation)	Actual costs	**Actual costs**
Exemption from requiring building consent application	$176.00	**$180.00**
Extension of time application	$106.00	**$108.00**
Field advice notice	$176.00	**$180.00**
Inspections – residential	$176.00	**$180.00**
Inspections – commercial	$258.00	**$264.00**
Request for information (charged on any application type)	Actual costs	**Actual costs**
Scanning charge per application	$11.50	**$12.00**
Section 72 hazard notification	$354.00	**$362.00**
Section 75 building on two or more allotments notification	$354.00	**$362.00**
Specific expertise – inspection and processing required	Actual costs	**Actual costs**
Swimming pool inspections	$176.00	**$180.00**
Waiver / modification waiver application to existing building consent	Actual costs	**Actual costs**
Weekly building consent report (charge per annum)	$416.00	**$425.00**

Hourly processing fees	Current	Proposed
Building Manager / Compliance Manager	$165.00	**$169.00**
Team Leader / Senior Building Officer / Senior Building Specialist	$159.00	**$163.00**
Building Officer / Building Compliance Officer / Building Specialist	$152.00	**$155.00**
PIM Officer (District Plan check)	$135.00	**$138.00**
Building Administration / Compliance Administration	$92.00	**$94.00**

Banded fees

The table below provides an estimate of fees that could be charged for processing a consent depending on project value and complexity. This estimate does not show all applicable fees that may be charged, for this use our Building Fees Calculator, which will again give an estimate of fees and show what other fees will be applicable like BRANZ and MBIE levies etc.

Note: these fees will only be charged on completion of processing when actual fees and charges are known. You must pay the invoice before you can uplift your consent and inspections can start on your project.

Building work to be undertaken	Building Officer		District Plan check		Administration	
	Current	Proposed	Current	Proposed	Current	Proposed
$0 – $19,999	$300.00 (2 hrs officer time)	**$307.00 (2 hrs officer time)**	$100.00 (0.75 hr officer time)	**$102.00 (0.75 hr officer time)**	$148.00 (1.5 hrs officer time)	**$151.00 (1.5 hrs officer time)**
$20,000 – $150,000	$450.00 (3 hrs officer time)	**$460.00 (3 hrs officer time)**	$165.00 (1.25 hrs officer time)	**$169.00 (1.25 hrs officer time)**	$195.00 (2 hrs officer time)	**$199.00 (2 hrs officer time)**
$150,001 – $350,000	$600.00 (4 hrs officer time)	**$613.00 (4 hrs officer time)**	$265.00 (2 hrs officer time)	**$271.00 (2 hrs officer time)**	$241.00 (2.5 hrs officer time)	**$246.00 (2.5 hrs officer time)**
$350,001 – $700,000	$750.00 (5 hrs officer time)	**$767.00 (5 hrs officer time)**	$265.00 (2 hrs officer time)	**$271.00 (2 hrs officer time)**	$287.00 (3 hrs officer time)	**$293.00 (3 hrs officer time)**
$700,001+	$900.00 (6 hrs officer time)	**$920.00 (6 hrs officer time)**	$265.00 (2 hrs officer time)	**$271.00 (2 hrs officer time)**	$287.00 (3 hrs officer time)	**$293.00 (3 hrs officer time)**

Vehicle crossings	Current	Proposed
Vehicle crossing application and vehicle crossing inspection fee	$225.00	**$230.00**
A bond deposit (minimum $1,000.00) may be set to ensure construction of vehicle crossing		
Vehicle crossing inspection fee	$167.00	**$171.00**
Re-application fee for expired approvals	$70.00	**$72.00**
Application for RAPID number	$27.00	**$28.00**
Replacement RAPID signs	$11.00	**$11.00**

BYLAW ENFORCEMENT

Amusement devices and entertainment premises	**Set by legislation**
These fees are set under Section 11 of the Amusement Devices Regulations 1978 and are applicable to devices such as merry-go-rounds, Ferris wheels and roller coasters, bumper cars and boats, indoor go-karts, mini-bikes, parasailes, jet skis, bungy jumping. Bouncy castles, inflatable slides and non-powered playground equipment are not amusement devices and so you do not require a permit.	
Amusement devices only; one device, for the first seven days of operation or part thereof	**$10.00**
Amusement devices only; for each additional device operated by the same owner, for the first seven days or part thereof	**$2.00**
Amusement devices only; for each device, for each further period of seven days or part thereof	**$1.00**

Fire prevention	**Current**	**Proposed**
Section clearance (includes administration charge, site inspection if required and contractors' actual costs)	$106.00 + actual costs	**$108.00 + actual costs**

Gaming Act 2003	**Current**	**Proposed**
Gaming and TAB venue license fees (Gaming Act 2003)	$425.00	**$434.00**

General bylaw license application	**Current**	**Proposed**
General bylaw license incorporates fees for:- Application for keeping animals, poultry and bees Application for advertising signs Application for taxi stands Application for brothel signs Application for entertainment premises (e.g. billiard room)	$108.00 per application	**$110 per application**
New or replacement sign (requires Community Board consideration)	$163.00	**$167.00**
Reclaiming of seized advertising signs	$80.00 per sign	**$82.00 per sign**

CEMETERIES

Burial plots	Current	Proposed
Burial plot	$754.00	**$771.00**
Interment single depth	$791.00	**$808.00**
Interment double depth	$896.00	**$916.00**
Interment child (under 10)	$212.00	**$217.00**
Ground maintenance	$148.00	**$151.00**
Disinterment fee	$2,110.00	**$2,156.00**
Interment - oversize single depth	$871.00	**$890.00**
Interment – oversize double depth	$949.00	**$970.00**
Statutory holiday surcharge	$454.00	**$464.00**

Ash burial	Current	Proposed
Ash berm (Russell)	$343.00	**$351.00**
Ash berm (All others)	$105.00	**$107.00**
Grave digging for ash burial	$190.00	**$194.00**
Search fee	$26.00 per hour	**$27.00 per hour**

Flowering baskets	Current	Proposed
Standard rate per unit	$32.00	**$33.00**

CERTIFICATES AND LICENSES

Alcohol licensing			**Set by legislation**
Alcohol licensing fees are set under the Sale and Supply of Alcohol Act 2012			
Application fee - Managers Certificates			**$316.25**
Renewal fee - Managers Certificates			**$316.25**
Temporary Authority			**$296.70**
Certificate of Compliance Liquor application - please see Page 25 - Resource consents for this fee			
Premises - On, off and club licenses			
Fee category and cost / risk rating score		**Application fee**	**Annual fee**
		Set by legislation	*Set by legislation*
Very low	0-2	**$368.00**	**$161.00**
Low	3-5	**$609.50**	**$391.00**
Medium	6-15	**$816.50**	**$632.50**
High	16-25	**$1,023.50**	**$1,035.00**
Very high	26 plus	**$1,207.50**	**$1,437.50**
Special licenses - risk based fees (see definition below)			**Set by legislation**
Class 1			**$575.00**
Class 2			**$207.00**
Class 3			**$63.25**

Special license definition	
Class 1	a large event (400+) people, or more than three medium events (100 - 400 people), or more than 12 small events (fewer than 100 people)
Class 2	One to three medium events (100 - 400 people), or Three to 12 small events (fewer than 100 people)
Class 3	One or two small events (fewer than 100 people)

Alfresco dining license	**Current**	**Proposed**
All licenses renewable on 1 July each year		
Application and renewal fee	$108.00	**$110.00**
Site inspection	$75.00	**$77.00**
One table	$54.00	**$55.00**
Two tables	$107.00	**$109.00**
Three tables	$162.00	**$166.00**
Four tables	$215.00	**$220.00**
Five tables	$270.00	**$276.00**
New application received during licensing year	Pro rata, according to number of tables (however the application fee and site inspection will be charged at full fee)	**Pro rata, according to number of tables (however the application fee and site inspection will be charged at full fee)**
Re-inspection fee	$54.00	**$55.00**
New application – not compliant and needing Community Board approval	$162.00	**$166.00**
Change of new ownership – new licensee	$59.00	**$60.00**

Example: All new compliant applications will incorporate an application fee ($110.00), a site inspection fee ($77.00) and a charge per table ($55.00). Therefore a new application for one table will be a total fee of $242.00

Collection and transportation of waste and diverted materials	Current	Proposed
Waste collector's license	$520.00 per annum	**$531.00 per annum**

Environmental health licenses	Current	Proposed
(Per annum) Health (Registration of Premises) Regulations 1966 annual renewal 1 July. Pro rata fees for new application throughout the registration year		
Class 1 (pre-packed food) and club license	$334.00	**$341.00**
Class 2 (preparation and sale of food on premises)	$555.00	**$567.00**
Class 3 (manufacturers)	$772.00	**$789.00**
Health (hairdressers, mortuaries, camping grounds and septic tank cleaners)	$334.00	**$341.00**
Club 1 (club license for pre-packed food)	$334.00	**$341.00**
Camping ground (with food preparation and / or shop)	$555.00	**$567.00**
Charitable organisations (churches etc)	$215.00	**$220.00**
Re-inspection	$193.00	**$197.00**
Change of ownership (new certificate)	$59.00	**$60.00**
Replacement of lost certificate	$27.00	**$28.00**

Food Act	Set by legislation
The following fees are set under the Food (Fees and Charges) Regulations 2015	
Food Control Plan	
Initial registration based on an acceptable model or template	
Initial registration (includes one hour processing time)	**$180.00**
Additional processing time – per hour	**$180.00**
Registration renewal	
Registration renewal (includes one hour processing time)	**$180.00**
Additional processing time – per hour	**$180.00**
Registration amendment	
Registration amendment (includes one hour processing time)	**$180.00**
Additional processing time – per hour	**$180.00**
Verification	
Fixed fee (includes up to 3.5 hours of verification activity)	**$515.00**
Additional processing time – per hour	**$180.00**
Compliance and monitoring	
Complaint driven investigation resulting in the issue of an improvement notice by a Food Safety Officer – per hour	**$180.00**
Application for review of issue of improvement notice – per hour	**$180.00**
Monitoring of food safety and suitability	**Charge per hour**
Premises transitioning to Food Act 2014	
Food hygiene registration payment will be transferred to the Food Act registration on a pro rata basis	**Pro rata calculation**

Mobile shop, street stall and hawkers licenses

Definitions:

Mobile shop means a vehicle (including a trailer) from which goods are offered for sale in any public place but does not include any vehicle used exclusively for the delivery of pre-ordered goods, nor any stall.

Hawker means any person who carries any goods for sale from property to property but does not include any person delivering pre-ordered goods, or any person exposing goods for sale in any public place, nor any mobile shopkeeper.

Regular annual licenses		Current	Proposed
Mobile shop	**Non-food**		
	Annual	$532.00	**$532.00**
	Seasonal – one month	$47.00 per month	**$47.00 per month**
	Food related		
	Annual *This fee is for the licence to trade in a permitted public place. A food licence will also be required*	$792.00	**$792.00**
	Seasonal*	$67.50 per month	**$67.50 per month**
Coffee vendor only	Annual	$264.00	**$264.00**
	Seasonal*	$27.00 per month	**$27.00 per month**
Hawkers	Annual	$342.50	**$342.50**
	Seasonal*	Pro rata $32.00 per month	**Pro rata $32.00 per month**
Site permit	**Non-food**		
	Annual	$1,070.00	**$1,070.00**
	Seasonal*	$89.00 per month	**$89.00 per month**
	Food related		
	Annual *This fee is for the licence to trade in a permitted public place. A food licence will also be required*	$1,371.50	**$1,371.50**
	Seasonal*	$114.50 per month	**$114.50 per month**
Market food premises and mobile shop		$210.50	**$210.50**
Street stalls (Fundraising events, charitable trusts, or street appeal collectors) Maximum 20 per year		No charge	**No charge**
Tour operators license		$210.50	**$210.50**

* *Minimum of one month*

INFRINGEMENTS

The following infringements are set by Government legislation or under Council Bylaws. For more information please visit: www.legislation.govt.nz. Some Council Bylaws also set infringements. These can only be changed when the Bylaw is reviewed. To find out more on Bylaw infringements visit our website: www.fndc.govt.nz key word: Council Bylaws

Activity	Legislation
Alcohol – sale and supply	Sale and Supply of Alcohol 2012, Section 260
Dogs	Dog Control Act 1996, Schedule 1
Building	Building Act 2004, Section 101
Food	Food Act 2014, Section 391
Littering	Litter Act 1997, Section 15 (1) a-b, Section 16 and FNDC Litter Infringement Policy
Noise	RMA 1991 and Resource Management Infringement Offences Regulations 1999
Seizing of any equipment (noise, skateboards etc)	Local Government Act 2002, Section 259
Parking	Land Transport (Offences and Penalties) Regulations 1999, Schedule 1B
Resource consents	Resource Management Act 1991, Section 338 and Resource Management Infringement Offences Regulations 1999

Litter infringements* (effective from 16 February 2017)	First offence	First offence	Subsequent offence	Subsequent offence
	Current	Proposed	Current	Proposed
Litter, of less than one litre, left in a public space or on private land without the occupier's consent.	$100.00	**$100.00**	$400.00	**$400.00**
Litter, of one litre to 20 litres, left in a public space or on private land without the occupier's consent.	$150.00	**$150.00**	$400.00	**$400.00**
Litter, of 20 litres to 120 litres, left in a public space or on private land without the occupier's consent.	$250.00	**$250.00**	$400.00	**$400.00**
Litter, of more than 120 litres, left in a public space or on private land without the occupier's consent.	$400.00	**$400.00**	$400.00	**$400.00**
Hazardous** or offensive litter*** left in a public space or on private land without the occupier's consent.	$400.00	**$400.00**	$400.00	**$400.00**

* Infringements do not attract GST
** Hazardous litter includes broken glass, barbed wire, jagged metal, medicines
*** Offensive waste includes rotting food, animal remains, faeces (including discarded nappies)

Noise control	Current	Proposed
Infringement notice to be issued under Resource Management Act (RMA 1991)*	$750.00	**$750.00**
Return of confiscated equipment (seizure of any property)	$151.00	**$154.00**

* Infringements do not attract GST

Parking infringements		Set by legislation
P101	Parked within an intersection	**$60.00**
P102	Parked within six meters of an intersection	**$60.00**
P103	Parking near corner, bend or rise	**$40.00**
P104	Parking on or near a pedestrian crossing	**$60.00**
P105	Parked in prohibited area	**$40.00**
P106A	Parked over the time limit	**$40.00**
P107	Parked on broken yellow line	**$60.00**
P108	Parked in area reserved for vehicles hire/reward	**$60.00**
P109	Parking within six meters of an indicated bus stop	**$40.00**
P110	Parked across a vehicle entrance	**$40.00**
P111	Parked near fire hydrant	**$40.00**
P112	Parked between fire hydrant and road marking	**$40.00**
P113	Double parked	**$60.00**
P114	Incorrect kerb parking – left side of road	**$40.00**
P115	Parked on footpath	**$40.00**
P116	Parking trailer on road more than seven days	**$60.00**
P117	Inconsiderate parking	**$60.00**
P119	Parked on a loading zone*	**$40.00**
P120	Incorrect angle parking	**$40.00**
P127	Parked on a flush median or traffic island	**$40.00**
P508	Parked in a clearway	**$60.00**
P969	Parked in an area reserved for disabled persons	**$150.00**
P106 / T30	Parking in breach of a time limit 0-30 mins	**$12.00**
P106 / T60	Parking in breach of a time limit 31- 60 mins	**$15.00**
P106 / T120	Parking in breach of a time limit 61-120 mins	**$21.00**
P106 / T240	Parking in breach of a time limit 121-240 mins	**$30.00**
P106 / T360	Parking in breach of a time limit 241-360 mins	**$42.00**
P106 / T1000	Parking in breach of a time limit six hours or more	**$57.00**

Infringements do not attract GST	C = Car	U = Ute
* Use for when goods and service vehicles overstay on loading zone	B = Bus	V = Van
	T = Truck	CV = Campervan
	S = Station Wagon	MB = Motorbike

Skating and cycles	Set by legislation
Recovery of seized equipment	**$50.00 per item**

LEASES AND LICENSES OF RESERVES / CHANGE OF RESERVE STATUS

Change of reserve status – processing charges	Current	Proposed
Change of classification of reserve	$326.00	**$333.00**
Revocation of reservation of reserve	$326.00	**$333.00**

Note: This charge covers administrative costs and is to be paid on application for reserve status. This charge is not payable in cases where the application can be processed in conjunction with a request to lease the reserve, in which case the lease processing charge listed below covers the costs. Applicants will be required to meet other costs that may apply – Department of Conservation fees, resource consent application fees, survey costs etc.

Leases of reserves (one year or more) – processing charges	Current	Proposed
New lease of reserve; e.g. local purpose or recreation (including grazing leases)	$434.00	**$444.00**
Renewal of lease of reserve; e.g. local purpose or recreation	$218.00	**$223.00**

Administration charges to be paid on application for the lease. When applicable, applicants will also be required to meet legal expenses, Department of Conservation fees, resource consent and / or liquor license application fees.

Easements under Reserves Act – processing charge	Current	Proposed
Easement over reserve (plus any addition)	$427.00	**$436.00**

Leases of Reserves (one year or more) – rentals per year	Current	Proposed
Lease by commercial operator (e.g. motor camp, carpark)	Individually determined on percentage of Government value	**Individually determined on percentage of Government value**
Lease by semi-community group (e.g. bowling club, school)	$108.00	**$110.00**
Lease by community group (e.g. marae committee)	$108.00	**$110.00**
Grazing leases	By tender process	**By tender process**

Note: Lessees are also required to pay rates and in some cases, where the lessees are occupying council owned buildings, they are required to reimburse council when annual insurance premiums are paid.

Temporary license to occupy reserves – processing charges	Proposed
New license for grazing or other purposes	**$110.00**
Renewal of license for grazing purposes	**$55.00**
Rentals	
Licenses by commercial operator	**Individually determined on percentage of Government value**
Licenses by semi-community and community groups	**$110.00**
Grazing licenses	**By tender process**

Permits to occupy reserves – less than one month	Current	Proposed
No processing charge but written application required	No charge	**No charge**

Use of reserves	Current	Proposed
Commercial use (e.g. circus) per showing	$81.00	**$83.00**
Plus deposit (refundable if no turf damage)	$598.00	**$611.00**
Community use ground rental	No charge	**No charge**

Paihia Village Green - stallholders / exhibitors	Current	Proposed
Residents of the Far North District (per site / per day)	$10.00	**$10.00**
Non-residents of the Far North District (per site / per day)	$20.00	**$20.00**
Community activities (e.g. Carols by Candlelight)	No charge	**No charge**
Hire of entire village green	By negotiation with Focus Paihia	**By negotiation with Focus Paihia**

LEGAL SERVICES

Hourly rates	Current	Proposed
In-house Counsel	$262.00	**$268.00**
Property Legalisation Officer	$103.00	**$105.00**
Travelling costs – from nearest Council office	As per IRD mileage rates schedule	**As per IRD mileage rates schedule**

LIBRARIES

Item replacement	Current	Proposed
All items: Replacement value of item plus administration fee	Actual costs and $10.00 per item	**Actual costs and $10.00 per item**

Borrowing	Current	Proposed
Local resident borrower	No charge	**No charge**
Organisation borrower (limited users)	$30.00	**$31.00**
Replacement borrower card	$2.10	**$2.20**
Interloan search	from $6.00	**from $6.00**
Book repairs	from $5.10	**from $5.20**
Expired holds fee	$2.00	**$2.00**
Overdue items fee (per day) Adults loan items only	$0.30	**$0.30**
Overdue items fee (per day) Children and Young Adults	Free	**Free**

Faxing	Current	Proposed
Local		
Transaction fee	$2.60	**$2.60**
Per page thereafter	$1.00	**$1.00**
National		
Transaction fee	$2.60	**$2.60**
Per page thereafter	$1.00	**$1.00**
International		
Transaction fee	$2.60	**$2.60**
Per page thereafter	$1.00	**$1.00**
Incoming fax		
Per page (one to four pages)	$2.60	**$2.60**
Per page thereafter (fifth page)	$1.00	**$1.00**

MARINE

Hokianga vehicle ferry	Current	Proposed
Children concession	$4.00	**$4.00**
Foot / car passenger – single	$2.00	**$2.00**
Passenger concession	$10.00	**$10.00**
Motorcycle – one way	$5.00	**$5.00**
Campervan – one way	$40.00	**$40.00**
Light vehicle (vehicles <2200 kg – trailers / caravans)	$20.00	**$20.00**
Resident light vehicle	$7.00	**$7.00**
Light vehicle concession – five trips	$30.00	**$30.00**
Light vehicle concession – 10 trips	$55.00	**$55.00**
Heavy vehicle single trip – per axle	$15.00	**$15.00**
Heavy vehicle concession – 10 trips	$100.00	**$100.00**
Special sailings	$150.00	**$150.00**

OFFICIAL INFORMATION

Local Government Official Information and Meetings Act (LGOIMA) information requests	Current	Proposed
Staff time per half hour (first hour free)	$38.00 per half hour	**$38.00 per half hour**
Plan print	$5.00	**$5.00**
Photocopying	$0.20	**$0.20**

Copies of documents required to be available at a reasonable charge under the Local Government Official Information and Meetings Act (All postage payable).

Annual supply of agendas and minutes	Current	Proposed
Council	Actual costs	**Actual costs**
Community boards – per board	Actual costs	**Actual costs**
All Community boards	Actual costs	**Actual costs**
All agendas (Council, community boards, hearings)	Actual costs	**Actual costs**
Hearings agendas	Actual costs	**Actual costs**

Other Council publications	Current	Proposed
Hard copy of Annual Plan, Long Term Plans and Annual Report	Actual costs	**Actual costs**

Photocopying charges	Current	Proposed
A4 (black and white)	$0.20	**$0.20**
A4 (colour)	$1.00	**$1.00**
A3 (black and white)	$0.40	**$0.40**
A3 (colour)	$2.00	**$2.00**

Charges for supply of information when the information is not required to be provided free under the Local Government Official Information and Meeting Act, where the aggregate amount of staff time spent to action the request exceeds half an hour.

Document scanning	Current	Proposed
One to five pages	$1.00	**$1.00**
Six or more pages	$2.00	**$2.00**

Operative District Plan	Current	Proposed
Text volume	$174.00	**$178.00**
Map volume	$155.00	**$159.00**
Map pages (individual)	Actual costs	**Actual cost**
Text and maps (printed)	$329.00	**$336.00**

Rating information	Current	Proposed
Rate book (per book – annual)	Actual costs	**Actual costs**

PROPERTY INFORMATION

Electronic property file request	Current	Proposed
Collating and providing the property file online (per property file)	$25.00	**$25.00**

Digital data supply	Current	Proposed
DCDB parcels – per parcel	$0.20	**$0.20**
Staff time (per hour)	$87.00	**$89.00**
USB stick (with data on it)	$6.00	**$6.00**

Physical map requests (paper and pdf)	Current	Proposed
Staff time (per hour)	$87.00	**$89.00**
Hard copy – A3	$42.00	**$43.00**
Hard copy – A2	$52.00	**$53.00**
Hard copy – A1	$73.00	**$75.00**
Hard copy – A0	$87.00	**$89.00**
Soft copy (PDF format) – A3	$42.00	**$43.00**
Soft copy (PDF format) – A2	$42.00	**$43.00**
Soft copy (PDF format) – A1	$42.00	**$43.00**
Soft copy (PDF format) – A0	$42.00	**$43.00**
USB stick (with data on it)	$6.00	**$6.00**

Note: Where a request covers more than one property and/or requires additional time to process, the charges will be based on 10-minute intervals according to the schedule. FNDC does not provide A4 maps. These are accessible and printable via the mapping website www.fndcmaps.govt.nz

Property information products – maps	Current	Proposed
Vector maps: locality plan, property plan, property boundaries, addresses, legal description, area – A4	Actual costs	**Actual costs**
Street map (Cadastral) – reproduction costs	Actual costs	**Actual costs**

Land information memoranda (LIM's)	Current	Proposed
LIM application – All properties	$286.00	**$292.00**
Research fee – where extensive research is required. (This is additional to the application fee)	$38.00 per half hour	**$38.00 per half hour**

Residential rates postponement fees	Current	Proposed
Establishment fee: includes legal costs, and production of documents for registering statutory land charge (includes LINZ fee)	$300.00	**$300.00**
Annual administration fee for maintaining rates postponement	$50.00	**$50.00**

RESOURCE CONSENTS

Resource consent fees are calculated based on BERL Forecasts of Price Level Change Adjustors (with some rounding). This means that fees will increase each year in accordance with the changes to the BERL Forecast.

The forecast increase in local authority costs for 2020/21 year is 2.2% so Council has used this figure to calculate the resource consent fees for 2020/21. These revised fees come into effect on 1 July 2020.

Notes:

1. These fees have been rounded up to the nearest whole dollar
2. All fees GST inclusive unless otherwise stated

Instalment fees are charged at the following stages: application lodgement; limited or notification process; and hearings process. Where the instalment paid does not cover the actual processing costs Council shall require the applicant to pay an additional charge following the issuing of decision. Council reserves the right to interim invoice applications monthly where costs have been incurred and exceed the instalment fee paid.

An applicant shall upon request be provided an itemised breakdown of costs. For the purposes of these charges the terms 'actual and reasonable cost'* and 'standard charges' shall include but not be limited to:

- FNDC staff time for receiving, processing and issuing a decision
- Inspections
- Travel – breakdown of costs, etc.
- Administrative / technical support
- Contract services (e.g. landscape architect, engineers) engaged by Council to fulfil obligations of the Resource Management Act 1991; and
- Disbursements including photocopying, facsimile, telephone and postage.

An applicant required to pay an additional charge has a right of objection to the council in respect of that requirement, and has a right of appeal to the Environment Court in respect of Council's decision on that objection.

A fixed fee is the present charge paid when a request for a certificate etc. is made. The cost for these services is fixed. Although fixed, this fee covers the first three hours of processing. Any additional time or meetings may be charged to enable Council to recover its actual and reasonable costs.

Note: All fees and charges are INSTALMENTS unless otherwise stated at the top of the particular table.

** Actual and reasonable cost based on an hourly rate, mileage and disbursements will be deducted from the instalment fee or charged to determine the final fee payable.*

The below table has been modified to merge similar fees.

Application for resource consent, designation or heritage orders	Current	Proposed
Applications made under the Resource Management Act: • Simple land use (single Zone Rule breach with no engineering assessment required) • Change or cancellation of consent condition – Sec 127 • Change or cancellation of consent notice condition - 221(3) • Outline plan consideration (176A) • Application for extension – Sec 125 lapsing a consent • Fast track consents This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.	$1,178.00	**$1,204.00**

Application for resource consent, designation or heritage orders	Current	Proposed
Applications made under the Resource Management Act: • Land use • Subdivision • Discharge to land • Updating of cross lease flats plans This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.	$1,891.00	**$1,933.00**
Applications made under the Resource Management Act: • Combined subdivision / land use • National Environmental Standards for Plantation Forestry This instalment is payable at the time of lodgement. Actual processing costs will be calculated and invoiced after the decision is issued. Interim invoicing may apply.	$3,288.00	**$3,360.00**
Notices of requirement for a designation and / or heritage order	$2,740.00	**$2,800.00**
Removal of or alteration to a notice of requirement	$822.00	**$840.00**
Simple Sect 127 change of conditions (minor changes and where the approval remains consistent with the original proposal, no engineering assessment is required and there are no parties affected by the change)	$657.00	**$671.00**

Note: Deemed permitted boundary activities and deemed permitted marginal or temporary activities' fees can be found under 'Approvals and certificates fixed fees'.

Limited notification for resource consents, notices of requirement and heritage orders	Current	Proposed
Land use and subdivision; combined land use and subdivision; notices of requirement; heritage orders; discharge to land Note: Where an instalment fee has already been paid, Council will require the balance owing to be paid before limited notification proceeds.	$1,178.00	**$1204.00**

Public notification for resource consents, notices of requirement and heritage orders	Current	Proposed
Land use and subdivision; combined land use and subdivision; discharge to land; changes to consent conditions – Section 127; notice of requirements; heritage orders. Note: Where an instalment fee has already been paid, Council will require the balance owing to be paid before notification proceeds.	$3,535.00	**$3,613.00**

Hearings	Current	Proposed
Hearings required for any resource consent or other permission. *Hearing fee* • Cost of third party / hearing commissioners will be charged at actual costs • Staff and consultant costs will be charged at actual costs • Miscellaneous charges (copying, venue hire, printing, etc.) will be charged at actual costs • All costs will be itemised • The final fee in any one application will be determined by the Team Leader, Resource Consents or his / her appointee • All charges will be actual and reasonable costs less the instalment fee. Note: Actual and reasonable costs based on an hourly rate, mileage and disbursements will be deducted from the instalment fee or charged to determine the final fee payable.	$1,178.00	**$1,933.00**

Monitoring	Current	Proposed
Monitoring fee – monitoring of resource consents (including Certificate of Compliance). Based on two inspections being required when charged.	$376.00	**$384.00**

Approvals and certificates – fixed fees	Current	Proposed
Certificate under Sec 221 (consent notice), certificate under Sec 222 (completion certificate), approval of survey plan Sec 223	$256.00	**$262.00**
Cancellation of building line restriction Sec 327A LGA 1974	$411.00	**$240.00**
Overseas Investment Certificates (OIC)	$411.00	**$240.00**
Outline plan waiver	$153.00	**$156.00**
224 (c) certificates – without engineering conditions	$599.00	**$612.00**
Section 243 Cancellation of Easement	$470.00	**$480.00**
Deemed permitted boundary activities and deemed permitted marginal or temporary activities	$470.00	**$480.00**

Other approvals, certificates and fixed fees	Current	Proposed
Preparation of covenant against transfer of allotments – Sec 240	$470.00	**$480.00**
Earthworks permit – includes administration and one inspection	$470.00	**$480.00**
Any other certificate, authority, requirements, or actions requested of Council under the provisions of the Resource Management Act, the Local Government Act or any other related legislation	$470.00	**$480.00**
224 (c) Certificate with engineering conditions	$1,112.00	**$1,136.00**
Savings certificate issued under Sec 226(1)(e). Determination of and extension of existing use (Section 10)	$905.00	**$925.00**
Creation of right of way under Sec 348 Local Government Act	$905.00	**$925.00**
Section 139 Certificate of Compliance, Section 139(A) Existing Use Certificate	$1,249.00	**$1,276.00**
Objections to Council on a decision or condition of consent under Section 357, 357A	$905.00	**$925.00**

Other approvals, certificates and fixed fees	Current	Proposed
Fees or charges levied on Council by other organisations; i.e. District Land Registrar, Department of Conservation	Actual and reasonable costs charged by the other organisation and Council admin charge	**Actual and reasonable costs charged by the other organisation and Council admin charge**
Request for consideration of District Plan change. Plus actual and reasonable costs charged to Council by any other organisations and applicable hourly staff rates. This is the required lodgement fee should a change be requested. Should the requested change be accepted by the Council for processing as a private plan change, all additional costs will be charged	$13,700.00	**$14,001.00**
Charge for supplying information in respect of plans and resource consents per half hour, and any other associated costs that apply to the request	Actual and reasonable costs	**Actual and reasonable costs**
Any report required by Council in determining / processing a resource consent per half hour, and any other associated costs that apply to the request	Actual and reasonable costs	**Actual and reasonable costs**
Any meeting booked in advance with resource consent staff. No charge for first ½ hr of initial request – actual and reasonable costs will be calculated on a case by case basis. This includes concept development meetings	Actual and reasonable costs	**Actual and reasonable costs**
CT – producing certificates of title; easement instruments; consent notices	$39.00 per search	**$41.00 per search**
Scanning charge – per application	$11.50 per application	**$12.00 per application**
Post approval charge. Part of administration associated with consents, statutory reports, enquiries and complaints about consents	$223.00	**$228.00**

Liquor compliance certificates	Current	Proposed
Certificate of Compliance Liquor application	$438.00	**$448.00**

Hourly processing charges	Current	Proposed
Principal Planner and Manager; Resource Management	$181.00	**$185.00**
Resource Consent Engineer	$181.00	**$185.00**
Senior Planner / Team Leader	$170.00	**$174.00**
Intermediate and Resource Planner	$170.00	**$174.00**
Graduate Planner, Consents Planner and Monitoring Officer	$135.00	**$138.00**
Technical Officers (Building Officials, Environmental Health Officers)	$152.00	**$155.00**
Administration / Technical Support	$93.00	**$95.00**
Consultants Note: The actual costs the consultants charge plus a Council administration charge will apply. Please ask Council what charge may apply if your consent application has been allocated to a Consultant Planner or Engineering Contractor.	Actual and reasonable costs	**Actual and reasonable costs**

Travel costs for resource consents	Current	Proposed
The travel cost is derived from the time the Council officer spends in a vehicle travelling to the site from the nearest Council service centre (Kaikohe, Kaitaia and Kerikeri), charged at the Inland Revenue Department mileage rate. Actual time spent on site will be charged for at the appropriate hourly rate.	As per the IRD mileage rate schedule	**As per the IRD mileage rate schedule**

Development contributions
Far North District Council does not currently charge development contributions.

RUBBISH DISPOSAL SERVICES AT TRANSFER STATIONS

Rubbish	Current	Proposed
At transfer station		
Per bag (standard 65L)	$3.00	**$3.00**
Oversized bag (130L)	$6.00	**$6.00**
Wheelie bin (240L)	$11.00	**$11.00**
Loose material per m^3	$46.00	**$46.00**
Compacted material per m^3	$74.50	**$74.50**
Greenwaste m^3	$22.00	**$22.00**

Whole tyre disposal	Current	Proposed
At transfer station		
Motorcycle tyre	$3.50	**$3.50**
Passenger car tyres	$5.00	**$5.00**
Light truck and 4x4 tyres	$8.00	**$8.00**
Truck tyres	$16.00	**$16.00**
Tractor and super single	$23.00	**$23.00**
Earth mover tyres	Not accepted	**Not accepted**

e-Waste	Current	Proposed
Transfer station pricing for householders		
TV's CRT	$10.00	**$10.00**
TV's flat screen	$10.00	**$10.00**
Computer CRT	$10.00	**$10.00**
Monitors LCD	$5.00	**$5.00**
PC's		
Desktop / laptop / server	$5.00 each	**$5.00 each**
UPS's	$5.00	**$5.00**
Laptop batteries	$5.00	**$5.00**
Network equipment	$5.00	**$5.00**
Printers		
Printers / scanners / fax	$5.00 each	**$5.00 each**
Photocopier small / medium	$10.00	**$10.00**
Photocopier large	$10.00	**$10.00**
Copier cartridges	$4.00 per kg	**$4.00 per kg**
Household appliances etc.		
Heaters (No oil filled)	$3.00	**$3.00**
Vacuums	$3.00	**$3.00**
Microwaves	$5.00	**$5.00**
Consumer electronics		
DVD and VCR players	$3.00	**$3.00**
Stereo system and games	$3.00	**$3.00**
Radios etc	$3.00	**$3.00**
Other		
Cell phones	No charge	**No charge**

STORMWATER

Any works on Councils' stormwater network can only be undertaken by Council approved contractors. Excludes charges included with rates.

Activity / service	Current	Proposed
Application fee for a stormwater connection	$45.00	**$46.00**
Application fee to build close to, or excavate close to a public storm water line not within a legal road*	$45.00	**$46.00**
New connection	Quote to be provided	**Quote to be provided**
Approximate marking of single of single location services of mains with minimum 3 days' notice	$240.00	**$245.00**
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be provided	**Quote to be provided**
Accurate marking of mains including excavation with minimum 10 day notice or location of mains over a wide area	Quote to be provided	**Quote to be provided**
Urgent location of mains	Quote to be provided	**Quote to be provided**

*If site visit required additional costs of staff time, administration and mileage apply.

TRANSPORT

Road closures	Current	Proposed
Applications for motor sprint events	$147.00	**$150.00**
Note: if event spans more than one ward an extra $50 per ward is chargeable		
Applications for parades	$50.00	**$52.00**
Other road closures will be charged based on an estimated cost at normal charge out rates – minimum	$50.00	**$52.00**

Note: all advertising costs are the responsibility of the applicant.

Traffic overweight permit	Current	Proposed
Traffic overweight permit	$138.00	**$138.00**

VENUES FOR HIRE

Corporate and private hireage	Full day (8:30-5:00)	Full day (8:30-5:00)	Half day	Half day	Hourly	Hourly
	Current	Proposed	Current	Proposed	Current	Proposed
Kaeo – Meeting room	$80.00	**$80.00**	$45.00	**$45.00**	$15.00	**$15.00**
Kerikeri – Procter Library	-	**-**	-	**-**	$20.00	**$20.00**
Kerikeri – John Butler Centre, Tane Mahuta room	$100.00	**$100.00**	$55.00	**$55.00**	$20.00	**$20.00**
Kaikohe Memorial Hall – Entire complex	$300.00	**$300.00**	Full day or hourly only	**Full day or hourly only**	$40.00	**$40.00**
Kaikohe Memorial Hall – Supper room and kitchen	$200.00	**$200.00**	Full day or hourly only	**Full day or hourly only**	$30.00	**$30.00**
Kaikohe Memorial Hall – Main hall only	$150.00	**$150.00**	Full day or hourly only	**Full day or hourly only**	$25.00	**$25.00**
Kaikohe Memorial Hall – Bond	$300.00	**$300.00**	Full day or hourly only	**Full day or hourly only**	$40.00	**$40.00**

Community groups	Full day (8:30-5:00)	Full day (8:30-5:00)	Half day	Half day	Hourly	Hourly
	Current	Proposed	Current	Proposed	Current	Proposed
Kaeo – Meeting room	$40.00	**$40.00**	$20.00	**$20.00**	$10.00	**$10.00**
Kerikeri – Procter Library	-	**-**	-	**-**	$15.00	**$15.00**
Kerikeri – John Butler Centre, Tane Mahuta room	$50.00	**$50.00**	$30.00	**$30.00**	$15.00	**$15.00**
Kaikohe Memorial Hall – Entire complex	$150.00	**$150.00**	Full day or hourly only	**Full day or hourly only**	$25.00	**$25.00**
Kaikohe Memorial Hall – Supper room and kitchen	$75.00	**$75.00**	Full day or hourly only	**Full day or hourly only**	$20.00	**$20.00**
Kaikohe Memorial Hall – Main Hall only	$50.00	**$50.00**	Full day or hourly only	**Full day or hourly only**	$15.00	**$15.00**
Kaikohe Memorial Hall – Bond	$150.00	**$150.00**	Full day or hourly only	**Full day or hourly only**	$25.00	**$25.00**

WASTEWATER

Any works on Councils wastewater networks can only be undertaken by Council approved contractors. Excludes charges included with rates.

Activity / service	Current	Proposed
Administration fee for a wastewater connection	$45.00	**$46.00**
Administration fee to build close to/over or excavate close to a public sewer not within a legal road*	$45.00	**$46.00**
Upgrade or modify existing connection	Quote to be obtained	**Quote to be obtained**
New connection provided by Council's contractor up to 150mm main (includes connection to main and one metre of pipe from Council main)	Quote to be obtained	**Quote to be obtained**
New connection provided by Council's contractor to mains greater than 150mm or connection lengths greater than one metre or where a manhole / chamber is required	Quote to be obtained	**Quote to be obtained**
New connection to a pressure wastewater network provided by Council's contractor	Quote to be obtained	**Quote to be obtained**
Inspection by Council officers of connection work not undertaken by Council's contractor (single connection)	Quote to be obtained	**Quote to be obtained**
Inspection by Council Officers of connection work not undertaken by Council's contractor (multiple connections)	Quote to be obtained	**Quote to be obtained**
Wastewater connected rate for all new connections Where a property connects to sewerage after 1 July in any year, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant capital, operating and additional pan rates for the scheme concerned for every complete month until 30 June in the following year.		
Service availability charge where a new wastewater connection is provided but the property does not connect Where sewerage is made available to a property after 1 July in any year but the property does not connect, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant availability rate for the scheme concerned for every complete month until 30 June in the following year.		
Approximate marking of single location services of mains with minimum three days' notice	$240.00	**$245.00**
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be obtained	**Quote to be obtained**
Accurate marking of mains including excavation with minimum 10 day notice or location of mains over a wide area	Quote to be obtained	**Quote to be obtained**
Urgent location of mains	Quote to be obtained	**Quote to be obtained**
Inspection of onsite wastewater system by Council Monitoring Officer*	$89.00 per hour	**$91.00 per hour**
Sampling of onsite wastewater system by Council Monitoring Officer	Actual costs	**Actual costs**

*If site visit required additional costs of staff time, administration and mileage apply.

Approved commercial operators discharge fees	Current	Proposed
Cubic metre rate	$30.00 / m^3	**$31.00 / m^3**
Lost card replacement	$32.00 per card	**$33.00 per card**

WATER SUPPLY

Any works on Councils' water supply networks can only be undertaken by Council approved contractors. Excludes charges included in rates.

Activity / service	Current	Proposed
Administration fee for a water connection	$45.00	**$46.00**
Administration fee to build or excavate close to a public water main not within a legal road*	$45.00	**$46.00**
Water connected rate for all new connections		
Where a property connects to water after 1 July in any year, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant capital rates for the scheme concerned for every complete month until 30 June in the following year.		
Service availability charge where a new water connection is provided but the property does not connect		
Where water is made available to a property after 1 July in any year but the property does not connect, the connection fee will include a sum in lieu of a rate. The amount of the fee will be calculated on the basis of one twelfth (1/12) of the relevant availability rate for the scheme concerned for every complete month until 30 June in the following year.		
Non-standard water connections including meter and meter box	Quote to be provided	**Quote to be provided**
Standard 20 mm water meter connection in footpath within five metres of main	$1,414.00	**$1,445.00**
Standard 20 mm water meter connection in berm within five metres of main	$1,124.00	**$1,149.00**
Relocation of existing service or meter	Quote to be provided	**Quote to be provided**
Approximate marking of single location services of mains with minimum three days' notice	$240.00	**$245.00**
Accurate marking of mains including excavation with minimum 10 day notice	Quote to be provided	**Quote to be provided**
Accurate marking of mains including excavation with minimum 10 days' notice, or location of mains over a wide area	Quote to be provided	**Quote to be provided**
Urgent location of mains	Actual costs	**Actual costs**
Meter checking fee (calibration check – refundable if meter incorrect)	$450.00	**$460.00**
Restrictor installation	Quote to be provided	**Quote to be provided**
Special meter readings	$90.00	**$92.00**
Standpipes metered (Direct from Broadspectrum)		
Weekly hire (minimum charge one week)	$104.00	**$106.00**
Charge rate per m^3	Standard scheduled rate in the area concerned	**Standard scheduled rate in the area concerned**
Bulk water supply		
Bond	$1,883.00	**$1,924.00**
Annual administration fee (covers billing and vehicle inspection)	$627.00 for first vehicle $324.00 for each subsequent vehicle	**$641.00 for first vehicle $331.00 for each subsequent vehicle**
Charge rate per m^3	Standard domestic rate in the area concerned	**Standard domestic rate in the area concerned**

*If site visit required additional costs of staff time, administration and mileage apply.

Location of services	Current	Proposed
Marking of approximate services locations		
Urgent (within 24 hours)	$255.00	**$261.00**
Programmed (within 3 days)	$178.00	**$182.00**
Dig up and locate (10 days' notice)	Quote to be provided	**Quote to be provided**

6 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

7 MEETING CLOSE