



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Ordinary Council Meeting

Thursday, 9 March 2023

Time: 10:00 am
Location: Council Chambers
Memorial Ave
Kaikohe

Membership:

Kahika - Mayor Moko Tepania - Chairperson
Kōwhai - Deputy Mayor Kelly Stratford
Cr Ann Court
Cr Felicity Foy
Cr Hilda Halkyard-Harawira
Cr Babe Kapa
Cr Penetaui Kleskovic
Cr Steve McNally
Cr Mate Radich
Cr Tāmati Rākena
Cr John Vujcich

Far North District Council
Ordinary Council Meeting
will be held in the Council Chambers, Memorial Ave, Kaikohe on:
Thursday 9 March 2023 at 10:00 am

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1 KARAKIA TIMATANGA / OPENING PRAYER**2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / 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 NGĀ TONO KŌRERO / DEPUTATIONS

- Raewyn Tipene & Ata Witana representing Ngati Rangi regarding Ngawha Innovation Park.
- Linda Kaye representing Kohukohu Residents regarding street lighting.

4 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

5 CONFIRMATION OF PREVIOUS MINUTES

5.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A4093996

Author: Joshna Panday, Democracy Advisor

Authoriser: Aisha Huriwai, Team Leader Democracy Services

PURPOSE OF THE REPORT

The minutes are attached to allow Council to confirm that the minutes are a true and correct record of previous meetings.

RECOMMENDATION

That Council confirms the minutes of the Council meeting held 9 February 2023 as a true and correct record.

1) BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) DISCUSSION AND OPTIONS

The minutes of the meetings are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

Reason for the recommendation

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meeting.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

- 1. 2023-02-09 Council Minutes - A4076914** [↓](#) 

Compliance schedule:

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	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
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.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
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.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
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).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

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**MINUTES OF FAR NORTH DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, MEMORIAL AVE, KAIKOHE
ON THURSDAY, 9 FEBRUARY 2023 AT 10:02 AM**

PRESENT: Kahika - Mayor Moko Tepania, Kōwhai - Deputy Mayor Kelly Stratford, Cr Ann Court, Cr Felicity Foy (Virtually), Cr Hilda Halkyard-Harawira, Cr Babe Kapa, Cr Penetaui Kleskovic, Cr Steve McNally, Cr Mate Radich (till 1.15pm), Cr Tāmāti Rākena

IN ATTENDANCE: Kaikohe-Hokianga Community Board Chairperson Chick Rudkin (till 1.15pm), Bay of Islands-Whangaroa Community Board Chairperson Belinda Ward, Te Hiku Community Board Chairperson Adele Gardner, Kawiti Waetford (Interpreter)

STAFF PRESENT: Janice Smith (Acting Chief Executive Officer), Jill Coyle (Group Manager People and Transformation), Jacine Warmington (Group Manager – Strategic Relationships), Roger Ackers (Group Manager Planning and Policy), Margriet Veenstra (Manager – Transaction Services), Carla Ditchfield (Manager Legal Services), Inna Shibalova (Senior Solicitor), Ken Lewis (Senior Communications Advisor), Briar Macken (Manager Strategy Development), Aisha Huriwai (Team Leader Democracy Services), Rhonda-May Whiu (Democracy Advisor)

1 KARAKIA TIMATANGA / OPENING PRAYER

Kahika Mayor Moko Tepania opened the meeting with the Council karakia and prayer.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Nil

3 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

- Introduce Te Reo Māori Interpreter Kawiti Waetford
- Thank you to Waitangi National Trust Board for the invitation to be involved the commemorations of Waitangi day.
- Maramataka update for the day
- Attendance at the gifting back of Pākinga Pa
- Central government housing announcement in Kerikeri
- Item 7.10 parks and reserves bylaw report. Staff brought to our attention the need to update two of the recommendations in this report. This update is an administrative matter, there is no change to the proposed bylaw itself, or the substance of the report.

4 NGĀ TONO KŌRERO / DEPUTATION

- Charles Parker from – Business Paihia regarding Paihia waterfront.
- Grant Harnish – Focus Paihia regarding Paihia waterfront.
- Albie Apiata – Ngāti Kaha regarding Paihia waterfront.
- Clare Ganantchian – provided suggestions to help mitigate the impacts of climate change.
- Hinewhare Harawira - Ngāti Rāhiri representative regarding Paihia waterfront improvement project

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5 NOTICE OF MOTION

5.1 NOTICE OF MOTION - HE WHAKAPUTANGA DAY - 28 OCTOBER

Agenda item 5.1 document number A4071464, pages 6 - 6 refers.

RESOLUTION 2023/1

Moved: Cr Hilda Halkyard-Harawira

Seconded: Cr Penetaui Kleskovic

That the Far North District Council Plan reference to October 28 exclusively acknowledge He Whakaputanga and delete the inclusion of NZ Colonial wars.

Abstained: Crs Mate Radich and Ann Court

CARRIED

6 CONFIRMATION OF PREVIOUS MINUTES

6.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 6.1 document number A4042052, pages 7 - 8 refers.

RESOLUTION 2023/2

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr John Vujcich

That Council confirms the minutes of the Council meeting held 15 December 2022 and extraordinary Council meeting 20 December 2022 as a true and correct record subject to an amendment to item 6.11 of the 15 December 2022 meeting to reflect that Cr McNally voted against rather than abstained.

CARRIED

7 REPORTS

7.1 PAIHIA WATERFRONT IMPROVEMENT PROJECT

Agenda item 7.1 document number A4049223, pages 25 - 31 refers.

MOTION

Moved: Cr Ann Court

Seconded: Cr Mate Radich

That Council approves the allocation \$1.7 million toward waterfront improvements for Paihia and as per the attached agreement for the Paihia Waterfront Improvement Project.

AMENDMENT

Moved: Kahika - Mayor Moko Tepania

Seconded: Cr John Vujcich

That Council approves the allocation \$1.7 million toward waterfront improvements for Paihia subject to the inclusion and resigning of the agreement for the working group to include Ngāti Kawa and Ngāti Rāhiri for the Paihia Waterfront steering group.

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Against: Cr Ann Court

CARRIED

RESOLUTION 2023/3

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr John Vujcich

That Council approves the allocation \$1.7 million toward waterfront improvements for Paihia subject to the inclusion and resigning of the agreement for the working group to include Ngāti Kawa and Ngāti Rāhiri for the Paihia Waterfront steering group

Against: Cr Steve McNally

CARRIED

7.2 STORMWATER ISSUES 323 STATE HIGHWAY 10 - CABLE BAY

Agenda item 7.2 document number A4043397, pages 35 - 38 refers.

RESOLUTION 2023/4

Moved: Cr Mate Radich

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Council approves expenditure of up to \$300,000 to undertake a project to decommission the existing stormwater reticulation from the property located at 323 State Highway 10 and install new reticulation into the State Highway 10 (legal description Lot 2 DP 85116).

Against: Cr Ann Court

CARRIED

At 11:20 am, Kōwhai - Deputy Mayor Kelly Stratford left the meeting.

At 11:22 am, Kōwhai - Deputy Mayor Kelly Stratford returned to the meeting.

7.3 EASEMENT ON LOCAL PURPOSE ESPLANADE RESERVE-WAIRAWARAWA STREAM

Agenda item 7.3 document number A4053944, pages 41 - 53 refers.

RESOLUTION 2023/5

Moved: Cr Ann Court

Seconded: Cr Penetaui Kleskovic

That Council approve the granting of a right of way easement pursuant to section 48(1)(f) of the Reserves Act 1977 on Local Purpose Esplanade Reserve Lot 16 DP 146304 for the purpose of constructing and using a private bridge over the Wairawarawa Stream connecting:

- i. 2276C State Highway 10 Kerikeri - Lot 1 DP 91402 contained in record of title NA64B/178; and
- ii. 15 Conifer Lane Kerikeri - Lot 1 DP 535123 and Lot 14 DP 158690 contained in record of title 884105; and
- iii. 2228 State Highway 10, Kerikeri - Lot 1 DP 457586 contained in record of title 593590.

and that approval is provided subject to:

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1. NRC granting Resource Consent for construction of the bridge; and
2. public consultation in accordance with sections 48(2), 119 and 120 of the Reserves Act 1977; and
3. compensation being negotiated and finalised in a written Compensation Agreement payable by the landowners to the Council; and
4. Landowners -
 - a) bearing all costs and disbursements in relation to the required public consultation.
 - b) if required by law and prior to commencing construction works, seeking relevant consent(s) and / or permits from the Council under Local Government Act 1974, Resource Management Act 1991 and / or Building Act 1991.
 - c) bearing all legal and survey costs and disbursements in relation to creating and registering the easement instrument on all relevant titles;
 - d) bearing full responsibility for the construction, maintenance, upkeep, repair, removal of the bridge (if required) during its lifetime, and end of its lifetime;
 - e) the bridge being the landowner's asset, which if abandoned, neglected or on becoming a nuisance of any kind or degree, must be removed or decommissioned and Reserve land remediated to Council's satisfaction;
 - f) indemnifying the Council of all costs, claims and expenses arising from use and operation of the bridge during its lifetime.

Abstained: Cr Felicity Foy

CARRIED

7.4 ŌMĀPERE WHARF - APPROVAL TO INCREASE BUDGET

Agenda item 7.4 document number A4065796, pages 54 - 57 refers.

RESOLUTION 2023/6

Moved: Cr John Vujcich

Seconded: Cr Hilda Halkyard-Harawira

That Council approves \$265,773 additional budget for Ōmāpere Wharf - Approval to increase budget, to be funded from existing budgets within the Maritime activity.

Against: Cr Steve McNally

CARRIED

The meeting was adjourned from 11:30 am to 12:00 noon.

At 11:30 pm, Cr Felicity Foy left the meeting.

At 12:02 pm, Cr Felicity Foy returned to the meeting.

7.5 PROCUREMENT PLAN AND CONTRACT AWARD > \$1M - FNDC CONTRACT 7/22/100 – FNDC RAISED TRAFFIC FACILITIES 2021-24

Agenda item 7.5 document number A4053351, pages 58 - 61 refers.

RESOLUTION 2023/7

Moved: Kōwhai - Deputy Mayor Kelly Stratford

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Seconded: Cr Ann Court

That Council:

- i) **acknowledge the approved NTA Procurement Proposal, and,**
- ii) **delegate authority to the FNDC Chief Executive Officer (CEO) to award Contract 7/22/100 - FNDC Raised Traffic Facilities 2021-24 to a maximum contract value of \$1,961,000.00 (including contingency) upon satisfactory conclusion of the Tender Evaluation phase, including:**
 - ☐ **Supplier Recommendation approval.**
 - ☐ **Contract Signing**
 - ☐ **Purchase Order approval**

Against: Cr Steve McNallyAbstained: Cr Penetaui Kleskovic**CARRIED**

7.6 PROCUREMENT PLAN AND CONTRACT AWARD > \$1M - FNDC CONTRACT 7/23/185 – FNDC FOOTPATH PROJECTS SUITE 03

Agenda item 7.6 document number A4053347, pages 66 - 69 refers

MOTION

Moved: Cr Ann Court
 Seconded: Cr John Vujcich

That Council:

- a) **acknowledge the approved NTA Procurement Proposal, and,**
- b) **delegate authority to the FNDC Chief Executive Officer (CEO) to award Contract 7/23/185 - FNDC Footpath Projects Suite 3 to a maximum contract value of \$2,747,000.00 including contingency upon satisfactory conclusion of the Tender Evaluation phase, including:**
 - ☐ **Supplier Recommendation approval.**
 - ☐ **Contract Signing**
 - ☐ **Purchase Order approval**

RESOLUTION 2023/8

Moved: Kahika - Mayor Moko Tepania
 Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That the Procurement plan and contract award . \$1M – FNDC Contact 7/23/185 – FNDC footpath projects suite 03 report be left to lie.

CARRIED

7.7 AMENDED CLASS 4 GAMING AND TAB VENUE POLICY - APPROVAL OF DRAFT FOR PUBLIC CONSULTATION

Agenda item 7.7 document number A4044481, pages 75 - 80 refers.

RESOLUTION 2023/9

Moved: Cr Mate Radich
 Seconded: Cr Ann Court

That the Council:

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- a. approves the proposal for an amended Class 4 Gaming and TAB Venue Policy in Attachment 1 to be released for public consultation to meet the requirements of section 102 of the Gambling Act 2003 and section 97 of the Racing Industry Act 2020
- b. approves the period for making written submissions on the statement of proposal in attachment 1 be from 15 February 2023 to 15 March 2023
- c. approves Council will hear any people wanting to present their submissions orally on 6 April 2023 and agrees to delegate, to the Mayor, the power to change the date of the oral presentations of submissions
- d. directs Council staff to make all necessary logistical arrangements for people to be heard, on 6 April 2023, either in person in the council Chambers or online via Microsoft Teams.

CARRIED

7.8 PARKING BYLAW - RECOMMENDATIONS FOR MAKING AMENDMENTS

Agenda item 7.8 document number A4031936, pages 93 - 98 refers.

RESOLUTION 2023/10

Moved: Kahika - Mayor Moko Tepania

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Council:

- a. approve, the recommendations in the staff report on amendments to the Parking Bylaw in attachment 1 that no changes are made in response to submissions.
- b. amend schedule 1, Clause 7, to Include Wendywood Lane to the Parking Bylaw - the east side of Wendywood Lane from the intersection with Stella Drive to the cul-de-sac.
- c. amend the Parking Bylaw under section 22AB of the Land Transport Act 1998.

CARRIED

7.9 EASTER SUNDAY SHOP TRADING POLICY - RECOMMENDATIONS FOR MAKING A NEW POLICY

Agenda item 7.9 document number A4023210, pages 117 - 121 refers.

RESOLUTION 2023/11

Moved: Cr Ann Court

Seconded: Cr Tāmati Rākena

That the Council:

- a) agree to the recommendations in the staff report analysing the submissions that:
 - i) the word “shop” is replaced with “Shop” throughout the Policy;
 - ii) in the definition of the word “Shop”, the words “shop in section 2 of” is added after “the same meaning as in”;
 - iii) the definition of “Shop employee” is deleted;
 - iv) in the ‘Application’ section of the policy, the words “legislative provisions” are replaced with “legislative instruments” and the words “licensing provisions” are replaced with “licensing laws”;
 - v) in the ‘Legislative Context’ section, the date of the Supply of Alcohol Act is changed from “2021” to “2012”.

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- b) under section 5A of the 'Shop Trading Hours Act 1990', adopt the Easter Sunday Shop Trading Policy as per attachment 2;
- c) revoke the Easter Sunday Trading Policy 2017.

CARRIED

7.10 PARKS AND RESERVES BYLAW - RECOMMENDATIONS FOR MAKING A NEW BYLAW

Agenda item 7.10 document number A4023177, pages 138 - 142 refers.

RESOLUTION 2023/12

Moved: Cr Ann Court
Seconded: Cr Mate Radich

That Council:

- a. agree to staff recommendations in the analysis of submissions that:
 - i. in clause 10(3) and 10(4) of the proposed bylaw the line "This restriction does not apply to emergency services" is added.
 - ii. in clause 12, a new sub-clause is added 12(3) that says, "No person shall bring any dog on to any park or reserve or allow any dog in their custody or under their control to remain on any park or reserve that is specified in the Council's Dog Management Policy as parks or reserves where dogs are not permitted."
 - iii. the subclauses be renumbered correctly.
- b. make the Parks and Reserves Bylaw under Section 106 of the Reserves Act 1977 and Section 145 of the Local Government Act 2002
- c. note that, in accordance with section 108 of the Reserves Act 1977, the bylaw shall not have any force or effect until it is approved by the Minister of Conservation
- d. delegate to the Mayor the power to determine the commencement date of the bylaw, once approval has been received from the Minister of Conservation.

CARRIED

Note – members raised issue with signage on reserves to educate public regarding bylaws and the need for staff to check content and te reo translations for accuracy.

7.11 TEMPORARY ROAD CLOSURE - MANGONUI WATERFRONT FESTIVAL

Agenda item 7.11 document number A4042471, pages 162 - 163 refers.

Cr Court declared a perceived conflict of interest as the District licensing Committee Chairperson considering the event Liquor Licence and abstained from discussion and voting.

RESOLUTION 2023/13

Moved: Kōwhai - Deputy Mayor Kelly Stratford
Seconded: Cr Hilda Halkyard-Harawira

That Council approves the proposed temporary road closure to accommodate the safe operation of the Mangonui Waterfront Festival.

Abstained: Cr Ann Court

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CARRIED

7.12 TEMPORARY ROAD CLOSURE – BDO TOUR OF NORTHLAND

Agenda item 7.12 document number A4042482, pages 167 - 168 refers.

RESOLUTION 2023/14

Moved: Cr Ann Court

Seconded: Cr Hilda Halkyard-Harawira

That Council approves the proposed temporary road closure to accommodate the safe operation of the BDO Tour of Northland.

CARRIED

7.13 UPDATE OF COUNCIL DELEGATIONS - RESOURCE MANAGEMENT ACT 1991

Agenda item 7.13 document number A4045985, pages 173 - 176 refers.

RESOLUTION 2023/15

Moved: Kahika - Mayor Moko Tepania

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Council approve the instruments of delegation as attached:

- a. Resource Management Act 1991**
- b. Appointment of Commissioners**

CARRIED

7.14 DRAFT TRIENNIAL AGREEMENT (2022-2025)

Agenda item 7.14 document number A4062340, pages 194 - 197 refers.

RESOLUTION 2023/16

Moved: Kahika - Mayor Moko Tepania

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Council authorise the Mayor to sign the draft Triennial Agreement (2022-2025) as attached for signing on behalf of Far North District Council at the 20 February 2023 Mayoral Forum.

Note : With the correction of two trustees appointed by the Mayoral forum 4.3l Sport Northland Board of Trustees

CARRIED

7.15 DISTRICT LICENSING COMMITTEE APPOINTMENTS

Agenda item 7.15 document number A4053313, pages 207 - 212 refers.

RESOLUTION 2023/17

Moved: Cr Ann Court

Seconded: Kahika - Mayor Moko Tepania

That Council:

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- a) appoints a second DLC Committee for the district.
- b) appoint Murray Clearwater as Chair of a second District Licensing Committee as a Commissioner.
- c) may appoint two new Elected Members as Deputy Chairs of the two District Licensing Committees.
- d) remove Councillor Foy as a member of the DLC Committee
- e) Appoint Kōwhai – Deputy Mayor Kelly Stratford as a member of the DLC committee.

Abstained: Cr Kelly Stratford

CARRIED

At 12:54 pm, Kōwhai - Deputy Mayor Kelly Stratford left the meeting.

8 INFORMATION REPORTS

8.1 COUNCIL ACTION SHEET UPDATE FEBRUARY 2023

Agenda item 8.1 document number A4045006, pages 215 - 215 refers

RESOLUTION 2023/18

Moved: Cr Tāmati Rākena

Seconded: Cr John Vujcich

That Council receive the report Action Sheet Update February 2023.

Note: Staff to follow up on Ngakahu decision and why it has been excluded from the action sheet

CARRIED

At 1:00 pm, Kōwhai - Deputy Mayor Kelly Stratford returned to the meeting.

9 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2023/19

Moved: Kahika - Mayor Moko Tepania

Seconded: Cr Tāmati Rākena

That the public be excluded from the following parts of the proceedings of this meeting.

And that Community Board Chairperson's Adele Gardner, Chicky Rudkin, Belinda Ward and Te Reo Māori Interpreter Kawiti Waetford

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Confirmation of Previous Minutes - Public	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the

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Excluded	<p>persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
9.2 - Credit Rating Assessment	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
9.3 - Renewal of Revolving Cash Facility	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

CARRIED

At the conclusion of the public excluded session Council confirmed the decisions contained in the part of the meeting held with public excluded be restated in public meeting as follows:

Confirmation of Previous Minutes

That Council confirm the minutes of the Council meeting held 15 December and 20 December 2022 with the public excluded, as a true and correct record.

Credit Rating Assessment

That Council approves Bancorp Treasury Services to assess Far North District Council's credit rating using a Fitch Ratings methodology.

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Renewal of Revolving Cash Facility

That Council:

- a) approve 2-year extension of the revolving cash facility with the ASB Bank to December 2024;
- b) approve that the value of the facility remain at \$20 million.

At 1:15 pm, Cr Mate Radich left the meeting.

10 REPORTS (CONTINUED)

10.1 PROCUREMENT PLAN AND CONTRACT AWARD > \$1M - FNDC CONTRACT 7/23/185 – FNDC FOOTPATH PROJECTS SUITE 03

Agenda item 7.6 document number a4053347, pages 66 - 69 refers.

RESOLUTION 2023/20

Moved: Cr Ann Court

Seconded: Cr John Vujcich

That Council uplift the Procurement plan and contract award . \$1M – FNDC Contact 7/23/185 – FNDC footpath projects suite 03 Report.

And that Council

- a) acknowledge the approved NTA Procurement Proposal, and,
- b) delegate authority to the FNDC Chief Executive Officer (CEO) to award Contract 7/23/185 - FNDC Footpath Projects Suite 3 to a maximum contract value of \$2,747,000.00 including contingency upon satisfactory conclusion of the Tender Evaluation phase, including:
 - ☐ Supplier Recommendation approval.
 - ☐ Contract Signing
 - ☐ Purchase Order approval

Against: Cr Steve McNally

Abstained: Cr Felicity Foy

CARRIED

10 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

Kahika Mayor Moko Tepania closed the meeting with a Karakia

12 MEETING CLOSE

The meeting closed at 1.38 pm.

The minutes of this meeting will be confirmed at the Ordinary Council Meeting held on 9 March 2023.

.....
CHAIRPERSON

6 REPORTS

6.1 ADOPTION OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

File Number: A4104744

Author: Julia Lee, Senior Financial Accountant

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To adopt the Annual Report for the year ended 30 June 2022.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- The Office of the Auditor General replaced the auditor for Council on 19 August 2022, assigning the audit to Deloitte.
- The Annual Report for the year ended 30 June 2022 has been prepared and has been audited by Deloitte Limited.
- The onsite audit was completed by 25 November 2022, but work continued offsite and verbal clearance was pending at the time of this agenda going to print.
- Deloitte have, like all other auditors, had resourcing issues and this has led to a delay in finalising the audit process.
- Council is therefore in breach of the requirements of the Local Government Act 2002, as amended by COVID-19 rules, as the Annual Report has not been adopted by 31 December 2022.
- The breach is technical only and will not result in a qualified opinion.

TŪTOHUNGA / RECOMMENDATION

That Council:

- a) adopt the Annual Report for the year ended 30 June 2022;**
- b) agree that the Group Manager Corporate Services is authorised to make any grammatical changes that may be required.**

1) TĀHUHU KŌRERO / BACKGROUND

The Local Government Act 2002 (LGA) requires Council to prepare an Annual Report within 4 months of the financial year end. Central Government approved an extension to that deadline to 31 December 2022 because of COVID-19, which impacted the recruitment of auditors available to complete audit work. As a result, we were appointed a new auditor, Deloitte Limited, by the Office of the Auditor General on 19 August 2022, after the audit had commenced with Audit New Zealand, our previous auditor. This has resulted in a lengthy audit as Deloitte familiarised themselves with our systems, chart of accounts and reports. Unfortunately, due to resourcing constraints, Deloitte were not able to complete the audit within the December 2022 timeframe and Council is now in breach of the requirements of the LGA.

This is a technical breach and does not affect the outcome of the audit or trigger a qualified opinion.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The Annual Report has been audited but Deloitte Limited are yet to issue the audit opinion. For this reason, the final report will be issued under separate cover.

Take Tūtohunga / Reason for the recommendation

Council is required by the Local Government Act 2002 to adopt the Annual Report as soon as possible, as Council is in breach of the 31 December 2022 requirement.

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

There are no financial implications arising from this report.

ĀPITIHINGA / ATTACHMENTS

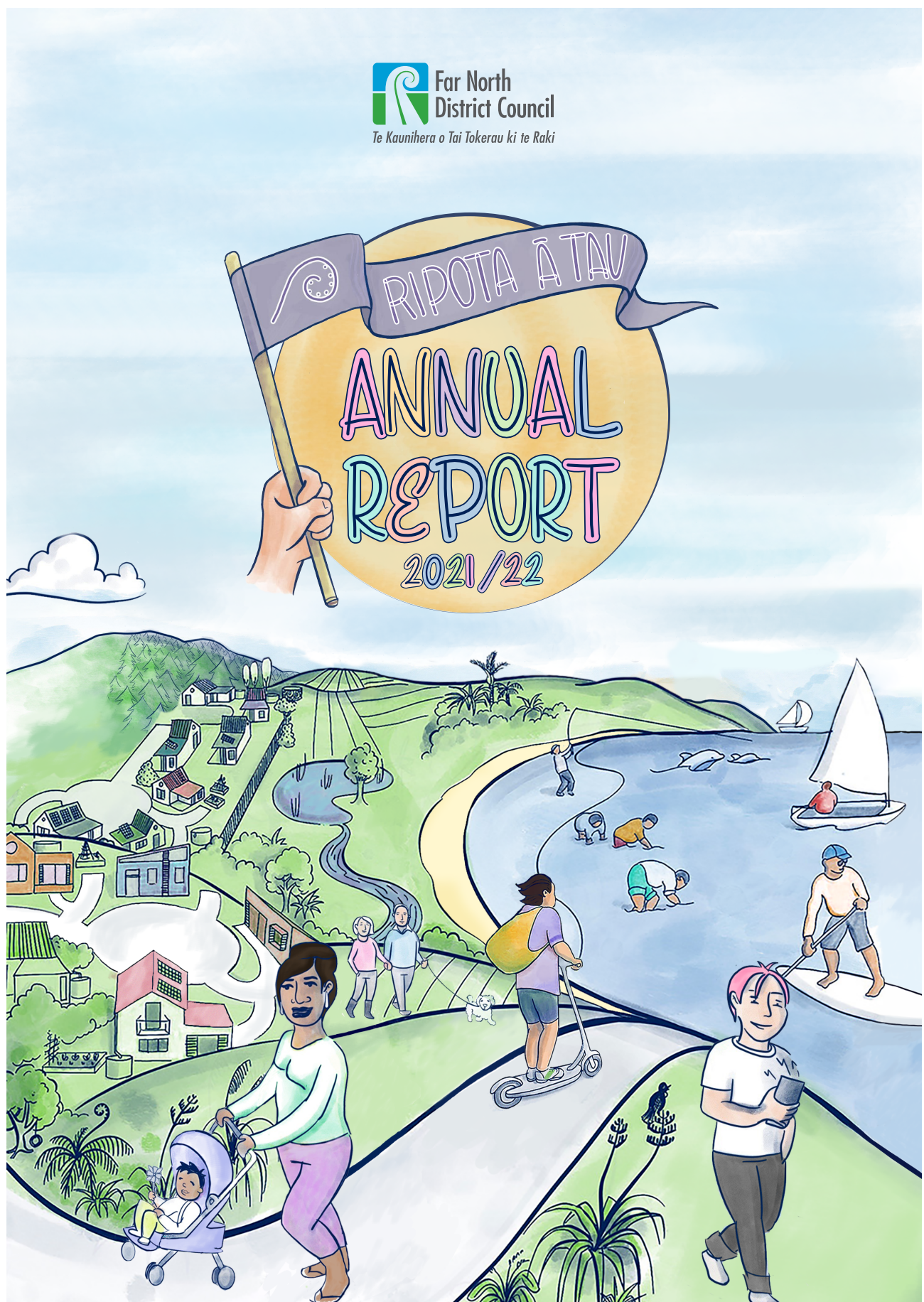
1. **DRAFT Annual Report - A4113340** [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

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.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	Low
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 part 6, sub part 2 s98 and Schedule 10
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.	Not applicable
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. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	Not applicable
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).	Not applicable
State the financial implications and where budgetary provisions have been made to support this decision.	None
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.



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Adopted XX XX 2023

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He aha kei roto i tenei tuhinga What is in this document?

The purpose of the Annual Report is to look at the council's accomplishments in the financial year from 1 July 2021 to 30 June 2022. The Annual Report advises the Far North community of the council's financial and non-financial performance during the financial year, including what we achieved, how well we delivered our services, the costs and how they were paid for.

This report shows the council's performance in year one of the Long Term Plan (LTP) 2021-31. It outlines the targets set and performance results and our key achievements for the year.

The Annual Report is laid out as follows:

Introduction

This is a high level review of our political and organisation structures with a financial and service performance overview.

The council's activities

This section outlines the key achievements of each activity group and details the performance for the year based on targets set through the LTP 2021-31 including a report on the council controlled trading organisation – Far North Holdings Limited (FNHL) – and a report on the associate recognised by Council – Northland Inc (NI).

Financial performance

In this section are the council's detailed financial statements, and the Audit report.

Tikanga kōrero whaitake **Statement of compliance and responsibility** for the year ended 30 June 2022

Compliance

The council and management of the Far North District Council are responsible for preparing this report and financial statements and confirm that all statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with.

In our view this Annual Report fairly reflects the financial position, performance outcomes and operating results of the council and its subsidiaries for the year ended 30 June 2022.

Responsibility

The council and management of the Far North District Council accept responsibility for the preparation of the annual financial statements and the Statement of Service Performance and the judgements used in them.

The council and management of the Far North District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the council and the management of the Far North District Council, the annual financial statements and statements of service performance for the year ended 30 June 2022 fairly reflect the financial position, performance and operations of the Far North District Council and Group.

Moko Tepania
Mayor
XX 2023

Jill Coyle
Chief Executive Officer (Acting)
XX 2023

Ngā karere o te Koromatua me te Kaiwhakahaere Matua Message from the Mayor and Chief Executive Officer

Kia ora koutou

Welcome to the Far North District Council's Annual Report 2021/22. This is where we look back on our achievements on behalf of ratepayers over the past financial year.

The financial year began positively in July 2021 with news that State Highway 1 at Mangamuka Gorge was reopening after being closed for almost a year following "a one-in-500-year storm event" the previous July. Kaitiāia, which had already been hit hard by COVID-19 pandemic restrictions, was significantly impacted by the isolation the highway closure caused. A little over a year later and the same stretch of State Highway is again closed indefinitely due to multiple slips caused by storms.

The COVID-19 pandemic continued to impact and disrupt our operations during the 2021-22 financial year, adding an extra layer of complexity to the delivery of many services. However, by delivering a suite of new online services, we largely achieved our goal of ensuring services continued to be provided to customers. For example, our online portal for dog registration renewals came online in July 2021 and library staff introduced a range of online resources, such as a click and collect services, so customers could pick up items without coming into the library. Despite those adaptations, some service centre and library services were reduced due to staff absences at the height of the COVID-19 Omicron wave early in 2022.

In response to challenges created by the pandemic, the Government provided significant funding to help deliver numerous economic recovery projects across the district. These were projects ratepayers could not have financed alone and will continue to benefit our district for many years to come. You can find out more about those projects in this report, but it is worth noting some of the key successes here.

A major extension to the waterfront boardwalk at Mangōnui was completed in May 2022. It includes a new jetty and pontoon providing water access for boating, fishing, and swimming. The project was funded through our Long-Term Plan and the government's COVID-19 Response and Recovery Fund.

We completed a new water source for Kaitiāia in June 2022. This can add up to 5000 cubic metres of extra water a day from two bores at Sweetwater near Awanui and will provide much-needed certainty to Kaitiāia households, businesses and industry.

Key sections of a \$3 million project to revitalise Kerikeri Domain were completed, adding a new skate park, full-sized basketball court, seating, drinking fountains and pathways. The final stage – a \$800,000 playground – has now also been completed.

Despite these and other successes, we were unable to deliver all that we promised for year one in our Long Term Plan 2021-31. The impacts of the COVID-19 pandemic, global supply chain disruptions, skilled worker shortages, plus uncertainty created by the February 2022 invasion of Ukraine, have all contributed to delays and increased costs. As a result, we have carried forward some infrastructure projects to the 2022/23 financial year. These are detailed more fully on page 12.

While the October 2022 local body election falls outside the timeframe of this report, we have been busy preparing for changes that the representation review we completed in 2021 will usher in. For the first time, electors will have the option of voting for four councillors standing in our new Māori ward, Ngā Tai o Tokerau. This will increase the total number of councillors from nine to 10. We produced our own video to promote the election and to inform residents about the new Māori ward and proportional voting system. In a first for us, and possibly for any New Zealand council, the election video was translated into Te Reo Māori and New Zealand Sign Language.

To complement introduction of the Māori ward and to boost iwi and hapū interests on decision making, we appointed five Māori representatives to our Infrastructure, Regulatory Compliance, Strategy & Policy, and Assurance, Risk and Finance committees in June 2022.

In December 2021, a new Chief Executive was appointed to lead council operations. Blair King, who was formally CEO of Tararua District Council, took up his new role in April 2022 and has focused on improving the council's service delivery. His aim is to more effectively deliver on the commitments made to councillors, ratepayers, business owners and contractors in the council's Long Term Plan.

Ngā mihi.

Moko Tepania
Mayor

Jill Coyle
Chief Executive Officer (Acting)

Ngā Manu Mātārae Civic Leadership

as at 30 June 2022



Hon John Carter
QSO
Mayor



Cr Ann Court
Deputy Mayor
Bay of Islands-
Whangaroa Ward



Cr Rachel Smith
Bay of Islands-
Whangaroa Ward



Cr David Clendon
Bay of Islands-
Whangaroa Ward



Cr Kelly Stratford
Bay of Islands-
Whangaroa Ward



Cr Moko Tepania
Kaikohe-Hokianga
Ward



Cr John Vujcich
Kaikohe-Hokianga
Ward



Cr David Collard
Te Hiku Ward



Cr Felicity Foy
Te Hiku Ward



Cr Mate Radich
Te Hiku Ward

Ngā Rāngai Hapori Community Boards

Bay of Islands - Whangaroa Ward

Belinda Ward (Chair)
Paihia

Lane Ayr
Kerikeri

Manuela Gmuer-Hornell
Russell-Ōpua

Dave Hookway
Kerikeri

Bruce Mills
Whangaroa

Frank Owen (Deputy Chair)
Kerikeri

Manuwai Wells
Kawakawa-Moerewa

Kaikohe - Hokianga Ward

Mike Edmonds (Chair)
Kaikohe

Laurie Byers
Kaikohe

Emma Davis (Deputy Chair)
North Hokianga

Louis Toorenburg
South Hokianga

Alan Hessel
South Hokianga

Kelly van Gaalen
Kaikohe

Te Hiku Ward

Adele Gardner (Chair)
Kaitāia

Darren Axe
North Cape

Jaqi Brown (Deputy Chair)
Kaitāia

Sheryl Bainbridge
Doubtless Bay

John Stewart
Kaitāia

Bill Subritzky
Whatuwhiwhi

Hononga rautaki Strategic linkages

Ngā Wāhanga e Whā o te Hauora • The Four Aspects of Wellbeing



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



Better asset management



Address affordability



Enable sustainable economic development



Adapt to climate change



Protect our water supply



Deepen our sense of place and connection

He Putanga Hapori • Our Community Outcomes



Proud, vibrant communities



Prosperous communities supported by a sustainable economy



Communities that are healthy, safe, connected and sustainable



Connected communities that are prepared for the unexpected



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

Te Mahi Tahī me te Māori Working with Māori

The Council recognises the special place of tangata whenua in the District and the important role Māori have to play in our decision-making processes. We have continued to build on existing relationships whilst also focusing on developing internal capacity and capability to drive a programme of cultural change.

Some of our highlights

- Councillor Tepania held and advanced the Te Ao Māori portfolio during the year, both with staff and elected members to advance strategic relationships with Māori; and advanced initiatives to drive cultural change within the organisation.
- In July 2022, Council made a resolution to have non-elected Māori representation on four of its standing committees. Ten applications were received with five applicants selected by council resolution on 14 July 2022 to join the Infrastructure; Regulatory Compliance; Strategy and Policy; and Assurance, Risk, and Finance committees for the remainder of this council term.
- Council made a decision to have Māori Representation at the Local Government elections in 2022. Which enabled Māori on the Māori Electoral Roll to elect Councillors to the Council decision-making table with full voting rights. The Māori ward, Ngā Tai o Tokerau, covers the entire district and comprises of four councillors representing voters on the Māori Electoral Roll.
- During the year, we continued to actively participate in Te Oneroa-a-Tōhē Board / 90 Mile Beach, a co-governance board (Te Hiku Iwi with Far North District Council and Northland Regional Council), established via Treaty Settlement to develop a Beach Management Plan.
- Council is currently working with Te Rūnanga Ā Iwi Ō Ngāpuhi in drafting and implementing a Mana Whakahono-ā-Rohe Memorandum set out in the Resource Management Act.
- Council has over the course of 2022 made dramatic steps by engaging at hapū level to form working groups on a number of council projects. This has proved extremely successful in providing a mana whenua perspective on a number of significant factors in the planning and implementation process that have previously not been given due regard.
- Council's Te Hono Department – whose role is to build internal capabilities and enhance mana whenua relationships, has supported the organisation to ensure timely and appropriate Māori participation in Council decisions and programmes of work. Te Hono is currently working on a number of Māori focussed internal policies and frameworks to enhance operational staffs' capacity to engage more effectively with mana whenua partners and communities.

Ā mātou pitopito mahi Our performance in brief

As outlined in the Long Term Plan (LTP) 2021-31, the aim was to achieve a balanced budget, ensuring that projected operating revenues are sufficient to meet the year's projected expenses. The rates increase was 3.4% reported in the LTP 2021-31 for Year 1.

The financial strategy in the LTP outlined the challenges the District faces, in particular water resilience, given that recent years had led to droughts and water shortages. We committed to delivering a capital works programme that included developing the Sweetwater borefield and pipeline and upgrading the Moerewa stormwater network, amongst many other projects.

After two years of COVID-19 lockdowns and restrictions, Aotearoa is now opening itself to the world and we are seeing a renewed sense of optimism in the Far North, especially within our tourism and hospitality sectors. While impacts of the pandemic will continue to challenge us, the Northland economy has emerged in better shape than predicted, with a high rate of employment and a booming construction sector, which can be seen in these achievements completed throughout the year:

- A new \$1.5million animal shelter was opened in Kaitiāia in July 2021, catering up to 20 dogs and has outdoor and indoor kennels, three exercise areas, separate quieter areas for elderly or more anxious dogs and quarantine, veterinary and storage facilities. It was built ahead of time and within budget.
- We are heavily involved in delivering sports infrastructure throughout our communities. Sports hubs are being developed in each of our three wards:
 - Initial construction is underway on the much-needed Te Puāwaitanga - Bay of Islands Sports Hub at Waipapa. It will provide facilities for rugby league, football, hockey, cricket, gymnastics, softball and croquet.
 - Rapid progress is being made on the community led Te Hiku Sports Hub and Aquatics Centre. It is scheduled to be opened in early 2023. It will provide new heated pools, physiotherapy quality hydrotherapy pool and toddlers water area, and multi sports facilities and fields, fitness gym, team changing rooms and function rooms to the local community.
 - In Kaikohe, we are poised to begin a \$12.5million upgrade to Lindvart Park. The project will turn our existing high-quality sports fields, courts and pavilion into a premier sporting facility. It will become a magnet for sports people and a focal point for the Kaikohe-Hokianga community.
- Two competition-grade pump tracks at Kaitiāia and Ahipara, and a new skate park and basketball court at Kerikeri Domain, opened in early 2022, all proving an instant hit for youth in both wards.
- The new 14km pipeline from Sweetwater, near Awanui, to the town of Kaitiāia was blessed at the end of June, which brought the project to its completion. When it becomes operational in the coming months, it will provide an additional 5,000 cubic metres of water per day, which will significantly boost the town's water resilience, having suffered six droughts in nine years.
- The new waterfront boardwalk at Mangonui is now complete. It includes a dual walking and cycling boardwalk, a 364 metre extension and a new jetty and pontoon. It was 5 years in the making, involving the Mangonui Waterfront Facilities Working Group, Kenana Marae, local iwi and the community.

However, despite these successes, we acknowledge that we have not delivered on all that we promised in year 1 of the LTP 2021-31. At the time of publication of the LTP, we recognised there would be economic disruption, and that the impacts of the COVID-19 pandemic would continue to add challenges. Global supply chain disruptions combined with a shortage of skilled workers across the country have fuelled high rates of inflation, as well as the day to day hit on productivity caused by high numbers of COVID-19 infections. Fuel charges have also increased as a result of global events which ultimately impact supply costs. Collectively, all of these have added substantial costs and delays to some of our infrastructure projects, putting us in an environment that is challenging our delivery programmes.

The result is a revised work programme for 2022/23 and beyond, that carries forward projects that were delayed this year. Here are a few examples of these delayed projects:

Project Name	LTP 2021-31 Year 1 (\$000s)	Retime/ Move to	Revised budget (\$000s)	Reason
Pou Herenga Tai (Twin Coast Cycle trail) Ōpua to Taumarere replacement	3,075	2024/25	Same	An alternative route had to be developed via Oromahoe and Whangae Roads due to design complexities and inflationary pressures on the construction costs of the original plan, which was for the cycle trail to run alongside the railway. Weather has impacted construction, and negotiations continue with landowners. The Project Manager is confident that progress can now be made.
Paihia maritime facilities, waterfront storm mitigation	12,551	Removed	Removed	Due to escalating construction costs, Council accepted advice to end the project. The project was to be jointly funded via MBIE and Council funds; the MBIE grant will not now be available and potential coastal projects across the District could use the Council's share.
Hihi WWTP upgrade	2,500	2024/25	2,500	The upgrade was initially delayed to allow greater engagement with the community and hapū groups. Through the course of that engagement, a different approach to the plant upgrade was proposed with the first stage to be the replacement of an at-risk tank. That replacement is planned to occur during 2022/23, with the remainder of the project to be designed in parallel to this activity.
Lindvart Park pavilion, Kaikohe	8,925	2022/23	8,075	Delays to the design phase and building consents have delayed the project start, with work due to commence September 2022 following the dawn blessing that was held on 8 June 2022.
Te Haumi Beach seawall and carpark renewals	470	2022/23	2,500	There needs to be significant engagement with the community, iwi and hapū before work can commence on this project.
Stormwater improvements, Moerewa	1,006	2022/23	736	Retiming the Moerewa stormwater improvements to 2022/23 reflects the complex nature of ongoing engagement with an extensive range of stakeholders and the need to satisfy multiple legal requirements in order to develop a feasible solution. The proposed work has support from the community, iwi, Regional Council, KiwiRail and the Ministry of Education with data gathering for detailed design already underway.
District-wide sludge management equipment	2,905	Removed	Removed	Global supply issues will not enable us to take delivery of this equipment and use it in any meaningful fashion prior to 3-Waters Reform.
Southern animal shelter	953	2022/23	700	Delays due to weather, availability of materials and increase in materials costs have all combined to delay the project start. Works have now started.
Civil defence tsunami sirens	400	Unknown	2,500	Shipping delays due to the pandemic have forced the project to be carried over, but when exactly is not entirely known. This project will be delivered through a shared services arrangement with Northern Regional Council as lead.
Housing for the Elderly (HFTE), Kaikohe	474	2022/23	433	This project relates to the Ōmāpere site and the conversion of a heritage listed property to HFTE units. Construction is due to commence during 2022/23 due to the time required for design, heritage, structural and geotechnical works, with some delays being attributable to the effects of the pandemic.

Throughout the year, Council celebrated awards and achievements for:

- Kaitiāia winning Most Beautiful Small Town award. This was because of the public artworks and projects delivered by the community as part of the Te Hiku Open Place Revitalisation Project.
- The project also led to Council being awarded the LGFA Taituara Local Government Excellence Award, for its collaboration with the Kaitiāia Business Association, Te Hiku iwi, Te Hiku Community Board and the wider community.
- Our hybrid working model was named the country's Best Workplace Flexibility Program at the annual HRD Awards NZ, beating off AIA New Zealand and McDonald's Restaurants (NZ).

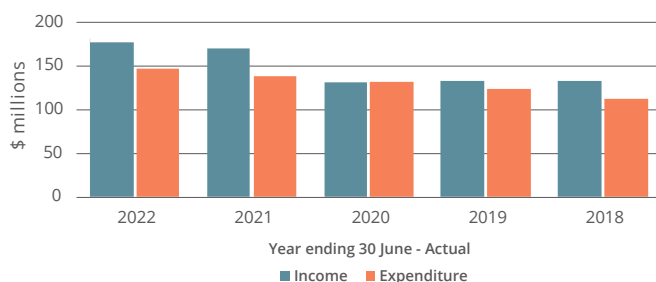
Financial overview

Our operational result for the 2021-22 financial year shows a net surplus of \$26.523m compared to a budgeted net surplus of \$44.392m.

Financial trends

	Budget	2022	2021	2020	2019	2018
Income	185	176	171	132	133	133
Expenditure	140	149	136	130	122	111
Surplus	45	27	35	2	11	22

Operational performance



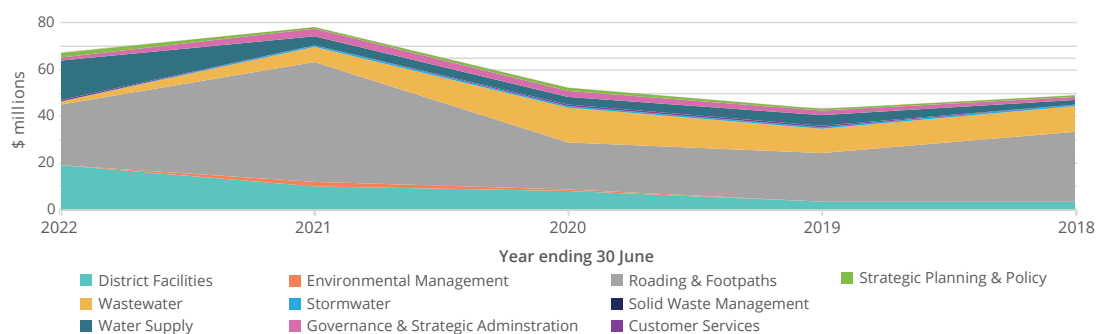
- The council ended the year with a strong cash position of \$13.3m (2021 \$5.4m) due to prudent cash management.
- Debt remained at a steady level of \$81.5m (2021 \$63.5m), including short term borrowings of \$10m (2021 \$22m).



Capital works programme

Capital expenditure of \$61.8m for the year was lower than expected reflecting rising inflation, disruptions to supply chains and the impact on productivity due to high numbers of COVID-19 infections.

	2022 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual	2018 Actual
Roading and Footpaths	43.28	24.06	47.66	18.54	19.14	27.64
Water Supply	11.57	15.65	3.47	2.98	4.24	1.62
Wastewater	13.05	1.21	5.61	13.45	9.20	9.69
Stormwater	3.67	0.34	0.94	1.00	1.07	0.77
Solid Waste Management	0.77	0.15	0.10	0.14	0.16	0.01
District Facilities	62.82	17.38	9.28	7.64	3.20	3.45
Customer Services	0.99	1.26	0.60	0.64	0.46	0.28
Environmental Management	0.98	0.14	1.61	0.70	0.28	0.02
Strategic Planning and Policy	-	0.06	-	-	-	-
Governance and Strategic Administration	3.41	1.55	3.01	2.85	1.98	1.60
Total	140.54	61.80	72.28	47.94	39.73	45.08



Non financial overview

The Council records a variety of key performance indicators (KPIs) to report our non-financial outcomes for Levels of Service. Individual KPIs for Levels of Service are reported by activity group within the Statement of Service Performance.

	Achieved	Not achieved	Not assessed
Roading and Footpaths	5	3	-
Water Supply	5	4	-
Wastewater	6	4	-
Stormwater	7	1	-
Solid Waste Management	2	2	-
District Facilities	4	4	-
Customer Service	1	2	-
i-SITES	1	2	-
Libraries	4	-	-
Museums	1	1	1
Environmental Management	4	5	-
Total	40	28	1

Outlook

In an ideal world, we should have maintained a steady course for year one of the current Long Term Plan (LTP). However, as we all know, the world has changed and the local government sector, like many others, is experiencing significant disruption. As explained already in Our Performance in Brief (pages 11-12), our capital programme was hugely affected this year by sharply rising inflation, unpredictable and unreliable supply chains, workforce availability within our supply networks and the day-to-day hit on productivity caused by high numbers of COVID-19 infections.

We expect that this will continue, with budgets being revised upwards to accommodate cost increases. To counteract this, a revised work programme has been set in place for 2022/23 where projects have been carried over from 2021/22, and with revised timeframes for planned work that we are unlikely to have sufficient capacity to deliver. Council may even have to consider postponing non-essential projects if supply chain issues don't resolve soon.

Despite these market uncertainties, our renewed focus is on delivery and quality, and addressing outstanding water and wastewater compliance issues and the impacts of increasing demands for services because of land development and population growth. Our intention is to deliver better service outcomes to our communities.

Three Waters Reform, launched by the Government in 2020, is a programme that rethinks the service delivery for water, wastewater and stormwater. Whilst we agree that Aotearoa needs to change the way three waters assets are operated, there is still uncertainty regarding representation and funding. The transfer of responsibilities to the new super water entities is due to occur in 2024/25, however what those changes will be is still uncertain whilst Government navigates the concerns of not only us but other councils around the country.

The ongoing Government inquiry into the future of local government continues, where the role and function of councils is under the spotlight, with an aim to deliver enhanced community wellbeing outcomes for our communities. This comes at the same time as an overhaul of the Resource Management Act that could result in regionalized arrangement for land-use planning and regulatory activities. It is still very much a "watch and wait" situation.







































Mahinga whakarato Statement of service provision

Community outcomes

The work and activities that the council provides are guided by community outcomes - the set of aspirations or goals that the community as a whole said were important to the District. Although each activity contributes in some way to these outcomes, this varies from high in some areas, to not significant in others.

In the table below are our group of activities and their alignment with our community outcomes.

What we do		How our community outcomes link to our activities				
Activity	Communities that are healthy, safe, connected and sustainable	Connected and engaged communities prepared for the unexpected	Proud, vibrant communities	Prosperous communities supported by a sustainable economy	A wisely managed and treasured environment that recognises the special role of tangata whenua as kaitiaki	We embrace and celebrate our unique culture and heritage and value it as a source of enduring pride
Roading and Footpaths						
Water Supply						
Wastewater						
Stormwater						
Solid Waste Management						
District Facilities						
Customer Services						
Environmental Management						
Strategic Planning and Policy						
Governance and Strategic Administration						

Service delivery

This details levels of service with associated performance measures and targets. Of these measures, some are obtained through surveying the community through a resident satisfaction survey or specifically targeting individuals, such as users of the libraries to gauge their satisfaction with council services.

Annual resident survey

Tauranga-based research company Key Research conduct on behalf of the Council to undertake a quarterly postal to online survey measuring the performance of the Far North District Council, together with quarterly reporting of progress. Data was collected over four periods from November-December 2021, January-February, March-April, May-June 2022. At an aggregate level the survey has an expected 95% confidence interval of (margin of error) $\pm 3.92\%$.

Summary dashboard

Annual resident survey result comparisons 2021 to 2022.

Service / facility / activity	2022 % very satisfied / satisfied	2021 % very satisfied / satisfied
Roads	25	38
Footpaths	30	42
Water supply	50	57
Wastewater	65	66
Stormwater	37	35
Refuse transfer stations	80	79
Community recycling stations	71	81
Cemeteries	83	90
Libraries	84	96
Public toilets	47	55
Parks and reserves	57	63
Coastal access	45	55
Carparking facilities	43	44
How the Council's animal management team manages dogs in the district	35	New
How the Council's animal management team manages livestock in the district	44	New
Community board awareness in your area	76	82
Informed about the District Plan (land use)	11	15
Aware of changes to the District Plan	11	20
Informed about what the council is doing (all residents)	16	25
Informed about what the council is doing (Māori respondents)	18	22
Overall performance of the council	26	25

Community wellbeing

Schedule 10, clause 23 (d) of LGA 2002 requires us to "describe any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural well-being of the community".

What are the four aspects of wellbeing?



Social

involves individuals, their families, whanau, iw/hapū and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms.



Economic

looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.



Environmental



















considers whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution.



Cultural

looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

Activity	S	E	E	C	Narrative
1 Rooding and Footpaths	●	●	●		Efforts were made to tackle the increasing road toll by trialling a WOF and rego ticketing officer to help ensure vehicles driven on our roads are safe. In this vein, speed reviews for the state highways in our region are still being considered and a roundabout and two-lane bridge is under construction north of Kāeo, both aimed at making the roads a safer environment to use. More than 40 roads were prioritised for upgrades, many of which are high volume tourist routes. These are renowned for dust and these upgrades will help improve air quality and water tank contamination.
2 Water Supply	●	●	●	●	The opening of the Kaitāia water project completed a project that now significantly boosts the town's water resilience, having suffered multiple droughts over the last decade. More clean water will be provided to our residents, businesses and industry in Kaitāia than ever before. Delays in reading water meters caused water bills to be issued for 12 months to Kerikeri residents at the beginning of the year, due to staff absences as a result of the pandemic.
3 Wastewater	●	●	●	●	Improvements to the wastewater treatment plants around the district are needed, to help sustain the local environment for which they service, and a working group has been established between Council and hapū. Reforms for three waters from central government continue, much needed investment is required to improve water quality, but Council has raised concerns regarding its representation in the new water entity and how the entity is to be funded.
4 Stormwater	●	●	●		Although there weren't any serious flooding events during the year, Council is actively working on improvements to Moerewa. Due to the project's complexity, this work will be ongoing into next year. Safety of residents was paramount when a track to a popular Kerikeri waterfall and watering hole had to be closed due to damage caused by erosion from stormwater.

Activity	S	E	E	C	Narrative
5 Solid Waste Management					Turning waste into a resource is the main focus of new initiatives at the Russell Landfill and Recycling Centre, with greater community involvement in recycling, waste education and sustainability opportunities. This is further enhanced with the introduction of smart bins across the district, which help eliminate overflow problems and reduce Council's carbon footprint by emptying them only when necessary, and the opening of a new recycling centre at Waitangi, making it easier for residents to recycle and reduces waste going to landfill.
6 District Facilities					Council-owned pensioner housing has been upgraded throughout the year, with improved heating and ventilation, making them warmer and healthier for residents. Our younger residents were the main focus behind new pump tracks and playgrounds that opened throughout the year at Awanui, Ahipara, Kerikeri and Kaikohe, bringing communities together not just in enjoying them but also by being involved with the construction and installation.
7 Customer Services					Contactless technology was installed across the Far North libraries, making the library experience much easier, less time-consuming and enjoyable for residents. In addition to this, more Council services are available online than ever before - tracking RFS, payments, rates information, consent applications, park/open space bookings to name but a few.
8 Environmental Management					With a new electric vehicle charging station installed at Paihia, massive benefits to the environment, economy and social wellbeings can be leveraged. A new animal shelter was opened in Kaitiāia, providing quarantining facilities, exercise areas and veterinary facilities, preventing the spread of parvovirus. And the nation's first region-wide climate adaptation strategy was adopted by the three Northland district councils and Northland Regional Council, a joint Council working group established to align climate adaptive change across Northland.
9 Strategic Planning and Policy					Following the adoption of Māori wards in May 2021, a new Māori ward has been added to the district, Nga Tai o Tokerau, which was approved by the Local Government Commission. The proposed Far North District Plan has now progressed to the next stage in its 10 year review, with the public invited to make their submissions.
10 Governance and Strategic Administration					Following on from the success of the hybrid working model from previous years, it has now become common place for elected members to attend council meetings remotely. Despite business interruptions with the pandemic and staff absences, council meetings can still forge ahead. This in itself has led to more community funding being made available by elected members for community projects. This year of course the local elections are being held in October and a major campaign was launched in June promoting these. Video was chosen as the best way to inform the widest possible audience about them and to convey the changes, namely more councillors, a new voting system and most importantly a new Māori ward.

Ngā rori me ngā ara hikoi • Roothing and Footpaths

The roading network is vital infrastructure for connecting our communities and ensuring safe access to the places that make visiting and living in the Far North an enjoyable experience. A core function of Council is the maintenance and management of the local roading network (excluding state highways which remain the responsibility of the Waka Kotahi NZ Transport Agency). This includes street lighting and signage.

A well-planned, safe, and integrated network for walking and cycling contributes to our communities' quality of life. As part of this activity we also maintain the network of footpaths and walking and cycling amenities, and as our communities grow and needs change we monitor the need for new, safe walking and cycling facilities.

Key facts

- 2,509.1 km of roads (902.7 km sealed and 1,606.4 km unsealed)
- 725 bridges
- 1,004 retaining and seawalls
- 1,847 streetlights
- 1 vehicular ferry 'Kohu Ra Tuarua' used on the Hokianga Harbour
- 7 inactive quarries
- 226.3 km of footpaths
- 87 km of Twin Coast Cycle Trail 'Pou Herenga Tai'



How we performed Level of service

1.1 To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards.

Performance measure

1.1.1 The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
30 total 4 fatalities	31 total 5 fatal	No increase	36 total 6 fatal	Not achieved
26 serious injury crashes	26 serious injury crashes		30 serious injury crashes	
Actual increase in serious injuries and fatalities is 6	Actual increase in serious injuries and fatalities is 1		Actual increase in serious injuries and fatalities is 6	

Narrative

There has been an increase of 6 serious injury/fatal crashes for this financial year. The Roothing Alliance team are continuing to investigate improvements to reduce the number of serious injury/fatal crashes on our network, including promoting safe driver behaviour and speed management.

Performance measure

1.1.2 The average quality of ride on a sealed local road network, measured by smooth travel exposure.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
94%	94%	>88%	93%	Achieved

Performance measure

1.1.3 The percentage of the sealed local road network that is resurfaced.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
5.7%	8.3%	>6%	6.5%	Achieved

Narrative

The planned programmed reseals were completed throughout the district based with available budgets.

Performance measure

1.1.4 The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the LTP. Emergency / public safety: within three hours Urgent: within seven days Non-urgent: within 14 days.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
93.60%	87.1%	≥95%	90.7%	Not achieved

Narrative

The Roothing Alliance team have been very busy with the number of requests for service (RFS) that have been lodged in this financial year. There have been delays in staff being able to do site visits due to the COVID-19 alert levels changing in Northland throughout the year. The Roothing Alliance team have been encouraged to be onsite or to call the customer before the due date to resolve RFS' in a timely manner.

Performance measure

1.1.5 The maintenance of the roads meets the council level of service targets as specified in our roading maintenance contracts

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
99.7%	98.4%	>85%	84.2%	Not achieved

Narrative

Six specific KPMs (Key Performance Measures) are taken from the Contract Performance Matrix to report on this LTP measure. The annual result is calculated based on the average of a 12 month period and averaged across contracts for a Network performance result. The six KPMs include: Monthly programme approval 20th of each month (Pass/fail target 100%), sealed inspection achievement (target 95%), unsealed inspection achievement (target 95%), drainage inspection achievement (100% of cumulative target), routine response time (target 95%) and approved ordered works (target 90%).

Performance measure

1.1.6 The percentage of the sealed local road network that is rehabilitated

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New Measure	New Measure	0.5%	0.5%	Achieved

Narrative

Rehabilitation sites were completed during the roading construction period from October 2021 to April 2022. Oruru Road, Taipā rehabilitation sites 1 and 2, and Kings Road Paihia rehabilitation sites were completed in the third quarter (January – March 2022). Waimatenui/Mataraua Road, Kaikohe rehabilitation sites 1 and 2 as well as Waikare Road, Waikare rehabilitation site were completed during quarter four (April – June 2022).

Performance measure

1.1.7 The Hokianga Ferry Service will run in accordance with advertised timetable.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
99.4%	96.8%	≥95%	97.0%	Achieved

Narrative

This target has been achieved consistently throughout the year due to embedded operational processes being followed. Peak season (December through to February) was not as busy this year due to border restrictions caused by COVID-19 creating a drop in tourism throughout the country. There were an increased number of late sailings in the final quarter, this was due to an increase in ambulance / emergency use of the ferry causing disruption to the scheduled departure times.

Level of service

1.2 To maintain the District's footpath network and infrastructure to high standards.

Performance measure

1.2.1 The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or LTP).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
99.4%	97.0%	>90% in fair or better condition	97.1%	Achieved

Narrative

Although the measurement for this target is still the same as previous years, the target is now reported as one percentage for fair or better condition. Fair or better condition is calculated from Grade1 - Grade 3. Grade 1 (very good) - Grade 5 (very poor). Grade 1 - 44.08%, Grade 2 - 34.86%, Grade 3 - 18.20%, Grade 4 - 2.54%, Grade 5 - 0.32%.

Ngā wai tuku • Water Supply

Safe drinking water is essential to the health and wellbeing of our communities. Council is responsible for the treatment and distribution of water through our reticulated water schemes. We also install and read water meters to make sure you are billed for the correct usage. A vital function is ensuring firefighting performance standards are met in urban water supply areas. We also provide new water connections with areas of benefit and supply commercial water operators who deliver to private water tanks.

In the past few years, we have struggled to supply enough water in some locations due to extremely dry weather. As a result, several initiatives have been included in our work programme, including bore upgrades and increased water conservation messaging and education.

To boost our ability to store water, Council has confirmed a partnership with Te Tai Tokerau Water Trust which is building a mid-North water storage reservoir and delivery system that will ensure that Council has access to water supply during dry weather.

Key facts

- 8 potable (drinkable) water schemes that incorporate:
 - 1 non-potable supply areas
 - 9 water treatment plants
- Water is sourced from:
 - 2 dams
 - 5 bore fields
 - 7 stream intakes
 - 26 reservoirs sites
- 362 km of water mains
- 16 booster pump stations
- 11,478 properties are connected to Council water systems
- All schemes have universal water metering.



How we performed Level of service

2.1 To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.

Performance measure

2.1.1 The extent to which the local authority's drinking water supply complies with:
a. Part 4 of the drinking-water standards (bacteria compliance criteria).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
All schemes compliant	All schemes compliant	Each scheme continuously meets the required standards for drinking water	Tarairie Hills	Not achieved
			Monument Hill	Achieved
			Kaitiāia	Not achieved
			Kawakawa	Not achieved
			Kerikeri	Not achieved
			Ōkaihou	Not achieved
			Ōmanaia	Not achieved
			Ōpononi / Ōmāpere	Not achieved
			Paihia	Achieved

b. Part 5 of the drinking-water standards (protozoal compliance criteria).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
All schemes compliant	All schemes compliant	Each scheme continuously meets the required standards for drinking water	Tarairie Hills	Non-conform
			Monument Hill	Achieved
			Kaitiāia	Not achieved
			Kawakawa	Not achieved
			Kerikeri	Not achieved
			Ōkaihou	Not achieved
			Ōmanaia	Not achieved
			Ōpononi / Ōmāpere	Not achieved
			Paihia	Achieved

Narrative

The Ministry of Health no longer assess compliance with the drinking water standards. At the request of the OAG as an audit requirement, Council engaged an independent auditor to assess this compliance. The auditor concluded that while there are non-compliances across the district drinking water supplies, the likelihood of waterborne illness is low. Most of the plants employ multibarrier approaches that are good practice in water treatment. The recently developed Water Safety Plans have captured the required improvements in control, automation, reporting, and sampling to yield a higher level of compliance.

* Non-conforming refers to plants that exhibited a failure in documentation and reporting. This does not indicate a non-compliance event.

Performance measure

2.1.2 The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
25.0%	28.3%	<26%	28.0%	Not achieved

Narrative

The leak detection project commenced in our district this year resulting in successful identification and repairs being undertaken. Estimates were used from September to collect the nett metred data for water loss, this was due to COVID-19 causing staff illness and isolation requirements. The manual collection of these results was not restored until April.

Performance measure

2.1.3 Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:

- attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption
- attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and
- resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

Measure	2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
a.	0.95	0.91	< 2 hours	0.75	Achieved
b.	2.78	3.03	< 4 hours	4.89	Not achieved
c.	0.3	0.9	< 2 working days	0.65	Achieved
d.	0.8	0.9	< 3 working days	0.72	Achieved

Narrative

There have been resourcing and logistical impacts caused by COVID-19. It was a challenge attending to callouts in a timely manner, due to staff isolation requirements and illness. Median response time, however, is not reflective of actual time spent in the field. Ongoing training with staff is set to continue to improve these results for future months.

Performance measure

2.1.4 The total number of complaints received by the local authority about any of the following:

- drinking water clarity
- drinking water taste
- drinking water odour
- drinking water pressure or
- flow continuity of supply, and
- the local authority's response to any of these issues expressed per 1,000 connections to the local authority's networked reticulation system.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
78.1	69.6	< 100 complaints per 1,000	23.58	Achieved

Performance measure

2.1.5 The average consumption of drinking water per day per resident within the territorial authority district.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
310.78L	274L	≤ 350L / day / resident	268L	Achieved

Narrative

This is an informational indicator only.

Wai pakopako • Wastewater

The appropriate collection, treatment and disposal of wastewater are vital for the health and wellbeing of our communities and environment. Council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste from septic tanks in our district. We also provide new schemes and sewer connections where and when required. We also monitor the maintenance requirements of on-site sewage disposal systems and provide for facilities for the reception and treatment for on-site septage discharged by commercial operators. Wastewater assets consist of pipeline reticulation, pump stations, and treatment plants.

Key facts

- 17 communities serviced with wastewater schemes
- 15 wastewater treatment plants
- 445 km of sewer pipe
- 153 pumping stations
- 13,349 properties are connected to Council's systems.



How we performed Level of service

3.1 To provide reliable wastewater infrastructure, protecting the environment and community.

Performance measure

3.1.1 The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1,000 sewerage connections to that sewerage system.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
2.42	8.09	≤ 12 per 1,000 connections	5.25	Achieved

Performance measure

3.1.2 Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:

- abatement notices
- infringement notices
- enforcement orders, and
- convictions, received by the territorial authority in relation those resource consents.

Measure	2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
a.	1	2	2 or less	3	Not achieved
b.	1	2	1 or less	8	Not achieved
c.	0	0	0	0	Achieved
d.	0	0	0	0	Achieved

Narrative

- Three abatement notices were issued this year, one relating to Russell wastewater treatment plant and the other two relating to odour from pump stations.
- Of the eight infringement notices issued, one remains outstanding for the Russell wastewater treatment plant. This will be resolved on completion of the scheduled upgrades to this plant as stated in the LTP.

Performance measure

3.1.3 Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:

- attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (median attend time).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
1.1	1.13	2 hours	1.27	Achieved

- resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (median response time).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
3.16 hours	3.00	4 hours	1.38	Achieved

Performance measure

3.1.4 The total number of complaints received by the territorial authority about any of the following:

- a. sewage odour
- b. sewerage system faults
- c. sewerage system blockages, and
- d. the territorial authority's response to issues with its sewerage system, expressed per 1,000 connections to the territorial authority's sewerage system.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
22.5	27.10	≤ 50 per 1,000 connections	22.16	Achieved

Performance measure

3.1.5 Where the council attends to sewerage overflows resulting from a blockage or other fault in the council's sewerage system, the following response times are measured:

- a. Attendance.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
56.0%	64.03%	≥95% responded to within set timeframe	61.9%	Not achieved

- b. Resolution to prevent overflow.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
41.1%	77.8%	≥95% responded to within set timeframe	56.7%	Not achieved

Narrative

Longer response times for both attendance and resolution to prevent overflow in the first two quarters were due to staffing issues caused by COVID-19 illness and isolation requirements. This improved in the following two quarters, however, not enough to achieve the KPI for the full year.

Wai āwhā • Stormwater

Our stormwater system drains water away from public and private property to reduce potential harm to property, the environment and our communities. This is especially important in urban areas, particularly following heavy rain.

Council manages and maintains stormwater assets, such as pipeline reticulation, open channels, retention dams and floodgates. Council also assists the Northland Regional Council with some land drainage schemes.

Key facts

- 137 km of pipes
- 39 km of lined and unlined channels
- 3,080 manholes
- 23 basins and ponds
- 66 floodgates
- 1,842 inlets and outlets
- 1 pump station.



How we performed Level of service

4.1 To enable sustainable development through urban stormwater infrastructure.

Performance measure

4.1.1 a. The number of flooding events that occur in a territorial authority district

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
0	1	1 or less	0	Achieved

b. For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the territorial authority's stormwater system).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
No events	0.19 per 1,000	0	No events	Achieved

Narrative

There were no flooding events / habitable floor floods recorded in this financial year. There have unfortunately been several garage flooding's which were likely preventable. Planned formalisation of a preventative maintenance programme will aim to reduce the likelihood of similar cases in the future.

Performance measure

4.1.2 Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:

- abatement notices,
- infringement notices,
- enforcement orders, and
- convictions, received by the territorial authority in relation those resource consents.

Measure	2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
a.	0	0	1 or less	0	Achieved
b.	0	0	0	0	Achieved
c.	0	0	0	0	Achieved
d.	0	0	0	0	Achieved

Performance measure

4.1.3 The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
No events	4 hours	≤ 48 hours	No events	Achieved

Narrative

There have been no compliance related issues or flooding events in this financial year.

Performance measure

4.1.4 The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
16.42	24.89	0 RFS per 1,000 properties	14.54	Not achieved

Narrative

Far North Waters (FNW) were impacted by a shortage in stormwater field staff (0 staff), however this was partially mitigated with support from their projects division. The area has been lucky to avoid several cyclones this season, which led to less requests / complaints than would usually be expected. Particularly in May and June. FNW have been thoroughly triaging requests to determine their true nature and the correct department for action accordingly. This has seen RFS / complaint numbers significantly lower than the average in previous years.

Mana Whakahaere Para • Solid Waste Management

Our disposal facilities across the district provide refuse and recycling services to protect the health of our communities and environment. Our responsibility is to manage refuse appropriately and to provide facilities that meet the needs and expectations of our communities. Council is required by legislation to have an operating Waste Management and Minimisation Plan (WMMP) designed to reduce the amount of refuse going to landfills while increasing the amount of refuse that is recycled. Our WMMP was adopted in 2017 and revised in 2021.

Key facts

- 16 refuse/recycling transfer stations
- 1 landfill at Russell
- 1 Resource Recovery Centre at Kaitiāia
- 11 community recycling centres



How we performed Level of service

5.1 To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling.

Performance measure

5.1.1 Percentage of waste from refuse transfer station that is recycled / reused.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
64.3%	60.8%	63%	58.8%	Not achieved

Narrative

There are three contracts that contribute to the overall % of waste diverted. The tonnages of materials handled under each contract varies considerably so they don't contribute equally to the overall result. The northern contract achieved an average diversion of 63.62%, while the southern contract achieved an average diversion of 58.76% and the Russell contract achieved an average diversion of 29.07%. Russell's reported tonnage has doubled since we have moved from estimated refuse tonnages to actual refuse tonnages. This improved accuracy has contributed to the apparent decrease in diversion at Russell compared to previous years.

Performance measure

5.1.2 All Refuse transfer stations are open to the public (no more than 30 minutes late once a year)

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
99.7%	99.98%	99.5%	99.70%	Achieved

Narrative

One new Community Recycling Centre was opened in Waitangi in conjunction with Te Tii Trust in January. There were two late openings in this financial year, one was due to staff being flooded in and the other was due to a misunderstanding of rostered start times.

Performance measure

5.1.3 Attending to RFS relating to illegal dumping. Offensive waste: pick up within 24 hours.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
100%	100%	95% within set timeframes	100%	Achieved

Standard waste: pick up within four days.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
91.1%	82.1%	95% within set timeframes	83.5%	Not achieved

Narrative

Late pickups were generally due to delays caused by not picking up illegal dumping over weekends or due to remote or large-scale dumps. Customer satisfaction scores for illegal dumping from Ask Nicely remain high.

Ngā whakaurunga o te rohe • District Facilities

Throughout the district there are many facilities managed by Council and made available for public use, such as playgrounds, parks and reserves, sports fields, public toilets, visitor destinations and town centres. These facilities contribute to the liveability of our communities, providing places and spaces for residents to connect and enjoy themselves and to enhance the visitor experience.

Facilities includes:

- Cemeteries
- Civic and community buildings
- Housing for the Elderly
- Recreation
- Town maintenance, public toilets and car parks



Cemeteries

The council provides our communities with special places to bury and remember their loved ones, managing and maintaining several cemeteries throughout the District, carrying out our duties for the public good where the service is not provided by others.

Key facts

- 11 cemeteries
- Support for 15 community-operated cemeteries

How we performed

Level of service

6.1 To ensure cemeteries are operated in a way that meets the community's needs.

Performance measure

6.1.1 All grave digging services are carried out respectfully, safe and the site is kept in a clean and tidy state.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
2	0	No more than 1 complaint received regarding our grave digging services	2	Not achieved
Narrative				
This year there have been two complaints. In the Kaikohe Cemetery a contractor missed an appointment to dig an ash plot in time for the funeral service. Cost for this was covered by the contractor and apologies sent to the family concerned. In the Kaitiāia Cemetery there was a complaint about a grave being dug that needing access across another grave which was not reinstated in a timely manner. Both complaints received have been investigated and in consultation with the contractors, are not expected to reoccur.				

Civic and Community Buildings

Community facilities provide places to meet, discuss, connect, and celebrate as a community. They are vital to the social and cultural wellbeing of our communities. We manage and maintain many buildings throughout the District, including community libraries and civic buildings to provide access to Council services. We support both the Turner Centre in Kerikeri and Te Ahu Centre in Kaitiāia. We also support Heritage Kaikohe and the Far North Regional Museum Trust so they are able to preserve and share our unique cultural history.

Key facts

- 3 Library buildings - Kerikeri, Kaikohe and Paihia
- 1 District office and archives and publications buildings in Kaikohe
- 19 community halls, 17 buildings and 1 grandstand

Level of service

6.2 To provide buildings for public recreation and leisure.

Performance measure

6.2.2 All civic and community buildings are safe for community use and meet all statutory legislation levels.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
All buildings compliant	All buildings compliant	All buildings have appropriate certificates including BWOFF for those that require them	All buildings compliant	Achieved

Narrative

During the first quarter there was no building warrant of fitness (BWOFF) at Pioneer House – Kaitiāia due to historical issues. Work was undertaken with Wormald and the Building Compliance team to meet statutory legislation. For the remainder of the year all Civic & Community buildings have remained compliant with statutory legislation.

Housing for the elderly

The elderly are valued members of our communities. Council currently provides affordable and safe housing to meet the needs of the pension-aged citizens with limited financial resources but has committed through the development of this LTP to investigate divesting the housing assets to one or more Community Housing Providers (CHPs) who are better resourced and

experienced in social housing. Our goal is to enable the provision of a higher level of service, but we will only divest if we can be sure that existing tenant arrangements are protected and that the number of units and level of service available will be maintained or increased over time.

Key facts

- 144 units in 12 locations

How we performed

Level of service

6.3 To provide housing for the elderly that is affordable, safe, well maintained, and strategically located.

Performance measure

6.3.1 Occupancy of available units.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
94.1%	91.1%	95%	89.0%	Not achieved

Narrative

Contractor availability has had an impact on the turn around time of vacant units. Three units in Oxford Street were unable to be let for a period due to structural issues, these have since been demolished. Lockdown in August saw a halt on interviews for units that were ready to be let. COVID-19 restrictions initially impacted the ability to perform interviews but new procedures have been put in place to conduct phone interviews for vacant units.

Performance measure

6.3.2 Percentage of faults responded within agreed timeframes: Emergency - 12 hours. Urgent - two days. Non-urgent - seven days.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
87.8%	75.7%	Emergency 100% Urgent 95% Non-urgent ≥85%	Emergency 100% Urgent 66.8% Non-urgent ≥67.8%	Not achieved

Narrative

Emergency response target was met due to contractor availability and readiness. Urgent and Non-urgent requests were not met due to COVID-19 isolation requirements and impacts to supply of materials.

Performance measure

6.3.3 Maintenance inspections on units carried out at least once a year.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	Year 1 baseline to be established and targets established	100%	Achieved

Narrative
This measure requires each unit to be inspected at least once a year - as the team carried out 6 monthly HFE inspections, 213 inspections were completed across the 144 units. This was despite COVID-19 lockdowns and restrictions, with most visits being made in person and a minority via telephone.

Recreation

Recreation facilities provide spaces for our communities to enjoy and contribute directly to their physical and social wellbeing. We maintain a diverse range of facilities, such as parks, sports fields, swimming pools and maritime facilities. We also fund Sport Northland to facilitate the Far North Sports awards and provide three community sports advisors (one in each ward) and provide grants to improve public access to Northland College and Whangaroa Community Pool. We lease motor camps to private operators at Russell, Tauranga Bay and Houhora Heads. The activities associated with these facilities, such as large swimming and sporting events are supported by Council.

Key facts

- 27 playgrounds, 3 skate parks and 2 pump tracks
- 167 ha of open spaces are mown to a variety of grades to support public use
- 31 netball courts in Kaitiāia, Kaikohe and Kerikeri as well as a number of single courts throughout the district
- 80 community leases that include sports clubs, grazing licenses, Kaikohe recreational airport and community spaces
- 25 boat ramps
- 18 jetties
- 18 pontoons
- 9 wharves
- 2 tidal grid

Town maintenance, public toilets and car parks

Our town centres require facilities and services to ensure they are tidy, safe and attractive for locals and visitors. Council undertakes maintenance in our town centres and manages car parks, lighting, public toilets and motor caravan dump stations of which all contributes to the liveability of our communities.

Key facts

- 68 public toilets at 48 locations
- 20 carparks in nine towns
- 21 towns provided with town maintenance
- Amenity lighting in 22 locations and 3 town centres

How we performed

Level of service

6.4 The council will provide well maintained and accessible public toilets in high use areas.

Performance measure

6.4.1 Increase the number of public toilets with disabled access per annum in line with facility renewal / upgrades.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
2	0	2	3	Achieved

Narrative
Three new toilets were installed in this financial year at Long Beach in Russell, Haruru Falls in Paihia and Centennial Park in Kaitiāia, all to accessible standard.

Performance measure

6.4.2 Ensure that public toilets are maintained to an acceptable standard as per contract.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
90.9%	111.8%	≥90%	90.9%	Achieved

Narrative

Toilet audits were carried out as required and any issues were dealt with in a timely manner.

6.5 The council will provide well maintained public carparks.

Performance measure

6.5.1 Provide accessibility upgrades within parks and reserves

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New Measure	2	2 per ward per annum	0	Not achieved

Narrative

A 3 year accessibility programme that provides accessibility ramps and carparks within parks and reserves was not undertaken during this financial year due to staff shortages. This work has been carried forward into the next financial year.

Wāhanga āwhina tangata • Customer Services

Connecting with our communities and providing excellent customer service is important to Council. Our customer service team is the first point of contact for people in our district and they deliver vital services, such as providing information, liaising with departments to support a request from the community, helping people to solve their council-related problems, and receiving and processing payments.

Key facts

- 6 Service Centres around the District and 1 contact centre
- Service Centres handled 25,562 face to face interactions
- Contact Centre took 68,006 phone calls and processed 13,774 emails per year



How we performed Level of service

7.1 The council provides the right services, in the right places, to the agreed standard.

Performance measure

7.1.1 Percentage of abandoned calls (Contact Centre).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
14.6%	19.2%	12%	15.7%	Not achieved

Narrative

Staff vacancies and a number of unplanned staff absences due to illness (including COVID-19) have impacted the overall result.

Performance measure

7.1.2 Service Centre users' satisfaction.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New rating measure	New rating measure	Year 1 Baseline and targets to be established	3.94	Achieved

Narrative

With a new customer experience programme we are unable to report in the same manner, and currently do not have a previous year comparison. The new programme rates from 1 to 5, with 5 being an excellent service provided. Service Centres give customers a handout which provides a link and a QR code to place feedback. This has resulted in a low response to date. The service centres are waiting for collateral to help with getting visitors to complete the Ask Nicely survey.

Performance measure

7.1.3 Percentage of customer enquiries resolved at first point of contact.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	65%	44.0%	Not achieved

Narrative

Staff absences due to illness (including COVID-19) have impacted the overall result of this new measure.

i-SITES

Visitors to our District often seek out advice about their travel arrangements. Our i-SITES have helpful local experts to provide an excellent visitor experience. Located in key visitor areas, our i-SITES are vitally important to the economic prosperity of our communities.

Key facts

- 3 i-SITES in the following locations:
 - Ōpononi
 - Kaitiāia
 - Paihia

How we performed Level of service

7.2 To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more.

Performance measure

7.2.1 Visitor bookings numbers through the information centres will show an increase each year.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
-14.6%	-18.7%	≥1% increase	-7.7%	Not achieved

Narrative

COVID-19 has again had an impact on visitor numbers and the closure of i-SITEs during October, however, we expect a steady increase in the next financial year due to the border restrictions lifting.

Performance measure

7.2.2 Increase net profit on retail sales by 1.5% per year (profit increase on previous year).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
-0.07%	8.80%	Retail sales net profit ≥1.0%	-24.4%	Not achieved

Narrative

Although visitor numbers were reduced due to COVID-19 alert level restrictions and retail sales were down as a result, retail in Hokianga and Kaitiāia have received good support from the community. New Zealanders visiting Paihia are less likely to purchase retail with all the other shops available.

Performance measure

7.2.3 Customer / visitor satisfaction.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New rating measure	New rating measure	Year 1 baseline	3.3%	Achieved

Narrative

With a new customer experience programme we are unable to report in the same manner, and currently do not have a previous year comparison. The new programme rates from 1 to 5, with 5 being an excellent service provided. The i-SITEs consistently perform well with visitor satisfaction. Publications are producing a business card that customers can take away with them to complete in order to increase the response numbers.

Libraries and Museum

Our libraries and museum provide leisure and lifelong learning opportunities that strengthen our communities. We maintain and manage several libraries for the benefit of our communities and support five community based libraries throughout the District. Our museum preserves our unique cultural history. Our libraries and museum provide free and open access to knowledge and information services to all residents and are a safe, neutral place where people can connect.

Key facts

- 6 libraries in the following locations:
 - Kāeo
 - Kaikohe
 - Kaitiāia
 - Kawakawa
 - Kerikeri
 - Paihia
- 1 museum at Te Ahu centre

**How we performed
Level of service**

7.3 To provide quality library services for the benefit of all in the community.

Performance measure

7.3.1 Customer / visitor satisfaction.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New rating measure	New rating measure	Year 1 baseline	3.9%	Achieved

Narrative

With a new customer experience programme we are unable to report in the same manner, and currently do not have a previous year comparison. The new programme rates from 1 to 5, with 5 being an excellent service provided. There has been a low response rate to the Ask Nicely surveys, this has created a quite varied response month to month.

Performance measure

7.3.2 Increase the percentage of online library service use.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
25.9%	91.2%	≥1% increase on previous year	50.9%	Achieved

Narrative

Online library use continues to be high as customers respond to an increased range of eResources.

Performance measure

7.3.3 Increase the total library membership as a percentage of the population of the District.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
41.6%	40.9%	Maintain / Increase	44.3%	Achieved

Narrative

An increase of 3.4% on membership relevant to the district population when compared against the 2020/21 result.

Performance measure

7.3.4 Increase in number of attendees at library events and programmes.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	Year 1 baseline	Average of 7 attendees per event	Achieved

Narrative

Year one of a new measurement. A baseline has been established of 583 library events held and 4310 attendees in total for the year with an average of 7 attendees per event. Program numbers were impacted by COVID-19 for the entire year.

Levels of service

7.4 To provide quality museum services for the benefit of all in the community.

Performance measure

7.4.1 Customer / visitor satisfaction.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	Year 1 baseline	No result	Not assessed

Narrative

No visitor satisfaction data was received for the museum this year as there was no engagement from customers on the Ask Nicely survey.

Performance measure

7.4.2 Increase in the number of visitors to the museum (door count).

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	Year 1 baseline	10,335	Achieved

Narrative

Visitor numbers reflect the year long impact of COVID-19 restrictions.

Performance measure

7.4.3 Increase in the number of research requests completed.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
New measure	New measure	Year 1 baseline	170	Achieved

Narrative

Research request numbers reflect the year long impact of COVID-19 restrictions.

Whakahaere Taiao • Environmental Management

Council has responsibilities under legislation to safeguard public health, safety, and welfare. Regulatory activities and responsibilities, such as consents, the enforcement of bylaws, and providing liquor licenses are undertaken for the benefit of our communities and to ensure that everyone can live in and enjoy our district



Animal Control

Animals, in particular livestock and dogs, play a significant role in the Far North lifestyle. Council understands the economic and social benefits of animals. The goal of our animal management team is to reduce the risk of potential negative impacts by encouraging responsible dog ownership and working with farmers to minimise wandering stock.

Key facts

- Promote responsible dog ownership and community safety across the district
- Monitoring and enforcing the Dog Control Act 1996 and

associated Dog Management bylaws and policies

- Responding to and investigating complaints (including dog rushes / attacks on people, domestic pets, stock and wildlife, barking nuisance, roaming, lost and found dogs)
- provide shelter services: impoundment, care for strays and reuniting dogs with their owners
- rehoming suitable dogs through adoption programs
- Patrol public areas, reserves, parks, beaches throughout the District.

How we performed

Level of service

8.1 To ensure animal related activities are managed in accordance with legislative requirements.

Performance measure

8.1.1 Respond to reported incidents by contacting the customer and arranging next steps within the following timeframes:
Urgent within two hours.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
94.3%	95.4%	≥93% within set timeframe	95.3%	Achieved

Non-urgent within 10 days.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
95.9%	94.6%	≥93% within set timeframe	96.5%	Achieved

Narrative

Animal Management continue to perform highly in response times. The number of RFS' received have remained constant. Despite an IT issue resulting in Animal Management not being able to shut down jobs, all customers were contacted and all jobs were actioned within timeframes.

Environmental Health

The safety and wellbeing of our communities, including our environment is one of the primary functions and responsibilities of council. We are accountable to our communities and have a number of obligations to primary legislation. The activities within this group are necessary to ensure we meet our obligations and the expectations of our communities.

Key facts

- Food business registration
- Provide food verification services
- Health nuisance
- Health licensing

How we performed

Level of service

8.2 To monitor food premises in accordance with the requirements of the Food Act, 2014.

Performance measure

8.2.1 Food Control Plan and National Programme audits completed as scheduled.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
74.6%	92.0%	≥95% of all food control plans and national programmes assessed	84.0%	Not achieved

Narrative

The high number of cancelled verifications in the first quarter were a result of COVID-19, verifiers were unable to do verifications during alert levels three and four, as per Ministry of Primary Industries guidelines. COVID-19 continued to impact throughout the year with many verifications being cancelled or rescheduled due to illness or isolation requirements.

Monitoring and Enforcement

We are responsible for safeguarding public safety, minimising environmental risk and protecting social and cultural interests as directed by primary legislation and our policies and bylaws. Our monitoring and enforcement team are responsible for the administration and enforcement of these obligations.

Key facts

The Monitoring Team is responsible for:

- District Plan breaches

- RMA breaches
- Bylaw breaches
- LGA breaches
- Removal of abandoned vehicles
- Parking enforcement
- Resource consent monitoring
- Bylaw permits
- Litter infringements
- Noise complaints

Level of service

8.3 To ensure compliance with the Resource Management Act with regard to noise pollution.

Performance measure

8.3.1 Respond to noise complaints within the following timeframes:

a) In urban areas: one hour.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
74.4%	77.9%	≥95% within set timeframe	75.6%	Not achieved

b) In rural areas: two hours.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
85.7%	81.1%	≥95% within set timeframe	86.7%	Not achieved

Narrative

Response times have been affected by Police resourcing when needing assistance to enter onto properties as well as the distance required to travel to some complaints. A review of the contract will provide recommendations on how the delivery of the service can be structured, providing clearer definitive areas for response times and include a coastal zone. At present these are not clearly defined, and some are not achievable from where bases are located.

District Licensing Committee

The District Licensing Committee (DLC) carries out our delegated authority under primary legislation for the responsible sale, supply, and consumption of alcohol, and to minimise alcohol-related harm in our District.

The DLC processes and issues liquor licenses and manager's certificates, and conducts related hearings as required.

Key facts

- Processes over 900 applications each year, including On and Off-Licenses, Temporary Authorities, Special Licenses, Club License and Manager's Certificate
- Hold hearings and make decision to grant or oppose licenses and certificates
- Carry out host responsibility inspections of licenses premises
- Report to the Alcohol and Regulatory Licensing Authority.

How we performed

Level of service

8.4 To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

Performance measure

8.4.1 All licensed premises are visited for Host Responsibility inspections at least once every four years.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
55.2%	100.0%	≥25% of premises visited annually	100.0%	Achieved

Resource Consent Management

A critical function of Council is enabling the sustainable use, development and protection of the natural and physical resources in our District. This is underpinned by the obligations imposed on us by the Resource Management Act 1991.

Key facts

- Processing a variety of consents and permit applications within statutory time frames:
 - Subdivision Consents
 - Land Use Consents
 - Combined Land Use and Subdivision Consents
 - Discharge consents under delegated authority from NRC
 - Combined land Use and Discharge Consents
 - Variation Consents for Land use, subdivision, removing or amending consent notices
- Consents under National Environmental Standards for contaminated soil, telecommunications and plantation forestry
- Certificates for subdivision completion 223 and 224
- Local Government Act (LGA) applications for earthworks and right of ways
- Outline plans, waivers, objections, s133A decisions and other (s221)
- Duty planner queries where planners provide advice and assistance around the rules and resource consent process
- Carry out post approval assessment and inspections for certificates under the RMA and LGA
- Approval of engineering plans, stormwater and wastewater Reports to meet compliance on consent notices.

How we performed

Level of service

8.5 To administer and enforce the Resource Management Act 1991, Building Act 2004 and Council's District Plan and Bylaws.

Performance measure

8.5.1 Respond to compliance incidents within 10 working days.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
74.5%	92.8%	≥93%	85.6%	Not achieved

Narrative

The high volume of applications in the latter half of 2021 coupled with staff vacancies and a reduction in capacity of consultants to process applications resulted in the team being unable to process applications in a timely manner.

Performance measure

8.5.2 Process applications made under the Resource Management Act 1991, within statutory timeframes.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
65.5%	90.4%	≥95%	57.8%	Not achieved

Narrative

The high volume of applications in the latter half of 2021 coupled with staff vacancies and a reduction in capacity of consultants to process applications resulted in the team being unable to process applications in a timely manner, this adversely affected the statutory time frames.

Building Consent Management

Safe and healthy buildings are vitally important to safe and healthy communities, and as such Council is bound by the Building Act 2004. The consenting, inspection and issuing of Code Compliance Certificates is the main activity by which Council contributes to the wellbeing of our communities. Other activities include enforcing primary legislation, dealing with water tight claims and ensuring safe swimming pools.

Key facts

- Processing applications
- Carry out site inspections
- Administer Building Warrant of Fitness certificates
- Inspection swimming pool fencing
- Respond to community needs during Civil Defence events
- Provide advice
- Issue notices and infringements

How we performed**Level of service**

8.6 To comply with current legislative requirements with regard to processing consent applications.

Performance measure

8.6.1 Food Control Plan and National Programme audits completed as scheduled.

2019/20 Result	2020/21 Result	2021/22 Target	2021/22 Result	Status
95.0%	99.4%	≥95%	99.6%	Achieved

Narrative

The Building Consent Authority has tracked well in terms of compliance, remaining above the 99th percentile consistently throughout the year. Consent numbers have been steady and despite impacts from COVID-19 the BCA was still able to achieve target.

Rautaki me ngā kaupapa here • Strategic Planning and Policy

Our District's future needs must be guided by a strategic vision and managed by a range of tools such as policies, bylaw and plans, many of which are statutory requirements. The core function of this group is to develop, implement and monitor these tools to allow for sustainable growth that enhances our district and enables prosperity across the District.



Strategic Planning

Our District is diverse, with many unique environments and communities. The role of Council is to collaborate with these communities to develop a plan for the sustainable growth and development of our district. Long Term and Annual plans, guided by our strategic vision, are central to aligning community goals and prioritising the many activities required in our District.

Key facts

- Develop strategies, bylaws, policies and actions that are governed by Central Government and affect our communities
- Support reviews required under the Local Government Act 2002
- Prepare Annual and Long Term Plans.

Corporate Planning and Community Development

Facilitating and supporting our communities' social, cultural and economic aspirations further enables their growth and prosperity. Activities in this area focus on include connecting our communities to opportunities and funding, thereby building the capabilities and skills of community groups and individuals.

Key facts

- Work with our communities, Māori, businesses, key stakeholders, other regional authorities, external agencies and organisations to develop sustainable practices

that will improve local economy

- Work with a range of agencies and education providers to assist access to job and training opportunities
- Support community initiated plans
- Develop long term plans
- Empower and support our communities
- Support events that promote the District
- Advocate on behalf of the District to Central Government and agencies and non-Government organisations
- Provide and administer community grants.

Māori Engagement, Relationships And Development (Te Hono)

Council acknowledges the principles and spirit of Te Tiriti, and seeks to work with Māori communities for the enhancement and benefit of those communities and the whole district. We support the aspirations of tangata whenua and are working to provide platforms for partnerships and opportunities for building capability and capacity within the community.

Key facts

- Support iwi / hapū management plans
- Want to develop a close working relationship with Māori
- Support the economic and social development of multiple owned Māori Freehold Land
- Support the development and relationship opportunities from Treaty Settlements.

District Planning

Sustainable management of our natural and physical resources through the regulation of land use and subdivision forms the foundation for our District Plan. The review, monitoring and administration of the Far North District Plan are essential to addressing resource management issues, providing a plan for the growth and development of our District.

Key facts

- The District Plan has been fully operative since 2009
- There have been 19 Council Plan changes and 3 Private Plan Changes
- The District Plan is under review and needs to give effect to new national planning directions including National Planning Standards, National Policy Statements and Regional Policy Statement.

Mana kāwanatanga • Governance and Strategic Administration

The elected representatives of the community that form the governance function of our council are provided with guidance and support on a daily basis, enabling them to and understand their legislative responsibilities and make informed decisions on behalf of our communities.

Key facts

- Oversees the election and by-election processes
- Produces agendas and minutes for Council, Community Board and Committee meetings



Ngā whakahaere i raro i te mana o te kaunihera Council controlled trading organisations

Far North Holdings Limited

Far North Holdings Limited (FNHL) is a Council Controlled Trading Organisation (CCTO) that manages assets and commercial trading on behalf of the council. The council receives an annual dividend as a return on its investment as FNHL's sole shareholder.

The council's Long Term Plan 2021-31 provides FNHL's key activities as:

- The provision of maritime, airport, property and carparking facilities
- The management of maritime and aviation assets under contract to the council
- Investment in any commercial opportunity that arises including any proposed by its shareholder.

Objectives

As the Far North District Council's commercial vehicle, FNHL will facilitate and create commercial and infrastructural assets in the Far North District, or if outside the Far North District, with the Shareholders approval, with the aim of creating profits for its Shareholder and creating shareholder value.

Three year work plan to deliver on strategic objectives

The table below shows the key capital projects and initiatives we plan to undertake in the 2022-25 SOI period to deliver on our strategic objectives. (Updated with status as at 30 June 2022).

Key Project / Initiative 1

Ngawha Innovation and Enterprise Park

To create commercial business opportunities to grow the economic and employment opportunities in Northland.

Project status at 30 June 2022

Stage 1 under development as planned.. Buildings under construction include NorthTec, Regent Training and Innovation Hub with completion planned December 2022/January 2023, and Kaikohe Berryfruit development completed Department of Corrections building in progress.

Key Project / Initiative 2

Community Housing Development

To create community housing developments supporting Northland.

Project status at 30 June 2022

Commercially viable and sustainable developments are underway, with the first development at Kamo Road, Whangarei completed and occupied from mid-May 2022. Kaikohe developments are progressing, with discussions in the advanced stages for developments in Kaitiāia and Dargaville.

Key Project / Initiative 3

Paihia Waterfront Development

To build breakwaters that will protect waterfront infrastructure.

Project status at 30 June 2022

Plans finalised and work tendered prior to project being put on hold due to forecast budget implications.

Key Project / Initiative 4**Rangitane Maritime Facilities**

On behalf of FNDC, develop new maritime facilities at Rangitane.w

Project status at 30 June 2022

This project remains on hold as there is ongoing FNDC review as to finalisation.

Key Project / Initiative 5**Kaitiāia Town Planning**

Work with Council and Community Board on a Master Planning exercise for Kaitiāia, which hopes to revitalise parts of the town.

Project status at 30 June 2022

Ongoing.

In addition to the above new capital projects, FNHL shall continue to review, maintain and re-invest in existing assets and operations to ensure maximum benefit to the Company, plus review on an ongoing basis other capital investment opportunities as they arise.

Performance measures**Financial performance results****Performance measure**

Engage in successful commercial transactions

Measure	Target 2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Growth in shareholders value	Shareholders' funds increase by \$955,000, after payment of dividend	Achieved \$17.3 million	Achieved \$10.9 million	Achieved \$1.12 million	Achieved \$9.5 million

Narrative

Significant uplift achieved, including revaluations of assets that received Provincial Growth Funding for capital improvements.

Performance measure

Provide a commercial return to FNDC

Measure	Target 2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Dividend returned to FNDC	Pay a minimum dividend of \$955,000	Not achieved Proposed \$160,000	Achieved	Not achieved	Not achieved

Narrative

As the dividend is below target, the Board is considering the declaration of a special dividend to provide FNDC the level of dividend anticipated. This may impact FNHL work proposed in the current financial year and would be subject to maintaining working capital and banking covenants, with the implications of paying a special dividend currently under consideration. Directors are aware of financial expectations from Council given current economic conditions and are working to maximise returns while maintaining business delivery and future growth.

Performance measure

Effective financial management

Measure	Target 2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Annual operating profit after tax to exceed \$500,000	Target \$1.9 million	Not achieved \$440,000	Achieved \$1,369,949	Achieved \$1,131,167	Achieved \$2,070,239

Narrative

Due to COVID-19 impacts, inflationary pressure, and rising interest rates, FNHL did not expect to meet the \$500,000 measure. However, domestic tourism was somewhat more resilient which partially offset the declines due to COVID-19.

Performance measure

Asset growth and development

Measure	Target	2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Capital expenditure	\$13.5 million		Achieved \$14.0 million	Achieved \$14.5 million	Achieved \$19 million	Achieved \$9 million

Narrative

Spend is due to obtaining Provincial Growth Funds and net of FNDC projects.

Performance measure

Ratio of consolidated shareholder funds to total assets

Measure	Target	2021/22	Actual 2021/22	2020/21	2019/20	2018/19
The ratio is to exceed 50%	50%		Achieved	Achieved	Achieved	Achieved

Narrative

Shareholder funds are defined as total equity.

Performance measure

To achieve a return on funds invested

Measure	Target	2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Return on investment is higher than the average cost of borrowing on its commercial assets	ROI 7.0% ACoB 4.5%		Not achieved ROI 2.8% ACoB 4.89%	Achieved ROI 9.7% ACoB 3.54%	Achieved ROI 12% ACoB 4.38%	Achieved ROI 8.63% ACoB 4.53%

Narrative

Current ROI reflects the reduced net profit for the year. As current projects are completed during 2022/23, rental incomes will commence with returns improving.

Performance measure

Effective governance and financial control

Measure	Target	2021/22	Actual 2021/22	2020/21	2019/20
Clean audit sign-off each year from Audit NZ	To achieve		Achieved	Achieved	Achieved
Annual Board review with appointed Audit NZ representative	To be held		Achieved	Achieved	Not undertaken
To remain within banking covenants	To achieve		Achieved	Achieved	Achieved
Board Audit and Finance committee meetings to be conducted semi-annually	To be held		Achieved	23 Sept 2020 22 January 2021 18 May 2021	25 Feb 2019

Council Controlled Organisation Initiatives

Performance measure

Ensure that the Bay of Islands Airport operates within regulatory requirements

Measure	Target	2021/22	Actual 2021/22	2020/21	2019/20
CAA Certificate	To achieve		Achieved	Achieved	Achieved

Performance measure

Enhancing the Far North as a visitor destination

Measure	Target 2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Complete a customer and airline industry survey that demonstrates satisfaction levels with facilities and services at either BOI or Kaitiāia Airports	85%	Not undertaken	Not undertaken	Not achieved	Not achieved

Narrative

A safety survey was undertaken with airport operators and initial feedback has been positive. Airport facilities survey has been delayed as COVID-19 has impacted on the consistency of travel due to lockdowns being imposed.

Performance measure

Enhancing and development a maritime economy

Measure	Target 2021/22	Actual 2021/22	2020/21	2019/20	2018/19
Complete a marina user or maritime services customer satisfaction survey that demonstrates satisfaction levels with facilities and services available	95%	95%	95%	95%	Winner of best international Marina South Pacific

Narrative

95% of respondents said that facilities and customer services were excellent, good or ok.

Northland Inc.

Northland Inc Limited, established in July 2012, is the region's economic development agency and regional tourism organisation. Prior to 1 July 2021, it was 100% owned by Northland Regional Council. Since 1 July 2021, it is equally and jointly owned by NRC, Kaipara District Council and Far North District Council (together referred to as the shareholder councils).

Northland Inc Limited is primarily funded by an operational contribution from its shareholder councils delivered through NRC's Investment and Growth Reserve (IGR). It is project funded through other public and private agencies, with central government being the next largest contributor. The organisation has a governance board of professional directors, each appointed by the shareholder councils. Operational activity is led by a chief executive officer.

Policies and objectives

The mission of Northland Inc Limited is to identify and focus on activities and relationships that will strengthen, diversify and grow the economy of Te Tai Tokerau Northland to help achieve equity and environmental sustainability. Six key pou are set out in the 2021-24 Statement of Intent as the organisational objectives.

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

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

Performance measures

Māori economic development

Measure	Target 2021/22	Actual 2021/22	Status
Number of engagements or established relationships with iwi/hapū groups and other Māori organisations, e.g., marae, land trusts, etc. that have led to a positive outcome	10	12	Achieved
Proportion of Māori organisations that are satisfied with Northland Inc support	>50%	78%	Achieved

Nature and scope of activities

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

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

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

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

Environmental sustainability

Measure	Target 2021/22	Actual 2021/22	Status
Number of workshops / events that help promote or support environmental sustainability values and culture in Te Tai Tokerau	4	4	Achieved
Proportion of businesses / projects that Northland Inc are supporting that have identified their environmental aspirations and complied with governmental regulations	80%	91%	Achieved
Change in carbon footprint of Northland Inc	Initial carbon footprint audit completed	Base line of 55,260 kg CO ₂ /year established	Achieved

Narrative

The Carbon Emission figure is at best indicative and was prepared internally within Northland Inc using the third-party Carbon Neutral Trust Calculator. The results for each emission category are heavily based on assumptions but with better data and collection processes, Northland Inc can reach better quality reporting and a more accurate carbon position.

Regional investment

Measure	Target 2021/22	Actual 2021/22	Status
Number of unique businesses assisted (reporting by TA and industry)	230	545	Achieved
Proportion of those businesses assisted that are Māori (by TA and industry)	20%	22%	Achieved
Number of inward delegations hosted	3	1	Not achieved
Client satisfaction with businesses assistance provided by Northland Inc as measured by Net Promotor Score	>50	100	Achieved
Value of grant funding and investment facilitated for Māori businesses	\$110,000	\$106,000	Not achieved
Number of high impact projects that are implemented (reporting by regional strategic sectors)	4	2	Not achieved

Narrative

There was one enabling investment project allocation made in 2021/22: \$80,000 to support the development of a regional economic development strategy. Four projects received project development funding totalling \$175,000. Travel restrictions put in place to control the spread of COVID-19 limited the ability of Northland Inc. to host inward investment delegations.

Destination management and marketing

Measure	Target 2021/22	Actual 2021/22	Status
Number of destination promotion campaign initiatives to generate national exposure to the region (reporting will include number of businesses that are engaged in the campaign)	1	4	Achieved
Number of workshops / events to promote product development and position Te Tai Tokerau Northland as a green tourism destination	Establish baseline	Baseline of 3 established	Achieved

Profile and advocacy of economic development

Measure	Target 2021/22	Actual 2021/22	Status
Number of regional economic development updates or reports released	4	4	Achieved
Number of media features that profile the region	12	20	Achieved
Number of media activity that references Northland Inc	24	77	Achieved



Statement of comprehensive revenue and expense

For the year ended 30 June 2022

	Note	Council			Group	
		Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s	Actual 2022 \$000s	Actual 2021 \$000s
Operations						
Revenue						
Rates revenue (excluding water by meter rates)	2	91,543	92,658	87,577	91,131	87,242
Fees, charges and water by meter rates	3a	18,826	17,518	19,683	18,673	19,554
Development and financial contributions		-	-	-	-	-
Subsidies and grants	3b	49,941	72,457	50,869	57,645	67,219
Other revenue (excluding dividends)	3	15,324	944	12,741	40,734	28,198
Dividends	3	209	1,300	256	70	256
Rental revenue from investment properties		-	-	-	4,548	4,441
Total revenue		175,843	184,878	171,127	212,801	206,911
Expenses						
Personnel costs	4	32,606	32,305	30,974	37,202	35,165
Depreciation and amortisation expense	14	36,956	37,569	34,122	38,186	35,266
Finance costs	6	2,499	2,282	2,174	4,097	3,394
Other expenses	5	77,259	68,329	68,707	84,832	75,197
Total expenses		149,320	140,486	135,977	164,317	149,022
Surplus / (deficit) before tax		26,523	44,392	35,149	48,484	57,888
Tax expense / (benefit)	7	-	-	-	178	76
Surplus / (deficit) after tax		26,523	44,392	35,149	48,306	57,812
Surplus / (deficit) attributable to:						
Far North District Council		26,523	44,392	35,149	48,306	57,812
Items that could be reclassified to surplus						
Financial assets at fair value through equity	24	3	-	3	(128)	6
Cash flow hedges	24	130	-	242	130	242
Items that will not be reclassified to surplus						
Gain / (loss) on asset revaluations	16/24	193,749	81,895	130,753	196,537	133,341
Movement to retained earnings		-	-	-	(13,596)	413
Share of associates other comprehensive income		-	-	-	265	-
Tax on revaluation		-	-	-	(274)	(503)
Total other comprehensive revenue and expense		193,882	81,895	130,998	182,933	133,499
Total comprehensive revenue and expense		220,405	126,287	166,147	231,240	191,311

Council has classified rate and penalty remissions as an expense for the purposes of the LG benchmarks, however, has netted these amounts off against revenue above in line with the requirements of NZ GAAP.
The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are shown in Note 36.

Statement of changes in equity

For the year ended 30 June 2022

	Note	Council			Group	
		Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s	Actual 2022 \$000s	Actual 2021 \$000s
Opening balance 1 July		2,101,172	2,016,641	1,935,025	2,181,509	1,990,198
Total comprehensive revenue and expense for the year		220,405	126,287	166,147	231,240	191,311
Closing balance 30 June		2,321,576	2,142,928	2,101,172	2,412,749	2,181,509

Statement of financial position

as at 30 June 2022

	Note	Council			Group	
		Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s	Actual 2022 \$000s	Actual 2021 \$000s
Public equity						
Other reserves	24	816,869	626,854	626,475	828,829	634,895
Restricted reserves	24	11,817	9,045	12,433	13,320	13,936
Retained earnings	24	1,492,890	1,507,029	1,462,263	1,570,597	1,532,679
Public equity		2,321,576	2,142,928	2,101,170	2,412,746	2,181,510
represented by:						
Current assets						
Cash and cash equivalents	8	13,353	36,801	5,442	14,357	6,087
Receivables	9	31,348	42,711	40,455	34,180	43,439
Other financial assets	11	-	-	160	443	734
Properties available for sale	34	-	-	-	1,360	1,559
Inventories	10	133	130	140	1,730	1,831
Current assets		44,834	79,642	43,363	52,070	53,649
Less:						
Current liabilities						
Payables and deferred revenue	20	24,157	24,624	36,189	36,460	45,082
Borrowings and other financial liabilities	23	10,000	26,000	22,000	21,500	23,671
Provisions	21	86	11	11	86	11
Financial guarantee liabilities		-	-	-	-	-
Derivative financial instruments	35	-	-	130	-	130
Employee benefits	22	2,894	2,479	2,700	3,273	2,966
Current liabilities		37,137	53,114	58,196	61,319	71,860
Working capital		7,697	26,528	(14,833)	(9,249)	(18,211)
Non-current assets						
Other financial assets	11	2,234	823	1481	2,899	1,481
Biological assets	17a	-	-	-	310	1,184
Forestry assets	17b	458	715	555	458	555
Intangible assets	13	11,902	11,575	10,545	5,076	3,483
Investment properties	18	-	-	-	134,404	110,834
Investments in equity accounted associates	19b	-	-	-	1,352	1,232
Investments in subsidiaries	19a	18,000	18,000	18,000	-	-
Derivative financial instruments	35	-	-	-	-	-
Property, plant and equipment	12	2,354,572	2,218,745	2,127,474	2,405,562	2,173,784
Non-current assets		2,387,166	2,249,858	2,158,055	2,550,061	2,292,553
Non-current liabilities						
Borrowings and other financial liabilities	23	71,500	132,811	41,500	110,160	78,626
Payables and deferred revenue	20	52	-	160	12,291	10,388
Derivative financial instruments	35	-	322	-	-	-
Deferred tax liability	7	-	-	-	3,880	3,428
Provisions	21	1,735	325	391	1,735	391
Non-current liabilities		73,287	133,458	42,051	128,066	92,833
Net assets		2,321,576	2,142,928	2,101,170	2,412,746	2,181,509

The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are shown in Note 36.

Statement of cash flows

For the year ended 30 June 2022

		Council			Group	
	Note	Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s	Actual 2022 \$000s	Actual 2021 \$000s
Operating activities						
Cash was provided from						
Rates		84,483	101,416	103,069	88,958	102,734
Subsidies and grants received		53,678	83,009	50,869	59,219	69,625
Development contributions received		-	-	-	-	-
Fees and charges received		18,826	-	19,683	18,673	19,554
Interest and dividends		1,007	1,055	682	526	285
Other revenue		5,143	-	591	25,751	19,154
		163,137	185,480	174,894	193,126	211,353
Cash was applied to						
Payment for goods and services		77,374	71,523	65,694	88,061	69,733
Payments made to employees		32,379	30,452	30,930	36,745	35,145
Interest paid		2,499	2,282	2,174	4,097	3,231
GST (net)		(900)	-	1,906	(896)	1,899
Income and fringe benefit tax paid		65	53	55	(80)	257
		111,417	104,310	100,759	127,927	110,265
Net cash inflows from operating activities		51,720	81,170	74,135	65,199	101,088
Financing activities						
Cash was provided from						
Borrowing	32c	18,000	83,037	(7,000)	29,364	1,617
		18,000	83,037	(7,000)	29,364	1,617
Cash was applied to						
Borrowing		-	9,971	-	-	8,764
Dividends paid		-	-	-	-	-
		-	9,971	-	-	8,764
Net cash inflows / (outflows) from financing activities		18,000	73,066	(7,000)	29,364	(7,147)
Cash flow from investing activities						
Cash was provided from:						
Sale of property, plant and equipment, investment properties and properties intended for sale		-	-	-	2,153	61,580
Cash provided from maturing investments		-	-	-	(131)	-
		-	-	-	2,022	61,580
Cash was applied to						
Purchase and development of intangibles		2,277	-	764	2,931	1,999
Purchase and development of property, plant and equipment, investment property and biological assets		59,532	140,533	71,602	85,384	158,765
Cash applied to replace investments		-	-	-	-	(21)
Cash applied to Investment in subsidiary		-	-	-	-	-
		61,809	140,533	72,366	88,315	160,743
Net cash inflows / (outflows) from investing activities		(61,809)	(140,533)	(72,366)	(86,293)	(99,164)
Net cash		7,911	13,703	(5,231)	8,270	(5,223)
Opening balances 1 July						
Cash and cash equivalents		5,442	23,097	10,673	6,087	11,310
		5,442	23,097	10,673	6,087	11,310
Less balances 30 June						
Cash and cash equivalents	8	13,353	36,801	5,442	14,357	6,087
		13,353	36,801	5,442	14,357	6,087
Cash movements for the year		7,911	13,704	(5,231)	8,270	(5,223)

The accompanying Notes to the Financial Statements form part of these financial statements. Major variances to budget are shown in Note 36.

Reconciliation of surplus / (deficit) after tax to net cash flow from operating activities	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Reported surplus / (deficit) after tax	26,523	35,149	48,306	57,812
Add non-cash items / (less) non-cash items				
Depreciation and amortization	36,956	34,122	38,186	35,266
Vested assets revenue	(11,906)	(3,937)	(11,906)	(3,937)
Change in deferred taxation	-	-	-	(19)
Loss / (gains) on disposal of property, plant and equipment	2,349	3,033	(1,124)	3,055
Valuation (gains) / losses recognised in surplus / (deficit)	(447)	(5,584)	(16,429)	(14,874)
Non cash dividend	(139)	(413)	(139)	(413)
Ineffective derivative expense	130	242	130	242
Add / (less) movements in other working capital items				
(Increase) / decrease in receivables	9,107	2,646	6,415	423
(Increase) / decrease in other financial assets	-	-	291	(163)
(Increase) / decrease in inventories	7	(13)	101	(122)
Increase / (decrease) in provisions	75	(196)	75	(196)
Increase / (decrease) in financial guarantee liabilities	-	-	-	-
Increase / (decrease) in employee benefits	194	361	307	357
Increase / (decrease) in payables	(12,032)	10,123	(5,777)	13,610
Increase / (decrease) in derivative financial instruments	(130)	83	(130)	83
Items classed as investing activities	1,034	(1,481)	6,896	9,964
Net cash inflows from operating activities	51,720	74,135	65,199	101,088

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Notes to the Financial Statements

for the year ended 30 June 2022

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Statement of accounting policies

Reporting entity

The Far North District Council (the Council) is a territorial local authority that is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002. The consolidated financial statements reflect the operations of Far North District Council and the group.

The group consists of a 100% owned council controlled trading organisation Far North Holdings Limited (FNHL), its wholly owned subsidiaries Bay of Islands Marina Ltd and Far North Housing Ltd, its 50% equity shareholding of its joint venture Far North Skincare Limited and additionally its associate Kaikohe Berryfruit, council controlled organisation Pou Herenga Tai Twin Coast Cycle Trail Charitable Trust (Pou Herenga), and council organisation Te Ahu Charitable Trust (TACT). The Council's equity share of its associate Northland Inc. Limited (NI) of 33.3% is equity accounted into the parent entity financial statements.

The Council's primary objective is to provide local infrastructure, goods and services for community or social benefit and any equity has been provided with a view to supporting that primary objective rather than for a financial return.

The Council has designated itself and the group as public benefit entities (PBEs) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council and group are for the year ended 30 June 2022 and were authorised for issue by the Council on 9 March 2023.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

To ensure consistency with presentation, certain comparative numbers have been reclassified.

Statement of compliance

These financial statements of the Council and group have been prepared in accordance with the requirements of the Local Government Act 2002 [Part 6 Section 98 and Schedule 10 Part 3] and the Local Government (Financial Reporting and Prudence) Regulations 2014, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Council and group is a Tier 1 entity and these financial statements have been prepared in accordance with and comply with the PBE International Public Sector Accounting Standards (PBE IPSAS)

Presentation currency

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

Changes in accounting policies

The following changes in accounting policies have been applied:

- **Amendment to PBE IPSAS 2 Statement of Cash Flows**

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

- **PBE Combinations - PBE IPSAS 40**

In July 2019, the XRB issued PBE IPSAS 40, which replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included within the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting.

Both of these standards have been applied and adoption did not result in any material changes to the presentation and preparation of the group consolidated financial statements.

Standards issued and not yet effective and have not been early adopted

- **Financial instruments - PBE IPSAS 41**

PBE IPSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 Financial Instruments and is effective for annual periods beginning on or after 1 January 2022, with early adoption permitted. The main changes compared to PBE IPSAS 29 that are relevant to the Council 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.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council and group have not yet assessed the effects of the new standard.

- **Service Performance Reporting - PBE FRS 48**

In November 2017, the XRB issued PBE FRS 48 - Service Performance reporting. This new standard is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The new standard establishes principles and requirements

for an entity to present service performance information that is useful for accountability and decision-making purposes in a general-purpose financial report.

The Council plans to apply this standard in preparing its 30 June 2023 financial statements. The Council does not expect the application of PBE FRS 48 to affect its statement of service performance.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Basis of consolidation

The consolidated statements incorporate the financial statements of the Council and those entities controlled by the Council as determined by the application of PBE IPSAS 35 - 37. FNHL, Pou Herenga, TACT and NI results have been included in the group result.

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue and expenses are eliminated on consolidation.

The group financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date the Council obtains controls of the entity and ceases when the Council loses control of the entity.

Revenue

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

The specific accounting policies for significant revenue items are explained below.

Rental revenue from investment properties

Far North Holdings Ltd recognises rental income from investment property in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total revenue income, over the term of the lease.

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.

Building and resource consent revenue

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.

Third party / agency 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.

Grant expenditure

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

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

Goods and Services Tax (GST)

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, the IRD is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed exclusive of GST.

Development costs

Expenditure on development projects is carried forward to be expended against future revenue to be derived from the project. Expenditure carried forward is expensed at such time Council determines that the project has ceased, or no identified future benefits will be derived.

Financial assets

The council classifies its financial assets in the following categories for the purpose of measurement:

- i. 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 surplus or deficit 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.
- ii. 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, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost. Gains and losses when the asset is impaired or derecognised are recognised in the surplus / (deficit).
- iii. 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 positive intention and ability to hold to maturity. Council does not have any financial assets that meet this definition.
- iv. Fair value through equity financial assets
Fair value through equity financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Financial assets that are 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 or deficit.

- i. Loans and receivables
Impairment is established when there is evidence that the 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 or deficit. When the receivable is uncollectible it is written off against the provision.
- ii. 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 in payments 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 or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or 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 or deficit.

Statement of cash flows

Cash or cash equivalents means cash balances on hand, held in bank accounts, 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 the 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 stated at the lower of their carrying amount and fair value less costs to sell if their 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 of an asset 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 de-recognition.

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 the other assets in the statement of financial position.

Critical accounting estimates and assumptions

In preparing these 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 historical 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:

- Estimating the fair value of Infrastructural assets – see Note 12
- Estimating the remaining useful lives of property, plant and equipment - see Note 12
- Estimating the fair value of investment properties - See Note 18
- Estimating the landfill aftercare provision - see Note 2.

Critical judgments in applying the group's accounting policies

Management has exercised the following critical judgments in applying the group accounting policies for the year ended 30 June 2022:

- Classification of property – see Notes 12 and 18.

Funding depreciation

The council funds its depreciation on assets as stated below:

- a. All depreciation on assets will be funded from rates except for:
 - Roothing/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 ratepayer 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 and 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 group not covered above will have depreciation fully funded from rates (corporate assets etc.).

Equity method of accounting in group financial statements

Investments in associates are accounted for in the group and parent financial statements using the equity method of accounting. Council's investment in Northland Inc (NI) has been treated as an associate as it is considered that Council holds significant influence over the financial and operating policies of NI due to the fact the Council shares joint control of NI with Northland Regional Council (33.3%) and Kaipara District Council (33.3%).

1. Summary revenue and expenditure for groups of activities

Accounting policy

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.

There have been no changes to the cost allocation methodology during the year.

Breakdown of revenue and expenditure by group of activities

	Council		
	Actual 2022 \$000s	Budget 2022 \$000s	Actual 2021 \$000s
Revenue			
Roading and Footpaths	51,005	61,845	65,698
Water Supply	17,039	10,158	13,894
Wastewater	17,050	14,239	13,106
Stormwater	8,255	6,086	5,925
Solid Waste Management	5,794	5,140	5,146
District Facilities	28,845	44,108	23,888
Environmental Management	16,870	14,849	16,001
Strategic Planning and Policy	9,822	9,071	7,948
Customer Services	11,204	10,501	9,952
Governance and Strategic Administration	9,959	8,881	9,568
Total activity revenue	175,843	184,878	171,127
Total revenue	175,843	184,878	171,127
Expenditure			
Roading and Footpaths	46,779	47,313	45,777
Water Supply	10,955	9,195	9,719
Wastewater	16,910	13,858	13,579
Stormwater	3,887	4,677	3,251
Solid Waste Management	6,440	4,673	4,687
District Facilities	14,546	14,632	14,613
Environmental Management	10,385	10,304	9,751
Strategic Planning and Policy	5,923	7,237	5,039
Customer Services	6,039	6,675	6,123
Governance and Strategic Administration	27,456	21,922	23,438
Total activity expenditure	149,320	140,486	135,977
Total expenditure	149,320	140,486	135,977

2. Rates revenue

Accounting policy

The following policies for rates 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.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Rates - general	60,454	60,034	60,042	59,699
Targeted rates attributable to activities				
Roading	4,891	4,517	4,891	4,517
Water, excluding water by meter rates	2,873	2,300	2,873	2,300
Wastewater	13,843	11,696	13,843	11,696
Stormwater	178	658	178	658
District Facilities	10,553	10,369	10,553	10,369
Rates - penalties	1,070	1,149	1,070	1,149
Less remissions	(2,319)	(3,146)	(2,319)	(3,146)
Total rates, excluding targeted water supply rates	91,543	87,577	91,131	87,242

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating Act) 2002 together with any revenue received by the council from other Local Authorities for services provided by that Council for which those other Local Authorities rate. The annual rates income of council for the year ended 30 June 2022 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

	Council	
	2022 \$000s	2021 \$000s
Rates, excluding water by meter rates	93,862	90,723
Water by meter rates	6,948	7,253
Less remissions	(2,319)	(3,146)
Total annual rates revenue	98,491	94,830

The council's remission policies are designed to recognise the unique nature of the Far North with its significant areas of unoccupied Māori freehold land. Overall the policies address issues of financial hardship and the protection of areas of land with particular conservation or community values. Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. These non-rateable properties may be subject to targeted rates in respect of sewerage, refuse and water. Non-rateable land does not constitute a remission under the council's rates remission policy.

The number of rating units at 30 June 2021 was 38,794

The land value of these units was \$10,745,613,650 and the capital value was \$20,598,078,350

3. Other revenue

Accounting policy

Interest and dividends

Interest revenue is recognised using the effective interest method.

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

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its 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.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Interest	1,007	839	1,009	1,278
Vested and previously unrecognised assets	11,906	3,937	11,906	3,937
Gain on revaluation (Notes 16 and 17)	447	5,584	14,858	11,619
Other revenue	1,964	2,380	12,961	11,363
Total other revenue (excluding dividends)	15,324	12,741	40,734	28,198

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Dividends	209	256	70	256
Total dividends	209	256	70	256

3a Fees and charges analysis (including water by meter rates)

Accounting policy

Landfill services

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

Sale of goods

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

Water by meter rates

Revenue from water-by-meter rates is recognised on an accrual basis, based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Roading	415	744	415	744
Water services	7,226	7,578	7,226	7,578
Wastewater services	122	266	122	266
Refuse / landfill services	1,409	1,270	1,409	1,270
Community services	1,176	1,228	1,176	1,228
Regulatory services	7,096	6,532	7,096	6,532
Customer services	322	418	322	418
Other fees and charges	1,061	1,648	907	1,519
Total fees, charges and targeted water supply rates	18,826	19,683	18,673	19,555

3b Subsidies and Grant analysis

Accounting policy

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance 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.

Far North Holdings Limited has elected to apply NZ IAS 20 in deducting grants received for capital expenditure in arriving at the carrying amount of the assets purchased. Grants for revenue expenditure are netted against the cost incurred by the Company. This treatment has been adjusted on consolidation to align the group result with the requirements PBE IPSAS 23.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
NZTA Rooding subsidies	30,923	32,707	30,923	32,707
MBIE - Cycleway subsidy	-	241	-	241
MBIE - Tourism Infrastructure Fund (TIF)	5,025	837	12,696	15,288
MBIE - Provincial Growth Fund (PGF)	4,282	8,135	4,282	8,135
MBIE - Flood Defence	-	2,591	-	2,591
Sundry grants & donations	348	4,624	381	6,523
Ministry of Social Development	82	60	82	60
DIA - 3 Waters Reform Subsidy	9,281	1,673	9,281	1,673
Total subsidies and grants	49,941	50,869	57,645	67,219

There are no unfulfilled conditions or other contingencies attached to the subsidy revenue recognised.

4. Personnel costs

Accounting policy

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

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Salaries and wages	31,760	30,181	36,148	34,252
Plus / (less) capitalised salaries	-	-	-	-
Salaries and wages expense	31,760	30,181	36,148	34,252
Kiwi saver contributions	846	793	956	893
Increase / (decrease) in employee benefit liabilities	-	-	98	21
Total personnel costs	32,606	30,974	37,202	35,166

5. Other expenses

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Fees paid to the principal auditor				
Audit of financial statements	197	185	282	265
Other assurance engagements	4	28	4	28
Debenture Trust Deed assurance engagement	7	7	7	7
LTP Audit	5	135	5	135
Donations	-	-	97	79
Inventory expenses in year	(7)	12	2,034	1,695
Loss on disposal of property, plant and equipment	2,349	3,033	2,349	3,033
Impairment of intangible assets	-	-	-	-
Impairment of property, plant and equipment	-	-	-	-
Impairment of rates receivables (note 9)	2,976	3,457	2,976	3,457
Impairment of other receivables (note 9)	-	(41)	(79)	144
Direct expenses from investment property	-	-	1,362	1,277
Minimum lease payments - operating leases	867	784	928	844
Other expenses	70,861	61,106	74,867	64,232
Total other expenses	77,259	68,707	84,832	75,197

6. Finance costs

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Interest expense on borrowings	2,467	2,129	4,065	3,349
Interest unwind - landfill aftercare	32	45	32	45
Total finance costs	2,499	2,174	4,097	3,394

7. Tax

Accounting policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

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

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

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit. Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to items recognised in other comprehensive revenue and expense or directly in equity.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Components of tax expense				
Current tax expense - continuing operations	-	-	-	-
Deferred tax expense - continuing operations	-	-	178	76
Income tax expense	-	-	178	76
Relationship between tax expenses and accounting profit				
Continuing operations	26,523	35,149	44,659	48,368
Discontinued operations	-	-	-	-
Profit before taxation and share of profit of associate	26,523	35,149	44,659	48,368
Taxation at 28% (2021 - 28%)	7,426	9,842	12,505	13,543
Plus (less) tax effect of				
Non taxable income	(7,426)	(9,842)	(8,545)	(11,409)
Group loss offset	-	-	-	-
Deferred tax adjustment	-	-	(3,782)	(2,058)
Taxation expense / (benefit)	-	-	178	76

Group

	Property plant and equipment \$000s	Investment properties \$000s	Biological assets \$000s	Employee entitlements \$000s	Tax losses \$000s	Total \$000s
Deferred tax						
Balance at 30 June 2020	695	2,266	(24)	(86)	-	2,851
Charged to statement of comprehensive revenue and expense	(310)	449	(23)	(40)	-	76
Charged to equity	503	-	-	-	-	503
Balance at 30 June 2021	888	2,715	(47)	(126)	-	3,428
Charged to statement of comprehensive revenue and expense	(228)	594	(184)	(4)	-	178
Charged to equity	274	-	-	-	-	274
Balance at 30 June 2022	934	3,309	(231)	(130)	-	3,880

From 1 July 2007 Council and FNHL have formed a consolidated group for tax purposes. Tax profits in Far North Holdings Ltd are automatically offset against tax losses in council. Council has not recognised a deferred tax asset in relation to tax losses of \$nil (2021 nil). However, these losses have been recognised in the group accounts.

8. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Cash at bank and on hand				
Various (subsidiaries, community facilities, etc)	4	5	4	4,505
General fund (unsecured)	6,237	606	7,241	1,251
Term deposits with maturities less than 3 months at acquisition	7,112	4,832	7,112	4,832
Total cash and cash equivalents	13,353	5,442	14,357	6,087

The carrying value of short term deposits with maturity dates of three (3) months or less approximates their fair value. Cash and cash equivalents includes the following for the purpose of the statement of cash flows.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Cash at bank and on hand	6,241	610	7,245	1,255
Term deposits with maturities less than 3 months at acquisition	7,112	4,832	7,112	4,832
Bank overdrafts (Note 23)	-	-	-	-
Total	13,353	5,442	14,357	6,087

Council has an overdraft facility of \$3m (2021 \$3m).

9. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the local Government (Rating) Act 2002.
- Section 90B is to write off all or part of the outstanding rates of deceased owners of Māori Freehold land, of which there have been no write-offs in 2021 (2020 - Nil).
- Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Rates and penalties	25,757	22,588	25,757	22,588
Sundry debtors (including postponed rates debtors)	16,532	22,757	19,078	25,548
Prepayments	1,347	1,254	1,541	1,345
Related party receivables	-	-	-	276
Other receivables (e.g GST)	1,934	2,834	1,934	2,845
Gross debtors and other receivables	45,570	49,433	48,310	52,602
Less provision for impairment - rates	13,872	8,768	13,872	8,768
Less provision for impairment - sundry debts	350	210	258	395
Current debtors and other receivables	31,348	40,455	34,180	43,439

The carrying value of trade and other receivables approximates their fair value. There is no concentration of credit risk with respect to receivables as the group has a large number of customers.

All overdue receivables have been assessed for impairment and the appropriate provisions applied. All receivables, excluding rates, are past due if not paid by the 20th of the month following the month of issue. Council and the group holds no collateral as security or other credit enhancements over receivables that are either past due or impaired. The ageing profile of debtors and other receivables at year end is detailed below:

The Chief Executive approved the write-off of rates totalling \$350,159 (2021 - \$4,332,134) during the year under Section 90A of the LG(R)A 2002.

	2022			2021		
	Gross \$000s	Impairment \$000s	Net \$000s	Gross \$000s	Impairment \$000s	Net \$000s
Council						
Not past due	10,540	-	10,540	17,327	-	17,327
Past due 1 – 60 days	10,722	3,565	7,157	8,873	1,222	1,117
Past due 61 – 90 days	52	-	52	48	-	48
Past due over 90 days	24,256	10,657	13,599	23,185	7,756	21,962
Total	45,570	14,222	31,348	49,433	8,978	40,455
Group						
Not past due	12,352	-	12,352	19,547	-	19,547
Past due 1 – 60 days	11,550	3,473	8,077	8,944	1,222	1,003
Past due 61 – 90 days	48	-	48	185	-	185
Past due over 90 days	24,360	10,657	13,703	23,927	7,941	22,704
Total	48,310	14,130	34,180	52,603	9,163	43,439

Movements in the provision for impairment of receivables are as follows:

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Impairment of rates				
At 1 July	8,768	22,163	8,768	22,163
Additional provisions made during the year	5,912	3,457	5,912	3,457
Receivables written off during period	(808)	(16,851)	(808)	(16,851)
At 30 June	13,872	8,768	13,872	8,768
Impairment of sundry debts				
At 1 July	210	258	395	285
Additional provisions made during the year	-	(41)	(290)	203
Receivables written off during period	140	(7)	153	(93)
At 30 June	350	210	258	395

The impairment provision has been calculated based on a review of specific overdue receivables and a collective assessment. The collective impairment provision is based on an analysis of past collection history and debt write offs.

10. Inventories

Accounting policy

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).

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Consumable stocks and materials	133	140	1,709	1,817
Chandlery and boatyard	-	-	21	14
Total inventories	133	140	1,730	1,831

There are no inventory items held for distribution.

11. Other financial assets

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Current portion				
Loans and receivables				
Short-term deposits maturity 4 - 12 months	-	-	-	-
Fair value through equity				
LGFA borrower notes	-	160	-	160
Listed Fonterra shares	-	-	443	574
Total current portion	-	160	443	734
Non-current portion				
Loans and receivables	600	600	1,265	600
Fair value through equity				
LGNZ shares	85	82	85	82
LGFA borrower notes	1,549	799	1,549	799
Total non-current portion	2,234	1,481	2,899	1,481

There are no impairment provisions for other financial assets.

Council holds 85,440 shares in Local Government Insurance Corp Ltd. As they are not material, council has estimated the fair value of these should be based on the LGNZ net asset backing as at 30 June. These shares are not traded.

Maturity analysis and interest rates

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Loans and receivables				
Short term loan 4 - 12 months	-	-	-	-
Short term deposits 4 - 12 months	-	-	-	-
Maturing within 4 - 12 months	-	-	-	-

12. Property, plant and equipment - council and group

Accounting policy

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, The Council and group recognises such parts as individual assets/components with specific useful lives and depreciates them accordingly.

Property, plant and equipment consists of:

- i. Operational assets
These include land, buildings, improvements, plant and equipment, and motor vehicles.
- ii. 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.
- iii. Infrastructural 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

The Council and group 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 their fair value. Carrying values of revalued assets are assessed annually to ensure they do not differ materially to 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:

- Roadway infrastructural assets;
- Stormwater infrastructural assets;
- Water and wastewater infrastructural assets;
- Stormwater infrastructural assets;
- Maritime assets;
- Footpaths and footbridges;
- Carparks;
- Refuse transfer stations;
- Heritage assets;
- Parks & reserves;
- Land; (except land under roads)
- Community facilities buildings.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or 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 only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably.

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

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in council as part of the sub divisional consent process. The vested reserve land has been valued at 50% of the surrounding residential land as per an appropriately certified government valuation. Vested infrastructure assets have been 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 the Council and group 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 with the carrying amount of the asset. Gains and losses on disposals 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 provided for on a straight line basis on all property, plant and equipment, other than land and roadway 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		
Runways	25 years	4%
Buildings	15 – 120 years	0.83 – 6.67%
Motor vehicles	3 – 5 years	20 – 33%
Plant and machinery	1 – 40 years	2.5 – 100%
Wharves (concrete)	10 - 85 years	1.17 - 10%
Wharves (timber), moorings and ramps	10 – 50 years	2 – 10%
Office furniture and equipment	5 – 15 years	6.67 – 20%
Computers	3 - 7 years	14.28 – 33%
Library books	3 – 40 years	2.5 – 33%
Heritage assets	10 – 185 years	0.54 – 10%
Leasehold improvements	3 - 25 years	4 - 33%
Infrastructural assets		
<i>Roads</i>		
Top surface (seal)	12 - 50 years	2 – 8.33%
Top surface (unsealed)	12 years	8.33%
Pavement (base course) sealed	35 years	2.85%
Pavement (sub base) sealed	35 - 50 years	2 - 2.85%
Retaining and Seawalls	50 - 80 years	1.25 - 2%
Culverts, cesspits	25 - 100 years	1 – 4%
Surface water channels	0 - 50 years	0 - 20%
Footpaths	30 – 60 years	1.6 – 3.3%
Kerbs	50 – 80 years	1.25 – 2%
Street lights	8– 60 years	1.67 – 12.5%
Signs	20 years	5%
Bridges	50 – 100 years	1 – 2%
Railings	30 – 50 years	2 – 3.3%
<i>Water Reticulation</i>		
Pipes	50 – 100 years	1 – 2%
Valves, hydrants	50 - 70 years	1.43 – 2%
Pump stations	7 – 50 years	2 – 14.28%
Treatment Plants	5 - 100 years	1 - 20%
Tanks / dams	5 – 100 years	1 – 20%
<i>Sewerage Reticulation</i>		
Pipes	40 - 100 years	1 – 2.5%
Manholes	80 years	1.25%
Pump stations	7 - 70 years	1.43 - 14.28%
Treatment plant	5 – 70 years	1.43 – 20%
<i>Stormwater Systems</i>		
Pipes	40 – 100 years	1 – 2.5%
Manholes	100 years	1%
Refuse	5 - 100 years	1 - 20%

Improvements to leased assets are depreciated over the shorter of the unexpired period of the leases and the estimated useful lives of the improvements. 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 whenever events or changes in circumstances indicate that the carry amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is 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 it's remaining future economic benefits or service potential.

The carrying amounts of the council and group assets are reviewed at each statement of financial position 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 whenever 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).

Value in use for non-cash generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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 that are not visible, such as stormwater, wastewater and water supply pipes that are underground. 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, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, the council's infrastructural and other 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 upon past experience.

Experienced independent valuers perform the council's infrastructural asset revaluations.

Estimating the fair value of land, buildings and infrastructure**Land (Operational, restricted and infrastructural)**

The most recent valuation of land was performed by an independent registered valuer at QV Asset & Advisory. This valuation was effective as at 30 June 2022.

Land is valued at fair value using market-based evidence and the highest and best use scenario. Due consideration has been made for restrictions due to easements, covenants and any restrictions such as the Reserves Act.

An assumption has been made that all land valued is held by the Far North District Council in freehold ownership

Buildings (operational and restricted)

Buildings have been valued on a depreciated replacement cost basis in most cases. Buildings were valued by QV Asset & Advisory with an effective date of 31 May 2021.

Depreciated replacement cost is determined using a number of assumptions including:

- Replacement cost rates derived from construction contracts of like assets and recent costings obtained from construction details
- Inspection of all buildings with a value of over \$50,000
- It was considered that most current buildings in the property portfolio are fully utilised and optimisation is not necessary

Straight-line depreciation has been applied in determining the depreciated replacement cost value of the assets

Economic lives have been adopted taking into consideration the Far North District Councils replacement / maintenance plans.

The council's residential buildings (Housing for the Elderly) has been valued on a depreciated replacement cost method. This is due to the fact that there was a paucity of relevant recent sales evidence to derive an appropriate market value.

Any buildings valued using market based evidence as are follows:

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Operational Buildings				
Roading Strategic Buildings	2,575	2,070	2,575	2,460
Restricted Buildings				
Restricted Buildings	-	-	-	-
Total	2,575	2,070	2,575	2,460

Infrastructural asset classes: sewerage, water, refuse, stormwater and roading

Sewerage, water, stormwater and roading are valued at depreciated replacement cost by Fraser Campbell of Campbell Consulting Ltd and also SPM Assets Ltd. The sewerage and water valuations (excluding land) have an effective date as at 30 June 2022. The stormwater valuations have an effective date of 30 June 2022. The roading asset classes such as pavement, drainage and bridges have an effective date as at 30 June 2022. Refuse is valued at depreciated replacement cost by Fraser Campbell of Campbell Consulting Ltd and also SPM Assets Ltd. Refuse valuations have an effective date as at 30 June 2022.

Depreciated replacement cost is determined using a number of assumptions including:

- Assets are assumed to be replaced with the least cost alternative modern equivalent asset providing the same service potential
- Residual values were assessed as zero for all assets
- Depreciation was applied to depreciable assets on a straight-line basis over the assessed total economic life of the asset
- Issues of functional and design obsolescence and surplus capacity have been considered but no optimisation adjustments were considered necessary.

Library collections

Library collections are valued at depreciated replacement cost and valuations are performed by the in-house systems librarian and the fixed asset accountant. These valuations have been peer reviewed by SPM Assets Ltd. The last valuation was effective as at 31 December 2020.

Maritime assets

Maritime assets were valued at depreciated replacement cost by Telfer Young (Northland) Ltd. The last valuation was effective as at 31 May 2022. The following assumptions were used in determining the depreciated replacement cost:

Replacement costs are derived from recent contract information, indexed cost increases, historical cost data and in-house advice from engineers

Remaining lives have been applied as per advice from Far North Holdings engineers as a result of a full data collection exercise carried out in May 2018 and an updated condition reports in the 2020/21 financial year. In addition work has been carried out by asset managers within FNDC and this advice has also been incorporated into the valuation.

Heritage assets

Heritage assets were valued at depreciated replacement cost in accordance with the 2002 Treasury valuation guidance for cultural and heritage assets. Heritage valuations are performed by WSP New Zealand Ltd with the last valuation having an effective date of 31 May 2022.

Operational assets

Ferry assets were valued at depreciated replacement cost by Emtech, engineering and marine consultants, effective as at 30 June 2021. Plant Assets such as pool plant and the sewerage treatment assets at the Houhora camping ground were valued by AECOM as these were considered to be specialised in nature.

Critical judgments in applying the council's accounting policies

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 rather than as investment property.

12. Property, plant and equipment - Council

2022	Cost / revaluation 30 June 2021	Accumulated depreciation and impairment charges 30 June 2021	Carrying amount 30 June 2021	Current year additions	Current year vested assets
Land	59,113	-	59,113	-	-
Vehicles and plant	4,741	(1,203)	3,538	607	-
Leasehold improvements	984	(588)	396	11	-
Wharves, ramps, moorings	4,029	(30)	4,000	4,904	5,256
Furniture, fitting and office equipment	2,125	(1,316)	808	202	-
Information systems	5,701	(3,826)	1,874	316	-
*Work in progress	1,384	-	1,384	1,505	-
Total operational assets	78,077	(6,964)	71,113	7,545	5,256
Roading land	368,629	-	368,629	-	-
Roading and footpaths	1,225,888	(4,476)	1,221,412	32,117	771
Water – treatment plants and facilities	25,189	(1,187)	24,002	326	-
Water - reticulation	49,337	(1,648)	47,689	531	669
Wastewater – treatment plants and facilities	67,699	(3,044)	64,656	987	-
Wastewater - reticulation	77,984	(2,239)	75,744	1	76
Stormwater	91,056	-	91,056	1,016	4,903
Refuse	4,960	-	4,960	195	-
Community facilities	67,468	(2,756)	64,711	7,373	225
Infrastructural Land				575	-
Work in progress	54,991	-	54,991	60,303	-
Total infrastructural assets	2,033,200	(15,350)	2,017,850	103,424	6,643
Council restricted assets					
Land	35,941	-	35,941	-	-
Heritage	2,803	(234)	2,569	-	7
Total restricted assets	38,744	(234)	38,510	-	7
Total property, plant and equipment	2,150,022	(22,548)	2,127,474	110,969	11,906

2021	Cost / revaluation 30 June 2020	Accumulated depreciation and impairment charges 30 June 2020	Carrying amount 30 June 2020	Current year additions	Current year vested assets
Land	52,221	-	52,221	1,145	-
Vehicles and plant	4,926	(1,321)	3,605	636	-
Leasehold improvements	991	(513)	478	-	-
Wharves, ramps, moorings	4,011	(28)	3,983	45	-
Furniture, fitting and office equipment	1,925	(1,218)	707	264	-
Information systems	5,310	(3,174)	2,136	443	-
*Work in progress	1,264	-	1,264	1,805	-
Total operational assets	70,648	(6,254)	64,394	4,337	-
Roading land	368,460	-	368,460	-	169
Roading and footpaths	1,106,756	(4,574)	1,102,182	24,661	2,225
Water – treatment plants and facilities	21,223	(122)	21,101	4,070	-
Water - reticulation	48,109	(128)	47,981	874	361
Wastewater – treatment plants and facilities	47,619	(327)	47,291	20,293	-
Wastewater - reticulation	74,626	(214)	74,412	3,223	202
Stormwater	89,454	(1,454)	88,000	561	172
Refuse	4,557	(298)	4,259	8	-
Community facilities	63,823	(7,735)	56,088	3,530	808
Work in progress	43,605	-	43,605	70,476	-
Total infrastructural assets	1,868,232	(14,852)	1,853,379	127,696	3,937
Council restricted assets					
Land	31,533	-	31,533	-	-
Heritage	2,616	(129)	2,487	257	-
Total restricted assets	34,149	(129)	34,020	257	-
Total property, plant and equipment	1,973,029	(21,235)	1,951,793	132,290	3,937

Current year disposals (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022
-	-	-	(58,575)	-	538	-	538
(156)	-	(534)	-	-	4,888	(1,431)	3,456
-	-	(92)	-	-	989	(674)	315
(157)	-	(376)	-	601	14,260	(34)	14,227
(3)	-	(144)	-	-	2,275	(1,412)	863
(8)	-	(701)	-	-	5,147	(3,666)	1,481
(1,418)	-	-	-	-	1,472	-	1,472
(1,742)	-	(1,846)	(58,575)	601	29,569	(7,217)	22,352
-	-	-	3,158	914	372,701	-	372,701
(1,079)	-	(19,311)	-	124,123	1,360,759	(2,727)	1,358,032
(46)	-	(1,208)	(67)	1,480	24,486	-	24,486
-	-	(1,543)	-	14,624	61,972	(1)	61,971
(150)	-	(3,327)	-	6,295	68,461	-	68,461
-	-	(2,032)	-	14,683	88,473	-	88,473
-	-	(1,432)	-	11,724	107,267	-	107,267
-	-	(293)	-	1,991	6,852	-	6,851
(774)	-	(4,991)	67	314	74,388	(7,462)	66,926
(130)	-	-	55,417	9,386	65,248	-	65,248
(50,020)	-	-	-	-	65,274	-	65,275
(52,199)	-	(34,148)	58,575	185,534	2,295,881	(10,190)	2,285,691
-	-	-	-	7,175	43,116	-	43,116
(31)	-	(113)	-	982	3,413	-	3,413
(31)	-	(113)	-	8,157	46,529	-	46,529
(53,972)	-	(36,097)	-	194,293	2,371,979	(17,406)	2,354,572
Current year disposals (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2021	Accumulated depreciation and impairment charges 30 June 2021	Carrying amount 30 June 2021
-	-	-	-	5,747	59,113	-	59,113
(75)	-	(363)	-	(266)	4,741	(1,203)	3,538
-	-	(91)	-	10	984	(588)	396
(11)	-	(348)	-	331	4,029	(30)	4,000
(1)	-	(120)	-	(41)	2,125	(1,316)	808
-	-	(705)	-	-	5,701	(3,826)	1,874
(1,683)	-	-	-	-	1,384	-	1,384
(1,770)	-	(1,627)	-	5,781	78,077	(6,964)	71,113
-	-	-	-	-	368,629	-	368,629
(2,283)	-	(18,344)	64	112,906	1,225,888	(4,476)	1,221,412
(94)	-	(1,075)	-	-	25,189	(1,187)	24,002
(6)	-	(1,521)	-	-	49,337	(1,648)	47,689
(193)	-	(2,733)	(3)	-	67,699	(3,044)	64,656
(69)	-	(2,027)	3	-	77,984	(2,239)	75,744
(9)	-	(1,254)	-	3,585	91,056	-	91,056
-	-	(268)	-	962	4,960	-	4,960
(142)	-	(4,376)	(64)	8,868	67,468	(2,756)	64,711
(59,091)	-	-	-	-	54,991	-	54,991
(61,886)	-	(31,598)	-	126,320	2,033,200	(15,350)	2,017,850
-	-	-	-	4,408	35,941	-	35,941
(66)	-	(109)	-	-	2,803	(234)	2,569
(66)	-	(109)	-	4,408	38,744	(234)	38,510
(63,722)	-	(33,335)	-	136,509	2,150,022	(22,548)	2,127,474

12. Property, plant and equipment - Group

2022	Cost / revaluation 30 June 2021	Accumulated depreciation and impairment charges 30 June 2021	Carrying amount 30 June 2021	Current year additions	Current year vested assets
Land	67,930	-	67,930	-	-
Buildings	27,902	(717)	27,185	2,817	-
Vehicles, boat transporters and plant	6,411	(1,962)	4,449	677	-
Leasehold improvements	1,148	(619)	529	11	-
Wharves, ramps, moorings	6,337	(114)	6,224	4,904	5,256
Furniture, fittings and office equipment	7,499	(3,936)	3,563	514	-
Information systems	5,713	(3,830)	1,882	316	-
Runways	3,397	(120)	3,277	-	-
Site works	19	(3)	16	-	-
Heritage	859	-	859	-	-
Work in progress	1,509	-	1,509	1,697	-
Total operational assets	128,724	(11,302)	117,423	10,936	5,256
Roading land	368,629	-	368,629	-	-
Roading and footpaths	1,225,888	(4,476)	1,221,412	32,117	771
Water - treatment plants and facilities	25,189	(1,187)	24,002	326	-
Water - other	49,337	(1,648)	47,689	531	669
Wastewater - treatment plants and facilities	67,699	(3,044)	64,656	987	-
Wastewater - other	77,984	(2,239)	75,744	1	76
Stormwater	91,056	-	91,056	1,016	4,903
Refuse	4,960	-	4,960	195	-
Community facilities	67,468	(2,756)	64,712	7,373	225
Infrastructural land	-	-	-	575	-
Work in progress	54,991	-	54,991	60,303	-
Total infrastructural assets	2,033,200	(15,350)	2,017,850	103,424	6,644
Council restricted assets					
Land	35,941	-	35,941	-	-
Heritage	2,803	(234)	2,569	-	7
Total restricted assets	38,744	(234)	38,510	-	7
Total property, plant and equipment	2,200,669	(26,886)	2,173,784	114,360	11,907

Current year disposals (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2022	Accumulated depreciation and impairment charges 30 June 2022	Carrying amount 30 June 2022
-	-	-	(58,959)	2,172	11,143	-	11,143
-	-	(543)	289	126	30,647	(773)	29,874
(179)	-	(694)	2	-	6,604	(2,349)	4,255
-	-	(98)	-	-	1,153	(711)	442
(157)	-	(444)	(3)	686	16,593	(127)	16,466
(120)	-	(630)	(99)	-	7,543	(4,315)	3,228
(8)	-	(705)	-	-	5,159	(3,674)	1,485
-	-	(131)	(1)	768	4,044	(131)	3,913
-	-	(2)	(1)	-	16	(3)	13
-	-	-	-	-	859	-	859
(1,543)	-	-	1	-	1,664	-	1,664
(2,007)	-	(3,247)	(58,770)	3,752	85,425	(12,083)	73,342
-	-	-	3,158	914	372,701	-	372,701
(1,079)	-	(19,311)	-	124,123	1,360,759	(2,727)	1,358,032
(46)	-	(1,208)	(67)	1,480	24,486	-	24,486
-	-	(1,543)	-	14,624	61,972	(1)	61,971
(150)	-	(3,327)	-	6,295	68,461	-	68,461
-	-	(2,032)	-	14,683	88,473	-	88,473
-	-	(1,432)	-	11,724	107,267	-	107,267
-	-	(293)	-	1,991	6,852	-	6,852
(774)	-	(4,991)	67	314	74,388	(7,462)	66,926
(130)	-	-	55,417	9,386	65,248	-	65,248
(50,020)	-	-	-	-	65,274	-	65,274
(52,199)	-	(34,137)	58,575	185,534	2,295,881	(10,190)	2,285,691
-	-	-	-	7,175	43,116	-	43,116
(31)	-	(113)	-	982	3,413	-	3,413
(31)	-	(113)	-	8,157	46,529	-	46,529
(54,237)	-	(37,497)	(195)	197,443	2,427,835	(22,273)	2,405,562

12. Property, plant and equipment - Group continued

2021	Cost / revaluation 30 June 2020	Accumulated depreciation and impairment charges 30 June 2020	Carrying amount 30 June 2020	Current year additions	Current year vested assets
Land	63,522	-	63,522	1,145	-
Buildings	26,011	(740)	25,271	879	-
Vehicles, boat transporters and plant	6,536	(1,923)	4,613	731	-
Leasehold improvements	1,120	(539)	581	35	-
Wharves, ramps, moorings	6,103	(105)	5,998	56	-
Furniture, fittings and office equipment	7,344	(3,658)	3,686	478	-
Information systems	5,310	(3,174)	2,136	455	-
Runways	3,149	(139)	3,010	-	-
Site works	22	(3)	19	-	-
Heritage	859	-	859	-	-
Work in progress	1,291	-	1,291	1,903	-
Total operational assets	121,267	(10,281)	110,985	5,681	-
Roading land	368,460	-	368,460	-	169
Roading and footpaths	1,106,756	(4,574)	1,102,182	24,661	2,225
Water - treatment plants and facilities	21,223	(122)	21,101	4,070	-
Water - other	48,109	(128)	47,981	874	361
Wastewater - treatment plants and facilities	47,619	(327)	47,292	20,293	-
Wastewater - other	74,626	(214)	74,412	3,223	202
Stormwater	89,454	(1,454)	88,000	561	172
Refuse	4,557	(298)	4,259	8	-
Community facilities	63,823	(7,735)	56,088	3,530	808
Work in progress	43,605	-	43,605	70,476	-
Total infrastructural assets	1,868,232	(14,852)	1,853,380	127,696	3,937
Council restricted assets					
Land	31,533	-	31,533	-	-
Heritage	2,616	(129)	2,487	257	-
Total restricted assets	34,149	(129)	34,020	257	-
Total property, plant and equipment	2,023,648	(25,262)	1,998,385	133,634	3,937

Current year disposals (at book value)	Current year impairment charges	Current year depreciation	Current year adjustments	Revaluation surplus / (deficit)	Cost / revaluation 30 June 2021	Accumulated depreciation and impairment charges 30 June 2021	Carrying amount 30 June 2021
(260)	-	-	(2,960)	6,483	67,930	-	67,930
(213)	-	(480)	577	1,151	27,902	(717)	27,185
(103)	-	(528)	1	(266)	6,411	(1,962)	4,449
-	-	(96)	(1)	10	1,148	(619)	529
(11)	-	(410)	(1)	591	6,337	(114)	6,224
(2)	-	(576)	18	(41)	7,499	(3,936)	3,563
-	-	(709)	1	-	5,713	(3,830)	1,882
-	-	(120)	-	387	3,397	(120)	3,277
-	-	(2)	(1)	-	19	(3)	16
-	-	-	-	-	859	-	859
(1,683)	-	-	(1)	-	1,509	-	1,509
(2,272)	-	(2,921)	(2,366)	8,315	128,724	(11,302)	117,423
-	-	-	-	-	368,629	-	368,629
(2,283)	-	(18,344)	64	112,906	1,225,888	(4,476)	1,221,412
(94)	-	(1,075)	-	-	25,189	(1,187)	24,002
(6)	-	(1,521)	-	-	49,337	(1,648)	47,689
(193)	-	(2,733)	(3)	-	67,699	(3,044)	64,656
(69)	-	(2,027)	3	-	77,984	(2,239)	75,744
(9)	-	(1,254)	-	3,585	91,056	-	91,056
-	-	(268)	-	962	4,960	-	4,960
(142)	-	(4,376)	(64)	8,868	67,468	(2,756)	64,712
(59,091)	-	-	-	-	54,991	-	54,991
(61,886)	-	(31,598)	-	126,320	2,033,200	(15,350)	2,017,850
-	-	-	-	4,408	35,941	-	35,941
(66)	-	(109)	-	-	2,803	(234)	2,569
(66)	-	(109)	-	4,408	38,744	(234)	38,510
(64,224)	-	(34,629)	(2,366)	139,043	2,200,669	(26,886)	2,173,784

Disposals

All disposals that were carried out during the year were part of the council's on-going renewal programmes.

The net loss on disposal of property, plant and equipment (\$2.349m) has been recognised in the statement of comprehensive revenue and expense in the line item "Other expenses"

Work in progress

*Note to Table 12, page 70 - includes work in progress (WIP) for intangible assets \$4.922m (2021 - \$4.984m)

The total amount of property, plant and equipment in the course of construction is \$66,937,448 (2021 - \$56,499,681).

	Council and Group	
	2022 \$000s	2021 \$000s
Land	-	-
Vehicles and plant	249	381
Leasehold improvements	-	3
Wharves, ramps, moorings	911	1222
Runways	57	125
Furniture, fittings and office equipment	143	36
Information systems	302	86
Roading and footpaths	27,499	35,157
Roading Land	-	-
Water - treatment plants and facilities	16,224	2,743
Water - reticulation	859	1134
Wastewater - treatment plants and facilities	2,046	2,150
Wastewater - reticulation	235	248
Refuse	82	132
Stormwater	631	1,550
Community facilities	12,777	6,548
Infrastructural Land	-	-
Intangible assets	4,922	4,984
Total work in progress	66,937	56,499

Restrictions

Land in the 'restricted asset' category is subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared a reserve under the Reserves Act 1977), or other restrictions (such as land under bequest or donation that restricts the purpose for which the asset can be used).

Core infrastructure asset disclosures

Category	Closing Book Value \$000's	Additions Constructed by Council \$000's	Additions transferred to Council \$000's	Most recent estimate of replacement cost
2022				
Roading and Footpaths	1,358,032	32,117	771	1,339,676
Water				
- Treatment Plants and Facilities	24,486	326	-	24,360
- Other	61,971	531	669	61,409
Sewerage				
- Treatment Plants and Facilities	68,461	987	-	67,913
- Other	88,473	1	76	88,472
Stormwater	107,267	1,016	4,903	107,267
2021				
Roading and Footpaths	1,221,412	24,661	2,225	1,198,179
Water				
- Treatment Plants and Facilities	24,002	4,070	-	20,391
- Other	47,689	874	361	48,014
Sewerage				
- Treatment Plants and Facilities	64,656	20,293	-	39,503
- Other	75,744	3,223	202	72,041
Stormwater	91,056	561	172	90,504

13. Intangible assets

Accounting policy

Intangible assets that are acquired by the council 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 to use the specific software. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Other intangible assets

Other intangible assets that are acquired by council, 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:

Resource consents	5 - 30 years	3.33 - 20%
Easements	Not amortised	0%
IT software	3 - 10 years	10 - 33%
Public access rights	10 - 50 years	2 - 10%
Electronic books	5 years	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 expenditure

Subsequent expenditure on capitalised intangible assets is 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 life, annually assessed for indicators of impairment and tested for impairment if indicators of impairment 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.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Computer software				
Cost	6,177	5,876	6,357	6,056
Accumulated amortisation and impairment	(5,008)	(5,000)	(5,150)	(5,000)
Year ended 30 June 2021	1,169	876	1,207	887
Opening carrying amount	1,169	876	1,207	887
Additions	727	636	727	636
Amortisation charges	(463)	(315)	(463)	(315)
Disposals (at book value) / adjustments	(61)	(27)	-	-
Balance at 30 June 2022	1,372	1,169	1,471	1,207
Resource consents / easements				
Cost	3,986	3,888	3,986	3,888
Accumulated amortisation and impairment	(1,857)	(1,668)	(1,857)	(1,668)
Year ended 30 June 2021	2,129	2,220	2,129	2,220
Opening carrying amount	2,129	2,220	2,129	2,220
Additions	350	129	350	129
Amortisation charges	(198)	(219)	(198)	(219)
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2022	2,281	2,129	2,281	2,129

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Goodwill				
Balance 1 July 2021	-	-	100	100
Additions	-	-	-	-
Asset written off/impairment	-	-	-	-
Balance 30 June 2022	-	-	100	100
Public access rights				
Cost	9,641	9,641	1,599	1,599
Accumulated amortisation and impairment	(2,395)	(2,142)	(1,554)	(1,451)
Year ended 30 June 2021	7,246	7,499	45	148
Opening carrying amount	7,246	7,499	45	148
Additions	-	-	-	-
Amortisation charges	(197)	(253)	(21)	(103)
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2022	7,049	7,246	24	45
Water rights				
Cost	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-
Year ended 30 June 2021	-	-	-	-
Opening carrying amount	-	-	-	-
Additions	1,200	-	1,200	-
Amortisation charges	-	-	-	-
Disposals (at book value) / adjustments	-	-	-	-
Balance at 30 June 2022	1,200	-	1,200	-
Total intangible assets	11,902	10,545	5,076	3,482

Easements and resource consents are not cash generating in nature, instead they give Council the right to access private property where infrastructural assets are located and to carry out activities approved by permit.

Emissions Trading Scheme - owners of pre-1990 forests may opt to join the Emissions Trading Scheme (ETS) and are allocated New Zealand Units (NZU's) based on the size of the forested area in tree tranches. Pre-1990 forests are forests that were established before 1 January 1990. NZU's cannot be earned for an increase in carbon stock (through forest growth) in a pre-1990 forest, but, provided that pre-1990 forests are re-established after harvesting (either by replanting or regeneration) there are no liabilities or obligations under ETS. However, land owners must surrender NZU's equivalent to the carbon emissions from any deforestation.

Council was allocated NZU's relating to 37.7 ha of forested land. These are recognised at nil cost.

14. Depreciation and amortisation expense by activity

	Council	
	2022 \$000s	2021 \$000s
Directly attributable depreciation and amortisation by activity		
Roading and Footpaths	19,663	18,574
Water Supply	2,831	2,676
Wastewater	5,470	4,892
Stormwater	1,452	1,275
Solid Waste Management	295	268
District Facilities	4,607	4,061
Environmental Management	167	119
Strategic Planning and Policy	12	29
Customer services	677	771
Total directly attributable depreciation and amortisation by group of activities	35,174	32,665
Depreciation and amortisation not directly related to group of activities	1,782	1,457
Total depreciation and amortisation expense	36,956	34,122

15. Interest expense by activity

	Council	
	2022 \$000s	2021 \$000s
Directly attributable interest by activity		
Roading and Footpaths	519	387
Water Supply	215	202
Wastewater	776	733
Stormwater	104	93
Solid Waste Management	65	81
District Facilities	470	358
Environmental Management	48	20
Strategic Planning and Policy	3	5
Governance and Strategic Administration	299	296
Total interest attributable to activities	2,499	2,174

16. Gain on asset revaluations

	Council	
	2022 \$000s	2021 \$000s
Revaluation gain reported in PPE note	194,293	136,509
Credited to:		
Revaluation reserves (Note 24)	193,749	130,908
Recognised in surplus / (deficit)		
Reserves land (Note 3)	-	4,967
Utilities land	544	634
Gain on asset revaluations	194,293	136,509

17. Agricultural assets**Accounting policy**

Agricultural assets include biological assets and agricultural produce. A biological asset is a living animal or plant. Agricultural produce is the harvested produce of those biological assets.

Biological assets are measured at fair value less costs to sell, while agricultural produce is measured at fair value less costs to sell at the point of harvest. The net gain or loss arising from changes in valuation is included in the surplus / (deficit). Agricultural produce from biological assets is transferred to inventory at its fair value, by reference to market prices less estimated costs to sell, at the date of harvest.

17a. Biological assets**Accounting policy**

Biological assets held by the group are bees.

Bees have been valued at fair value by reference to the Ministry of Primary Industries published prices. The fair value gain or loss arising from changes in the valuation is included in the surplus / (deficit).

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Balance at 1 July	-	-	1,184	1,604
Purchases of Bees & Hives	-	-	-	-
Fair value gains/(losses) on valuation	-	-	(874)	(420)
Balance at 30 June	-	-	310	1,184

Financial risk management strategies

Council's group is exposed to financial risks arising from changes in bee product prices and the inherent nature of beekeeping. Bee prices have declined significantly and measures are taken to manage exposure to risks of further decline.

17b. Forestry assets

Accounting policy

Forestry assets are independently revalued to estimated market valuation based on net present value. 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 as incurred.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Balance at 1 July	555	701	555	701
Disposal of Forestry Asset under Treaty settlement	-	(129)	-	(129)
Gains/(losses) arising from changes in value	(97)	(17)	(97)	(17)
Balance at 30 June	458	555	458	555

Council owns 47 hectares of forest which are of harvestable age. The forest at Kaikohe (5.4 hectares) was harvested during the period ending June 2021 and remains unplanted. There are no restrictions over the title of forestry assets and no forests are pledged as security for liabilities. Independent registered valuer's Woodlands Pacific Consulting Limited have valued the forestry assets as at 30 June 2022. The following assumptions were used:

- A discount rate of 9% (2021 - 9%) has been used in discounting the present value of expected cash flows
- Notional land rental costs have been included for freehold land
- No allowance for inflation has been made
- Costs are Forest costs (which in this case are confined to costs associated with protection and maintenance), administration and land rental and production (harvesting) costs
- Log prices assume delivery either at the mill gate or wharf gate and
- Export log prices have been adjusted to include the relevant port costs

Financial risk management strategies

Council is exposed to financial risks arising from the changes in timber prices. Council is a long term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken measures to manage the risks of a decline in timber prices.

18. Investment property

Accounting policy

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the group measures all investment properties at fair value determined annually by an independent valuer. The 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's 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 of subsequent recording. When council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value, and is not reclassified as property, plant and equipment during the redevelopment.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Balance at 1 July	-	-	110,834	87,451
WIP transfers	-	-	-	-
Additions / WIP	-	-	13,467	6,455
Disposals	-	-	(385)	(1,969)
Reclassification as PPE movement	-	-	(13,912)	(2,724)
Subsidy offset adjustment	-	-	9,115	14,912
Fair value gains / (losses) on valuation	-	-	15,285	6,709
Balance at 30 June	-	-	134,404	110,834

Investment properties are valued annually at fair value effective 30 June. A market based approach has been applied to all investment properties where market evidence can be reliably analysed to assess open market values. The most recent valuation was performed by Brad Sworn ANZIV, of the firm Telfer Young (Northland) Ltd, a valuer with extensive market knowledge in the types of investment properties owned by the group, for Far North Holdings Ltd effective 30 June 2022.

Rental revenue

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Rental revenue	-	-	4,548	4,441
Expenses from investment property generating revenue	-	-	1,362	1,277
Expenses from investment property not generating revenue	-	-	-	-

19a. Investment in subsidiaries

Accounting policy

Council consolidates in the group financial statements all entities where the Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where the Council controls the majority voting power of the governing body or where such policies have been irreversibly determined by the Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Far North Holdings Ltd	18,000	18,000	-	-
Total investment in subsidiaries	18,000	18,000	-	-

Council has a 100% investment in FNHL and its reporting date is 30 June. The investment in FNHL comprises 7,000,000 ordinary shares and 11,000,000 convertible non participating redeemable shares. The holders of the convertible non participating shares have no rights to participate in the profits or assets of the Company other than by the discretion of the directors, to vote at any general meeting of the Company or to subscribe for or be offered or allotted any present or future issue of shares in the capital of the Company. The Company shall be entitled, at any time from 30 May 2002, to redeem all or any of the convertible non participating shares.

19b. Investments in equity accounted associates

Accounting policy

Council's associate investment is accounted for in the group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the group financial statements is increased or decreased to recognise the group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment.

If the share of deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After the group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the group will resume recognising its share of the surpluses only after its share of the surpluses equals the share of deficits not recognised.

When the group transacts with the associate, surpluses or deficits are eliminated to the extent of Council's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is accounted for using the equity method in Council's parent entity financial statements.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Group investments in associates	-	-	1,352	1,232
Total investment in equity accounted associates	-	-	1,352	1,232

Group investments in associates

Far North Holdings Ltd holds significant influence over their associate Kaikohe Berryfruit GP Limited and has included their investment using the equity accounting method.

Northland Inc (Associate)

Northland Inc is a limited company incorporated and registered under the Companies Act 1993 and is a council controlled organisation as defined in section 6 of the Local Government Act 2002. Northland Inc is an associate of Council with a primary objective to develop the economy of Northland and review funding opportunities for the Investment and Growth Reserve. Northland Inc is classified as an associate as it is considered that Council holds significant influence over the financial and operating policies of Northland Inc due to the fact Council shares joint control of Northland Inc with Northland Regional Council (33.3%) and Kaipara District Council (33.3%). Council's investment in Northland Inc is carried at cost of \$80 (2021: Nil) in the Council's parent entity financial statements.

20. Creditors and other payables**Accounting policy**

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.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Current portion				
Payables and deferred revenue under exchange transactions				
Creditors	848	2,756	7,697	7,645
Related party payables	-	-	-	487
Accruals	11,519	15,261	11,542	15,291
Deposits	4,270	4,794	4,270	4,794
Revenue in advance	6,956	12,847	9,469	16,334
Total	23,593	35,658	32,978	44,551
Payables and deferred revenue under non-exchange transactions				
Income tax and ACC payable	564	531	564	531
Other taxes payable (e.g.GST and FBT)	-	-	5	-
Total	564	531	569	531
Total current portion	24,157	36,189	33,547	45,082
Non-current portion				
Creditors	52	160	52	160
Revenue in advance	-	-	12,239	10,228
Total non-current portion	52	160	12,291	10,388

Trade and other payables are non interest bearing and are normally settled on 30 day terms, therefore the carrying value of trade and other payables approximates their fair value.

21. Provisions

Accounting policy

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 the landfill sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closures costs arises.

The provision is measured 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.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Provision for Landfill aftercare liability				
Current provisions	86	11	86	11
Non-current provisions	1,735	391	1,735	391
Total provisions landfill aftercare	1,821	402	1,821	402
This is represented by:				
Ahipara				
Opening balance 1 July	79	265	79	265
Plus provision added	-	-	-	-
Less amount utilised	74	(186)	74	(186)
Closing balance 30 June	153	79	153	79
Kaikohe				
Opening balance 1 July	16	6	16	6
Plus provision added	-	10	-	10
Less amount utilised	-	-	-	-
Closing balance 30 June	16	16	16	16
Russell				
Opening balance 1 July	262	276	262	276
Plus provision added	-	-	-	-
Less amount utilised	1,345	(14)	1,345	(14)
Closing balance 30 June	1,607	262	1,607	262
Whangae				
Opening balance 1 July	45	21	45	21
Plus provision added	-	24	-	24
Less amount utilised	-	-	-	-
Closing balance 30 June	45	45	45	45
Total landfill aftercare provisions	1,821	402	1,821	402
Total current provisions	86	11	86	11
Total non-current provisions	1,735	391	1,735	391
Total provisions	1,821	402	1,821	402

Landfill aftercare provisions

Council gained resource consents to operate landfills at Ahipara, Russell, Whangae and Kaikohe. The Council has responsibility under the Resource Management Act (1991) to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

There are closure and post closure responsibilities such as the following:

- Final cover and vegetation;
- Drainage control features to minimise infiltration of stormwater;
- Completing facilities for leachate collection and treatment;
- Ongoing monitoring as per discharge consent conditions; and
- Completing facilities for monitoring of landfill gas and ensuring no hazard exists.

Post closure responsibilities:

- Treatment and monitoring of leachate;
- Ground water and surface water monitoring;
- Gas monitoring and flaring if required;
- Implementation of remedial measures such as needed for settlement and cracking of capping layer;
- Ongoing site maintenance for drainage systems, final cover and vegetation; and
- Ensure closed landfill is suitable for intended future use.

The management of the landfills will influence the timing of some liabilities – for example, the current landfill site of Russell will operate in two stages. A liability relating to stage 2 will only be created when that stage is commissioned and when refuse begins to accumulate in this stage.

The following major assumptions have been made in the calculation of the provision:

- Council approved the closure of the Russell landfill at a Council meeting on 11th August 2022, with no active landfill sites in operation.
 - Ahipara - nil
 - Russell - nil

Estimates of the remaining lives have been made by Council's engineers based upon historical volume information.

The future cash flows for the landfill post closures are expected to occur for the years between 2023 and 2049, and includes costs to immediately close the Russell landfill. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cashflows have been estimated taking into account existing technology.

Risk-free Discount Rates published by the Treasury have been used to discount the estimated future cashflows. <https://treasury.govt.nz/publications/guidance/reporting/accounting/discount rates>

22. Employee benefits

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

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

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Accrued pay	393	297	457	341
Annual leave entitlement	2,259	2,139	2,574	2,362
Other entitlements	242	263	242	263
Total employee benefits	2,894	2,699	3,273	2,966
Comprising				
Current	2,894	2,699	3,273	2,966
Non-current	-	-	-	-
Total employee benefits	2,894	2,699	3,273	2,966

23. Borrowings and other financial liabilities

Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition all borrowings are measured at amortised cost. Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Current				
Bank overdraft (Note 8)	-	-	-	-
Secured loans	10,000	22,000	21,500	23,671
Finance lease liability	-	-	-	-
Total current borrowings	10,000	22,000	21,500	23,671
Non-current				
Secured loans	71,500	41,500	110,160	78,625
Finance lease liability	-	-	-	-
Total non-current borrowings	71,500	41,500	110,160	78,625

Council loans are secured over rating revenue. FNHL has loans of \$50,159,262 (2021 - \$38,796,232). Land and buildings to a value of \$102,919,000 (2021 - \$66,602,000) have been given as security for the term loans. Council has an overdraft limit of \$3 million (2021 - \$3m) which is not secured.

Council has a short term loan facility of \$20 million as at 30 June 2022 (2021 - \$20m) and \$10.0m was drawn against this facility as at 30 June (2021 - \$12.0m).

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Maturity periods				
Payable no later than 1 year	10,000	22,000	21,500	60,796
Later than 1, not later than 2 years	21,500	6,500	58,570	6,500
Later than 2, not later than 5 years	40,000	25,000	40,000	25,000
Later than 5 years	10,000	10,000	11,590	10,000
	81,500	63,500	131,660	102,296

The carrying amount of borrowings approximates their fair value.

The weighted average effective interest rates on secured loans (current and non current) were:

	2022	2021
Secured loans and debentures	2.37%	1.92%

Council's borrowing management policy is based on ratios and is calculated as follows:

Ratio	Target	Achievement 2021/22
Net debt as % total revenue	Debt not greater than 175% of revenue	41%
Net annual interest to total revenue	Less than 20%	1.04%
Current ratio (liquidity ratio)	Equal to or greater than 110%	132%

24. Equity

Accounting policy

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 reserves to enable clearer identification of the specified uses that Council makes of its accumulated surpluses. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserves;
- Fair value through equity reserves;
- Cash flow hedge reserve; and
- Capital reserves.

Restricted reserves

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

Funds that are received or set aside for particular purposes, and have legislative restrictions placed upon them, are considered as restricted funds. These include some special funds or reserves and sinking funds created prior to the repeal of the Local Authorities Loans Act. The portion of these funds not required in the current year has been shown as restricted funds.

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.

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 the fair value through 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.

	Council		Group	
	2022	2021	2022	2021
	\$000s	\$000s	\$000s	\$000s
Retained earnings				
As at 1 July	1,462,263	1,430,299	1,532,679	1,480,950
Transfer from / (to) restricted reserves	616	(4,430)	616	(4,430)
Transfer from revaluation reserves on disposal	3,488	1,244	(11,003)	(1,654)
Transfer from Revaluation Reserve for land under road adjustment	-	-	-	-
Surplus / (deficit) for the year	26,523	35,149	54,450	57,812
Balance as at 30 June	1,492,890	1,462,263	1,576,743	1,532,679
Restricted reserves				
As at 1 July	12,433	8,003	13,936	9,506
Transfer (to) / from retained earnings	(616)	4,430	(616)	4,430
Balance as at 30 June	11,817	12,433	13,320	13,936
Restricted reserves consists of:				
Community – district	3,511	4,525	3,511	4,525
Drainage	247	199	247	199
Stormwater separate rate	4,933	4,933	4,933	4,933
Sewerage	(518)	(388)	(518)	(388)
Water	(1,677)	(2,033)	(1,677)	(2,033)
Special funds	4,936	4,885	4,936	4,885
Kerikeri main street reserve	278	278	278	278
Economic development reserve	10	10	10	10
Paihia central business district development	97	49	97	49
Kaitiāa BID	(3)	(5)	(3)	(5)
Hupara Road improvements	(65)	(88)	(65)	(88)
Carpark funds	68	68	68	68
Subsidiary assets	-	-	1,503	1,503
Total restricted reserves	11,817	12,433	13,320	13,936
Other reserves consist of:				
Asset revaluation reserves				
As at 1 July	623,872	494,362	634,894	501,989
Revaluation gains	193,749	130,908	197,424	134,304
Transfer to retained earnings on disposal	(3,489)	(1,399)	(3,489)	(1,399)
Adjustment from WIP	-	-	-	-
Transfer to Retained Earnings for land under road adjustment	-	-	-	-
Balance as at 30 June	814,132	623,872	828,829	634,895

	Council		Group	
	2022	2021	2022	2021
	\$000s	\$000s	\$000s	\$000s
Asset revaluation reserve consists of:				
Operational Land	-	7,942	-	7,942
Vehicles and plant	495	495	495	495
Leasehold improvements	33	33	33	33
Wharves, ramps, moorings	3,684	3,986	3,684	3,986
Furniture, fitting and office equipment	-	-	-	-
Information Systems	-	-	-	-
Roading and footpaths	556,022	432,886	556,022	432,886
Roading Land	2,323	-	2,323	-
Water - treatment plants and facilities	8,078	6,658	8,078	6,658
Water - reticulation	39,303	24,679	39,303	24,679
Wastewater - treatment plants and facilities	17,520	13,331	17,520	13,331
Wastewater - reticulation	47,528	31,711	47,528	31,711
Refuse	5,920	3,929	5,920	3,929
Drainage	69,703	57,979	69,703	57,979
Community facilities	39,215	39,218	54,690	51,782
Infrastructural Land	22,523	-	22,523	-
Council restricted assets	1,785	1,024	-	-
FNHL – land	-	-	3,813	1,640
FNHL – runways	-	-	1,637	869
FNHL – buildings	-	-	(4,195)	(2,776)
Total asset revaluation reserve	814,132	623,871	829,077	635,144
Fair value through equity reserve				
LGNZ shares revaluation movements				
As at 1 July	37	34	(119)	(125)
Fair value gains / (losses)	3	3	(129)	6
Total LGNZ shares valuation reserve	40	37	(248)	(119)
Cash flow hedge equity reserve				
As at 1 July	(130)	(372)	(130)	(372)
Fair value gains / (losses)	130	242	130	242
Balance 30 June	-	(130)	-	(130)
Capital reserve				
As at 1 July	2,697	2,697	-	-
Balance as at 30 June	2,697	2,697	-	-
Total other reserves	816,869	626,475	828,829	634,895

Footnote: The adjustment from Work in Progress (\$1,821) is to update the Reserve for capital expenditure that had not migrated to PPE in time for the latest valuation (2020).

Restricted reserves consist of community services, amenity development and amenity funds, special funds and separate rates reserves and are restricted to use for specific purposes and are not available for general expenditure.

The capital reserve pertains to profit of \$1,630,000 on the sale of Council's shares in Far North Maritime Limited to FNHL, and a capital profit of \$1,067,000 on the sale of land and buildings to Far North Properties, a former subsidiary of FNHL.

25. Capital commitments

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Capital commitments approved and contracted				
Roading and footpaths	72,523	28,378	72,523	28,378
District Facilities	-	781	-	781
Wastewater	-	156	-	156
Water Supply	1,810	9	1,810	9
Governance and Strategic Administration	-	-	-	-
Investment Property	-	-	7,627	9,569
Maritime / Airport	-	-	1,433	876
Total capital commitments	74,333	29,324	83,393	39,769

The Roothing commitments will attract subsidy of \$50.0 million (2021 - \$19.01 million). Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

26a. Operating leases as lessee

Accounting policy

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

Operating leases as lessee

Council has operating lease agreements for the provision of property.

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Operating leases				
Lease payments made:	867	784	928	844
Lease payments due:				
Not later than 1 year	520	478	600	560
Later than 1 year and not later than 2 years	381	451	511	650
Later than 2 years and not later than 5 years	712	638	712	638
Later than 5 years	530	605	530	605
Total operating leases	2,143	2,172	2,353	2,453

There are no restrictions placed on the group by any of the leasing arrangements.

26b. Operating leases as lessor

The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$001s	2021 \$000s
Non-cancellable operating leases lessor				
Not later than 1 year	608	577	2,747	1,967
Later than 1 and not later than 5 years	2,328	1,508	7,637	4,797
Later than 5 years	4,663	4,564	10,930	9,125
Total non-cancellable operating leases	7,599	6,649	21,314	15,889

27a. Contingencies

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Building Act claims	475	10	475	10
Other legal proceedings	-	165	-	165
Roadway legalisation claims	-	140	-	140
Total contingent liabilities	475	315	475	315

Litigation

There are 3 claims involving possible future costs totalling an estimated value of \$475,000. These claims are contingent and have not been accrued in the financial statements. (Last year there were 8 possible claims at an estimated value of \$315,000). The Council is subject to some claims in respect of repair costs for weather-tight homes. As at the date of this report, the Weather-tight Homes Resolution Service advises that it is actioning no claim in relation to Council. The number of buildings affected by those claims is unknown. Claims lodged prior to July 2007 will be substantially covered by insurance and those from July 2008 will be subject to an excess of \$50k per claim. From July 2009 no further claims will be covered by Riskpool.

Guarantees

There are two guarantees in place, with Houhora Big Game Sports and Fishing Club \$50,000 (2021 \$50,000) and the Kawakawa Bowling Club of \$45,500 (2021 \$45,500). Council has guaranteed a bank loan for the Kerikeri Civic Centre Trust. At balance date the Council has recognised a liability for the outstanding loan balance which stands at nil (June 2021 outstanding balance of nil). Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. NZLGFA has a local currency rating from Fitch Ratings and Standard & Poor's of AA+ and a foreign currency rating of AA. Council is a borrower guarantor (not a shareholder) and is one of 30 local authority shareholders and 48 local authority guarantors of the NZLGFA. The uncalled capital of shareholders is \$20 million and is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totalling \$15,789 million (2021: \$13,610 million). Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand.
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

28. Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Key management personnel compensation

	Council	
	2022 \$000s	2021 \$000s
Councillor's remuneration	984	948
Community board remuneration	369	366
Senior management team (Inc. CEO)	1,328	1,330
Total salaries - key management personnel	2,681	2,644

Full time equivalents	2022	2021
Full time equivalent Councillors	10	10
Full time equivalent Community board members	19	19
Full time equivalent SLT (incl. CEO)	5	5

Due to the difficulty in determining the full time equivalent for Councillors and Community Board members, the full time equivalent is taken as the number of Councillors and Community Board members.

29. Remuneration

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
The Chief Executive Officer of the Far North District Council, appointed under section 42(1) of the Local Government Act 2002 received a salary and benefits respectively of:				
Salary	403	339	403	339
Total CEO costs	403	339	403	339

Elected representatives

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Mayor Carter - honorarium	155	151	155	151
Mayor Carter - mileage and other expenses	9	17	9	17
Other elected representatives				
Court A - honorarium	113	104	113	104
Court A - mileage and other expenses	8	10	8	10
Collard D - honorarium	70	66	70	66
Collard D - mileage and other expenses	7	22	7	22
Clendon D - honorarium	70	66	70	66
Clendon D - mileage and other expenses	4	7	4	7
Foy F - honorarium	91	85	91	85
Foy F - mileage and other expenses	12	8	12	8
Radich M - honorarium	70	66	70	66
Radich M - mileage and other expenses	2	3	2	3
Smith R - honorarium	91	85	91	85
Smith R - mileage and other expenses	5	7	5	7
Stratford K - honorarium	91	85	91	85
Stratford K - mileage and other expenses	6	11	6	11
Tepania M - honorarium	70	66	70	66
Tepania M - mileage and other expenses	2	4	2	4
Vujcich J - honorarium	91	85	91	85
Vujcich J - mileage and other expenses	17	-	17	-
Total elected representatives	984	948	984	948

Elected members

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Bay of Islands-Whangaroa Community Board				
Ayr L - honorarium	16	16	16	16
Ayr L - mileage and other expenses	2	2	2	2
Gmuer-Hornell M - honorarium	16	16	16	16
Gmuer-Hornell M - mileage and other expenses	2	1	2	1
Hookway D - honorarium	16	16	16	16
Hookway D - mileage and other expenses	2	1	2	1
Mills B - honorarium	16	16	16	16
Mills B - mileage and other expenses	4	3	4	3
Owen F - mileage	16	16	16	16
Owen F - mileage and other expenses	2	4	2	4
Ward B - honorarium	32	31	32	31
Ward B - mileage and other expenses	4	5	4	5
Wells M - honorarium	16	16	16	16
Wells M - mileage and other expenses	2	2	2	2
Kaikohe-Hokianga Community Board				
Davis E - honorarium	14	13	14	13
Davis E - mileage and other expenses	3	7	3	7
Byers L - honorarium	14	13	14	13
Byers L - mileage and other expenses	2	-	2	-
Edmonds M - honorarium	27	27	27	27
Edmonds M - mileage and other expenses	2	1	2	1
Hessell A - honorarium	14	13	14	13
Hessell A - mileage and other expenses	1	3	1	3
Toorenborg L - honorarium	14	13	14	13
Toorenborg L - mileage and other expenses	2	3	2	3
Van Gaalen K - honorarium	14	13	14	13
Van Gaalen K - mileage and other expenses	3	-	3	-
Te Hiku Community Board				
Brown J - honorarium	14	14	14	14
Brown J - mileage and other expenses	-	-	-	-
Gardner K - honorarium	27	27	27	27
Gardner K - mileage and other expenses	6	14	6	14
Stewart J - honorarium	14	14	14	14
Stewart J - mileage and other expenses	-	1	-	1
Subritzky B - honorarium	14	10	14	10
Subritzky B - mileage and other expenses	3	1	3	1
Bainbridge S - honorarium	14	14	14	14
Bainbridge S - mileage and other expenses	3	3	3	3
Axe D - honorarium	14	14	14	14
Axe D - mileage and other expenses	4	3	4	3
Total Community Board costs	369	366	369	366
Total remuneration costs	1,756	1,653	1,756	1,653

	Council 2022 Number
Total annual remuneration by band of employee as at 30 June 2022	
< \$60,000	116
\$60,000 to \$79,999	99
\$80,000 to \$99,999	75
\$100,000 to \$119,999	62
\$120,000 to \$139,999	10
\$140,000 to \$179,999	13
\$180,000 to \$342,999	10
Total employees	385

	Council 2021 Number
Total annual remuneration by band of employee as at 30 June 2021	
< \$60,000	131
\$60,000 to \$79,999	95
\$80,000 to \$99,999	73
\$100,000 to \$119,999	60
\$120,000 to \$139,999	8
\$140,000 to \$179,999	15
\$180,000 to \$349,999	9
Total employees	391

Total remuneration includes non-financial benefits provided to employees.

At balance date, the Council employed 343 (2021 - 337) full time employees, with the balance of staff representing 31.65 (2021 - 34.46) full time equivalent employees. A full time employee is determined on the basis of a 40 hour week.

30. Severance payments

There were two severance payments made in 2021-22. The values of the payments were \$10,000 and \$43,842.40 totalling \$53,842.40 (2021 - three totalling \$27,000).

31. Events after balance sheet date

After the balance sheet date, there have been multiple significant storm events that have impacted the Far North District, one each in July & August 2022 and January 2023, and Cyclone Gabrielle in February 2023. Significant rainfall fell in the region, causing widespread damage and disruption to the road network. The 2022 storm events resulted in State Highway 1 through the Mangamuka Gorge and West Coast Road near Kohukohu being closed indefinitely. The alternative route for State Highway 1 is State Highway 10 through Kāeo which is adding extra pressure and traffic to that route. Cyclone Gabrielle delivered even more rainfall and severe winds, causing power outages and property damage and a state of emergency to be declared, not just within the Far North District but nationally, its impact highlighting how fragile the main roading options in and out of the district are. Council is seeking investment from Central Government to help towards repair costs and to also investigate permanent suitable alternative routes.

3 Waters Reform

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received Royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that Council will no longer deliver three water services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

32. Financial instrument risk

32a Financial instrument categories

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Financial assets				
Loans and receivables				
Cash and cash equivalents	13,353	5,442	14,357	6,087
Other financial assets	-	160	443	734
Short term deposits	-	-	-	-
Loans and receivables	600	600	1,265	600
Debtors and other receivables (excluding prepayments)	30,001	36,367	32,639	39,249
Total loans and receivables	43,954	42,569	48,704	46,670
Fair value through equity				
LGNZ shares	85	82	85	82
LGFA borrower notes	1,549	799	1,549	799
Total fair value through equity	1,634	881	1,634	881
Financial liabilities				
Derivatives that are cash flow hedge accounted				
Derivative financial instrument liabilities				
Current	-	130	-	130
Non-current	-	-	-	-
Total derivatives that are in a cash flow hedge relationship	-	130	-	130
Financial liabilities at amortised cost				
Creditors and other payables	16,637	22,811	23,509	28,217
Borrowings				
Secured loans	81,500	63,500	131,660	102,296
Total financial liabilities at amortised cost	98,137	86,311	155,169	130,513

32b Financial instrument risks

Management policies with respect to financial instruments

The Group has a series of policies providing risk management for interest rates and the concentration of credit risk. The Group is risk averse and seeks to minimise exposure from its treasury activities. The Group has established a treasury policy specifying what transactions can be entered into. The policy does not allow any financial transactions that are speculative in nature to be entered into.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity price risk on investments, which are classified as financial assets held at fair value through equity. The price risk arises due to changes in performance of the shares held and is annually assessed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return on investment. The interest rates on the Group's borrowings are disclosed in Note 23. There is one interest rate swap agreement in place at 30 June 2022 (2021 - one). Council manages its interest rate risk by varying financing terms of its public debt.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The group has limited exposure to currency risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss. The maximum amount of credit risk for each class is the carrying amount in the statement of financial position. Council has minimal credit risk, apart from Māori land rates, which is provided for in the provision for Impairment of rates (Note 9), in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable. Council invests funds only in deposits with registered banks and local authority stock and limits the amount of credit exposure to any one institution or organisation. Accordingly, Council does not require any collateral or security to support the financial instruments with organisations it deals with.

Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arms length transaction. The fair value of financial instruments is approximately equivalent to the carrying amount disclosed in the statement of financial position.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flow from a financial instrument will fluctuate because of changes in market interest rates. Council has variable rate borrowings in the form of bank facilities, drawable on demand.

Fair value interest risk

Fair value interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Council holds all long term borrowings at fixed rates which could expose the Council to fair value interest rate risk.

Maximum exposure to credit risk

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Cash at bank and term deposits	13,353	5,442	14,357	6,087
Debtors and other receivables	30,001	36,367	32,639	39,249
Other financial assets	-	160	443	734
Loans and receivables				
LGNZ shares	85	82	85	82
LGFA borrower notes	1,549	799	1,549	799
Guarantee (Civic Trust)	86	11	86	11
Total credit risk	45,074	42,861	49,159	46,962

The Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in Note 27a.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counter party default rates:

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	13,353	5,442	14,357	6,087
Total cash at bank and term deposits	13,353	5,442	14,357	6,087
Fair value through equity				
AAA	1,634	881	1,634	881
Total fair value through equity	1,634	881	1,634	881

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors or other receivables with reference to credit ratings. Apart from Māori land, which is provided for in the provision for impairment of rates (Note 9), Council has no significant concentration of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly rate payers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk**Management of liquidity risk**

Liquidity risk is the risk that the group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The group aims to maintain flexibility in funding by keeping committed credit lines available. In meeting its liquidity requirements, the group maintains a loan profile, in accordance with its funding and financial policies, which includes a treasury management policy. Council has a maximum amount that can be drawn against its overdraft facility of \$3,000,000 (2021 - \$3,000,000). There are no restrictions on the use of this facility.

Contractual maturity analysis of financial liabilities

The table below analyses Council's financial liabilities into relevant maturity groups, based on the remaining period at the balance date, up to the contractual maturity date. Future interest payments are based on the rate attributable to that debt. The amounts disclosed are the contractual undiscounted cash flows.

	Carrying amount \$000s	Contractual cash flows \$000s	Less than 1 year \$000s	1-2 years \$000s	2- 5 years \$000s	More than 5 years \$000s
Council 2022						
Creditors and other payables	16,637	16,637	16,637	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	81,500	85,684	10,026	22,232	42,588	10,838
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	98,137	102,321	26,663	22,232	42,588	10,838
Group 2022						
Creditors and other payables	23,509	23,509	23,509	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	-	-	-	-	-	-
Secured loans	131,660	135,844	21,526	22,232	79,658	12,428
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	155,169	159,353	45,035	22,232	79,658	12,428
Council 2021						
Creditors and other payables	22,811	22,811	22,811	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	130	130	130	-	-	-
Secured loans	63,500	66,432	22,163	6,808	26,501	10,960
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	86,440	89,373	45,103	6,808	26,501	10,960
Group 2021						
Creditors and other payables	28,217	28,217	28,217	-	-	-
Bank overdraft	-	-	-	-	-	-
Net settled derivative liabilities	130	130	130	-	-	-
Secured loans	102,296	105,228	23,834	41,033	29,401	10,960
Guarantee (Civic Trust)	-	-	-	-	-	-
Total	130,642	133,575	52,180	41,033	29,401	10,960

The Council is exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 27a.

Sensitivity analysis

The following table illustrates the potential profit and loss impact for reasonably possible market movements, with all other variables held constant based on Council's financial instrument exposures at the balance date.

Interest rate risk

	2022 \$000s		2021 \$000s	
	Profit - 100 bps	Profit + 100 bps	Profit - 100 bps	Profit + 100 bps
Council				
Financial assets				
Cash and cash equivalents	10	10	8	8
Derivative financial assets				
Derivative financial instruments	-	-	(25)	(25)
Financial liabilities				
Borrowings				
Credit lines	-	-	-	-
Total sensitivity to interest rate risk	17	17	(17)	(17)

Explanation of sensitivity analysis

1. Cash and cash equivalents

Cash and cash equivalents are \$13,353,340 (2021 \$5,441,855) which are at a floating rate. A movement of plus or minus 1% has an effect on interest revenue of \$16,840 (2021 \$8,394).

2. Credit lines

The balance on the credit lines was \$10.0m at 30 June 2022 (2021 \$12.0m) at a floating rate. A movement in interest rates of plus or minus 1% has an effect on interest payable of \$258 (2021 \$170).
FNHL does not have any significant interest rate risk.

32c. Reconciliation of movements in liabilities arising from financing activities

	Borrowings \$000s
Council	
Balance as at 1 July 2021	63,500
Cash inflows	40,000
Cash outflows	(21,035)
Fair value	-
Other changes	(965)
Balance as at 30 June 2022	81,500
Group	
Balance as at 1 July 2021	102,296
Cash inflows	51,500
Cash outflows	(21,171)
Fair value	-
Other changes	(965)
Balance as at 30 June 2022	131,660

33. Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets. The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, liabilities, investments and general financial dealings.
Council has created reserves for different areas of benefit. These are used where there is a discrete set of rate payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to specific reserves.

34. Property available for sale

Accounting policy

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit.

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

Non-current assets are not depreciated nor amortised while they are classified as held for sale (including those that are part of a disposal group).

Breakdown of non-current assets held for sale and further information

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Non-current assets held for sale are:				
Land	-	-	1,360	1,559
Wharves	-	-	-	-
Total non-current assets held for sale	-	-	1,360	1,559

Council has no properties declared surplus and held for sale at the 30 June 22 year end. FNHL has two properties worth \$2,270k (2021 - two properties worth \$1,559k) that are intended for sale as at 30 June 2022. A lifestyle block located between Ōpua and Paihia is being actively marketed. The other property has a sale and purchase agreement in place, subject to subdivision, being a small part of the Ngawha Innovation and Enterprise Park for the Matawii Reservoir.

35. Derivative financial instruments

	Council		Group	
	2022 \$000s	2021 \$000s	2022 \$000s	2021 \$000s
Non-current asset - cash flow hedge	-	-	-	-
Current liability - cash flow hedge	-	130	-	130
Non-current liability - cash flow hedge	-	-	-	-
Total derivative financial instrument liabilities	-	130	-	130

Fair value

The fair value of the interest rate swap has been determined using discounted cash flow valuation based on quoted market rates. Derivative financial assets and liabilities are valued using valuation techniques using observable inputs, being level two per the fair value hierarchy.

36. Variances to Annual Plan

	Council 2022 \$000s
Statement of comprehensive revenue and expense	
Long Term Plan surplus	44,392
Annual Report surplus / (deficit)	26,523
Net operating surplus / (deficit) variance	17,869
Variance represented by:	
Variance area	
Rates	1,115
Other	7,919
Total revenue variance	9,034
Variance represented by:	
Variance area	
Personnel costs	(301)
Depreciation and amortisation expense	613
Finance costs	(217)
Other expenses	(8,930)
Total expenditure variance	(8,835)
Net operating surplus variance	17,869

Significant variances to Annual Plan budget - statement of financial position

The major variances to long term plan budget arise mainly because the budgeted figures were based upon the audited closing balances for June 2020, adjusted for activity that was expected to occur during the 2020-21 financial year. The closing balances for June 2021 were not known at the time the budgets were approved. The current economic climate of sharply rising inflation, unpredictable and uncertain supply chains, and the impact on productivity caused by high numbers of Covid infections have all contributed towards higher asset revaluations and less capital projects being completed.

Other reserves were \$190.0m higher than expected as a result of actual asset revaluation information. Cash and cash equivalents were \$25.4m less than predicted as cash was used in lieu of borrowing.

In total, borrowings were \$77.3m less than expected due to capital work not being completed as expected.

37. Breach statement

Far North District Council was required under the Local Government Act 2002 to complete its audited financial statements and service performance report by 31 December 2022. This timeframe was not met due to the late appointment of the auditor, as a result of the auditor shortage in New Zealand.

Funding impacts statements

Movement in general rates, debt and reserves

General rates are allocated across all activities at the end of the year, with allocation significantly dependent on the operation position per activity before rates are allocated. This can vary from the budgeted allocation due to other movements in revenue and expenditure.

Funding impact statement

Whole of Council

	Annual Plan 2020/21 \$000s	Actual 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding				
General rates, uniform annual general charges, rates penalties	61,989	58,037	60,974	59,205
Targeted rates	29,610	29,541	33,772	32,338
Subsidies and grants for operating purposes	12,645	17,650	14,485	18,215
Fees and charges	16,942	19,684	17,403	18,826
Interest and dividends from investments	495	1,095	256	1,217
Local authority fuel tax, fines, infringement fees and other receipts	1,060	2,380	2,063	1,964
Total operating funding	122,740	128,386	128,953	131,765
Applications of operating funding				
Payments to staff and suppliers	97,594	96,648	102,721	107,516
Finance costs	1,715	2,174	2,282	2,499
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	-	-	-	-
Total applications of operating funding	99,308	98,822	105,004	110,015
Surplus / (deficit) of operating funding	23,432	29,564	23,949	21,750
Sources of capital funding				
Subsidies and grants for capital expenditure	21,187	33,219	58,012	31,727
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	20,086	(7,000)	54,333	18,000
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding	41,273	26,219	112,346	49,727
Applications of capital funding				
Capital expenditure to meet:				
- Additional demand	-	-	-	-
- Improved levels of service	34,713	41,307	111,703	44,419
- Replacement of existing assets	32,093	31,059	28,830	17,390
Increase (decrease) in reserves	(2,101)	(17,254)	(4,238)	7,201
Increase (decrease) in investments	-	672	-	2,467
Total applications of capital funding	64,705	55,783	136,295	71,477
Surplus / (deficit) of capital funding	(23,432)	(29,564)	(23,949)	(21,750)
Funding balance	-	-	-	-

Funding impact statement

Roading and Footpaths

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	12,482	12,144	11,863
Targeted rates	5,609	4,871	5,794
Subsidies and grants for operating purposes	9,892	14,445	12,565
Fees and charges	689	661	415
Internal charges and overheads recovered	2	27	-
Local authority fuel tax, fines, infringement fees and other receipts	600	600	849
Total operating funding	29,275	32,748	31,485
Applications of operating funding			
Payments to staff and suppliers	20,839	26,934	25,517
Finance costs	942	620	518
Internal charges and overheads applied	(824)	(1,904)	(1,001)
Other operating funding applications	-	-	-
Total applications of operating funding	20,957	25,651	25,034
Surplus / (deficit) of operating funding	8,318	7,097	6,451
Sources of capital funding			
Subsidies and grants for capital expenditure	17,392	29,097	18,748
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,638	8,298	1,309
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	20,029	37,395	20,057
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	9,290	30,810	13,731
- Replacement of existing assets	19,806	12,466	10,339
Increase (decrease) in reserves	(749)	1,216	2,438
Increase (decrease) in investments	-	-	-
Total applications of capital funding	28,347	44,492	26,508
Surplus / (deficit) of capital funding	(8,318)	(7,097)	(6,451)
Funding balance	-	-	-

Funding impact statement

Water Supply

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	225	225	-
Targeted rates	3,032	2,988	2,873
Subsidies and grants for operating purposes	-	-	1,543
Fees and charges	5,994	6,945	7,226
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	9,251	10,158	11,642
Applications of operating funding			
Payments to staff and suppliers	4,622	6,126	7,862
Finance costs	578	319	215
Internal charges and overheads applied	1,380	1,528	1,090
Other operating funding applications	-	-	-
Total applications of operating funding	6,579	7,973	9,167
Surplus / (deficit) of operating funding	2,672	2,185	2,475
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	4,502
Development and financial contributions	-	-	-
Increase (decrease) in debt	18	9,374	9,711
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	18	9,374	14,213
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	887	10,387	15,293
- Replacement of existing assets	1,524	1,186	353
Increase (decrease) in reserves	278	(15)	1,041
Increase (decrease) in investments			
Total applications of capital funding	2,690	11,559	16,688
Surplus / (deficit) of capital funding	(2,672)	(2,185)	(2,475)
Funding balance	-	-	-

Funding impact statement

Wastewater

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	320	141	(194)
Targeted rates	14,001	13,797	13,843
Subsidies and grants for operating purposes	-	-	2,886
Fees and charges	357	301	122
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	14,678	14,238	16,657
Applications of operating funding			
Payments to staff and suppliers	6,260	7,263	10,514
Finance costs	2,081	909	776
Internal charges and overheads applied	1,594	1,845	1,372
Other operating funding applications	-	-	-
Total applications of operating funding	9,935	10,017	12,662
Surplus / (deficit) of operating funding	4,744	4,221	3,994
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	970	6,913	(2,668)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	970	6,913	(2,668)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	5,107	8,508	229
- Replacement of existing assets	1,694	4,538	984
Increase (decrease) in reserves	(1,088)	(1,912)	113
Increase (decrease) in investments	-	-	-
Total applications of capital funding	5,713	11,134	1,326
Surplus / (deficit) of capital funding	(4,744)	(4,221)	(3,994)
Funding balance	-	-	-

Funding impact statement

Stormwater

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	3,887	4,170	2,775
Targeted rates	657	1916	178
Subsidies and grants for operating purposes	-	-	398
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	-	-
Total operating funding	4,544	6,086	3,352
Applications of operating funding			
Payments to staff and suppliers	1,463	3,259	2,331
Finance costs	271	123	104
Internal charges and overheads applied	1,319	1,714	1,076
Other operating funding applications	-	-	-
Total applications of operating funding	3,053	5,095	3,511
Surplus / (deficit) of operating funding	1,491	991	(160)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	1,287	2,586	(350)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,287	2,586	(350)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	1,840	3,157	264
- Replacement of existing assets	52	515	72
Increase (decrease) in reserves	886	(95)	(846)
Increase (decrease) in investments			
Total applications of capital funding	2,778	3,577	(510)
Surplus / (deficit) of capital funding	(1,491)	(991)	160
Funding balance	-	-	-

Funding impact statement

Solid Waste Management

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	4,091	3,663	3,889
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,098	1,200	1,409
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	220	220	496
Total operating funding	5,409	5,082	5,794
Applications of operating funding			
Payments to staff and suppliers	4,025	4,348	6,080
Finance costs	93	40	65
Internal charges and overheads applied	625	683	964
Other operating funding applications	-	-	-
Total applications of operating funding	4,743	5,072	7,109
Surplus / (deficit) of operating funding	666	11	(1,315)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	58	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(207)	314	(178)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(207)	371	(178)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	106	671	109
- Replacement of existing assets	163	96	36
Increase (decrease) in reserves	189	(385)	(1,638)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	459	382	(1,493)
Surplus / (deficit) of capital funding	(666)	(11)	1,315
Funding balance	-	-	-

Funding impact statement

District Facilities

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	3,651	3,643	3,646
Targeted rates	11,054	10,200	9,651
Subsidies and grants for operating purposes	-	-	393
Fees and charges	1,335	1,293	1,176
Internal charges and overheads recovered	12	11	36
Local authority fuel tax, fines, infringement fees and other receipts	-	105	77
Total operating funding	16,051	15,251	14,979
Applications of operating funding			
Payments to staff and suppliers	8,383	9,062	9,049
Finance costs	518	449	357
Internal charges and overheads applied	2,718	2,890	2,279
Other operating funding applications	-	-	-
Total applications of operating funding	11,619	12,401	11,684
Surplus / (deficit) of operating funding	4,432	2,850	3,295
Sources of capital funding			
Subsidies and grants for capital expenditure	-	28,858	8,476
Development and financial contributions	2,977	-	-
Increase (decrease) in debt	3,731	24,872	4,672
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	6,708	53,730	13,147
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	7,600	55,099	13,640
- Replacement of existing assets	4,234	7,717	3,742
Increase (decrease) in reserves	(695)	(6,236)	(940)
Increase (decrease) in investments	-	-	-
Total applications of capital funding	11,139	56,580	16,442
Surplus / (deficit) of capital funding	(4,432)	(2,850)	(3,295)
Funding balance	-	-	-

Funding impact statement

Customer Services

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	10,649	10,223	10,694
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	521	412	322
Internal charges and overheads recovered	-	147	-
Local authority fuel tax, fines, infringement fees and other receipts	24	18	188
Total operating funding	11,195	10,800	11,204
Applications of operating funding			
Payments to staff and suppliers	5,461	5,713	5,112
Finance costs	261	129	113
Internal charges and overheads applied	3,772	3,437	3,037
Other operating funding applications	-	-	-
Total applications of operating funding	9,494	9,279	8,262
Surplus / (deficit) of operating funding	1,701	1,520	2,942
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(450)	66	212
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(450)	66	212
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	56	657	205
- Replacement of existing assets	437	337	1,056
Increase (decrease) in reserves	757	593	1,893
Increase (decrease) in investments	-	-	-
Total applications of capital funding	1,250	1,587	3,154
Surplus / (deficit) of capital funding	(1,701)	(1,520)	(2,942)
Funding balance	-	-	-

Funding impact statement

Environmental Management

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	8,587	9,101	9,838
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	4,695	5,646	7,096
Internal charges and overheads recovered	8	7	-
Local authority fuel tax, fines, infringement fees and other receipts	91	96	(63)
Total operating funding	13,382	14,849	16,871
Applications of operating funding			
Payments to staff and suppliers	8,696	10,198	9,749
Finance costs	34	52	48
Internal charges and overheads applied	4,272	4,302	4,513
Other operating funding applications	-	-	-
Total applications of operating funding	13,002	14,551	14,310
Surplus / (deficit) of operating funding	379	298	2,561
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(46)	818	(14)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(46)	818	(14)
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	-	953	144
- Replacement of existing assets	-	28	-
Increase (decrease) in reserves	333	135	2,402
Increase (decrease) in investments	-	-	-
Total applications of capital funding	333	1,116	2,547
Surplus / (deficit) of capital funding	(379)	(298)	(2,561)
Funding balance	-	-	-

Funding impact statement

Strategic Planning and Policy

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/21 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	6,687	8,996	9,432
Targeted	-	-	-
Subsidies and grants for operating purposes	-	-	348
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authority fuel tax, fines, infringement fees and other receipts	-	75	42
Total operating funding	6,687	9,071	9,822
Applications of operating funding			
Payments to staff and suppliers	5,156	7,372	5,908
Finance costs	10	6	3
Internal charges and overheads applied	1,479	1,658	1,571
Other operating funding applications	-	-	-
Total applications of operating funding	6,645	9,036	7,482
Surplus / (deficit) of operating funding	42	35	2,340
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	(23)	(23)	37
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(23)	(23)	37
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	-	-	57
- Replacement of existing assets	-	-	-
Increase (decrease) in reserves	19	12	2,320
Increase (decrease) in investments	-	-	-
Total applications of capital funding	19	12	2,377
Surplus / (deficit) of capital funding	(42)	(35)	(2,340)
Funding balance	-	-	-

Funding impact statement

Governance and Strategic Administration

	LTP 2020/21 \$000s	LTP 2021/22 \$000s	Actual 2021/22 \$000s
Sources of operational funding			
General rates, uniform annual general charges, rates penalties	7,098	8,670	7,262
Targeted rates	-	-	-
Subsidies and grants for operating purposes	38	40	82
Fees and charges	936	945	1,061
Internal charges and overheads recovered	25	64	1,181
Local authority fuel tax, fines, infringement fees and other receipts	1,064	950	375
Total operating funding	9,161	10,669	9,960
Applications of operating funding			
Payments to staff and suppliers	21,076	22,445	25,395
Finance costs	(195)	(364)	298
Internal charges and overheads applied	(16,335)	(16,153)	(14,901)
Other operating funding applications	-	-	-
Total applications of operating funding	4,546	5,929	10,792
Surplus / (deficit) of operating funding	4,615	4,740	(832)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase (decrease) in debt	2,147	1,116	5,270
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,147	1,116	5,270
Applications of capital funding			
Capital expenditure to meet:			
- Additional demand	-	-	-
- Improved levels of service	3,065	1,460	747
- Replacement of existing assets	4,189	1,947	808
Increase (decrease) in reserves	(493)	2,450	416
Increase (decrease) in investments	-	-	2,467
Total applications of capital funding	6,762	5,856	4,438
Surplus / (deficit) of capital funding	(4,615)	(4,740)	832
Funding balance	-	-	-

Financial prudence benchmarks

This section discloses the council's financial performance in relation to various benchmarks to enable an assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

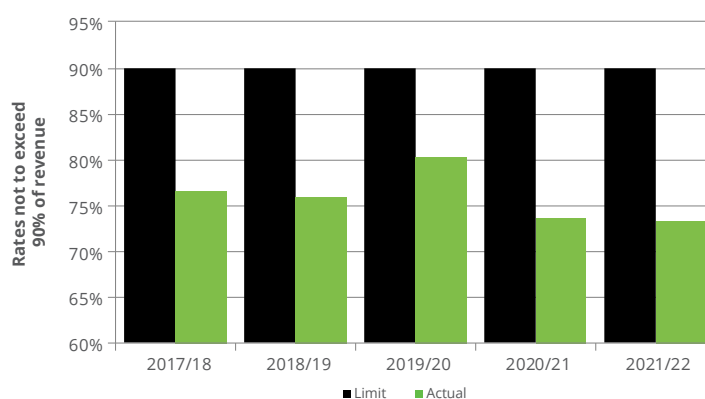
Rates affordability benchmarks

The council meets the rates affordability benchmark if:

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

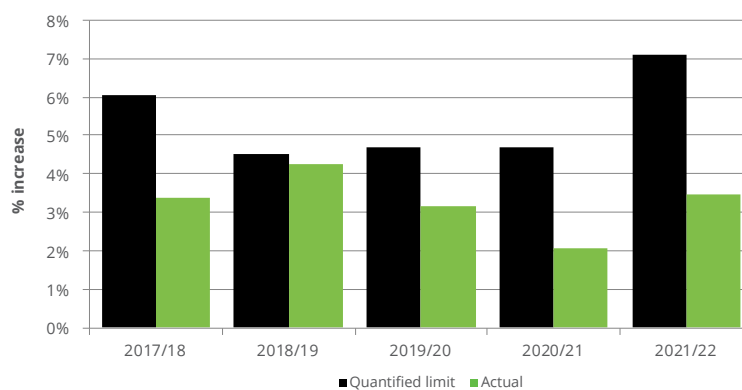
Rates (income) affordability

This graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's LTP 2021-31. The quantified limit is that rates revenue (excluding subsidies and capital income) will not exceed 90% of total revenue. The graph shows the budgeted rates proportion of revenue measured against the actual proportion achieved. Council has achieved this benchmark.



Rates (increase) affordability

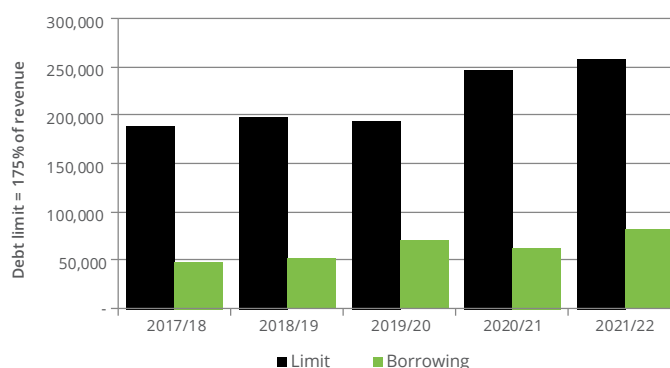
This graph compares the Council's actual rate increases with a quantified limit on rates increases included in the financial strategy included in the Council's LTP 2021-31. The quantified limit is that total rates increase should not exceed LGCI (Local Government Cost Index) plus 3.5%. The graph shows the actual rate increase percentages measured against the predicted rate percentage increases. Council has achieved this benchmark.



Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing.

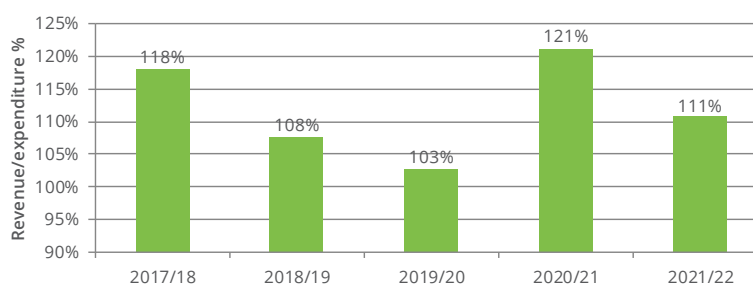
This graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP 2021-31. The quantified limit is that debt be no higher than 175% of total revenue (excluding subsidies and capital income). The graph shows the actual borrowing measured against the maximum borrowing determined by the quantified limit. Council has achieved this benchmark.



Balanced budget benchmark

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

The Council meets this benchmark if its revenue equals or is greater than its operating expenses. Council has achieved this benchmark.

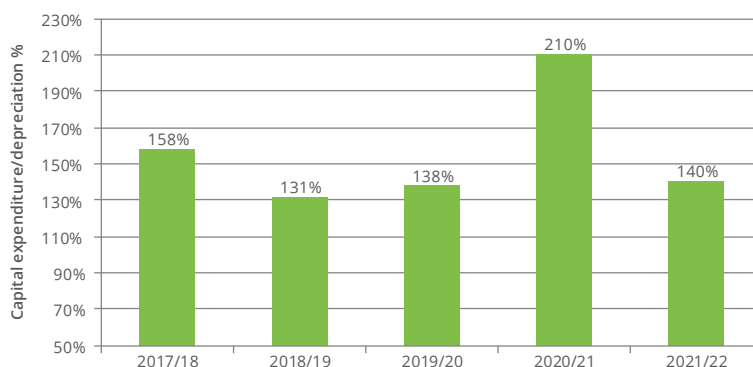


Essential services benchmark

This graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. Network services are defined as:

- Water supply
- Sewerage and treatment and disposal of sewage
- Stormwater drainage
- The provision of roads and footpaths

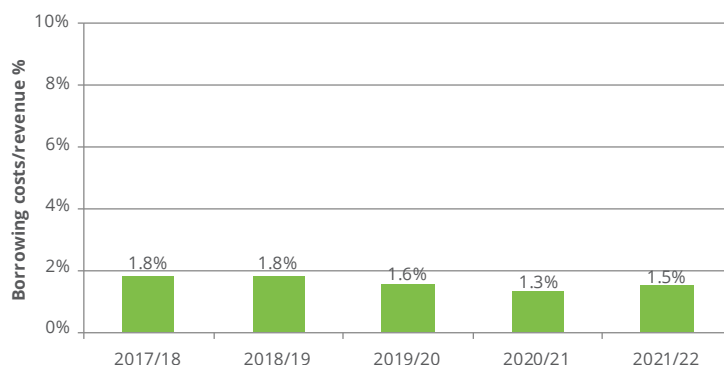
The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The council has achieved this benchmark.



Debt servicing benchmark

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

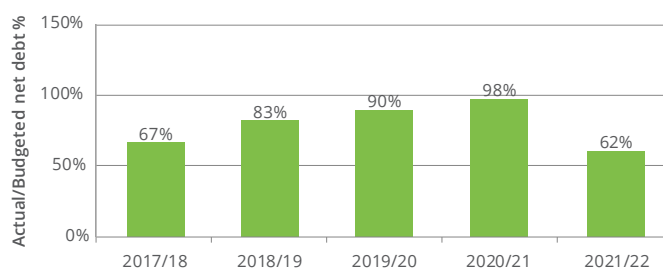
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue. Council has achieved this benchmark.



Debt control benchmark

This graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

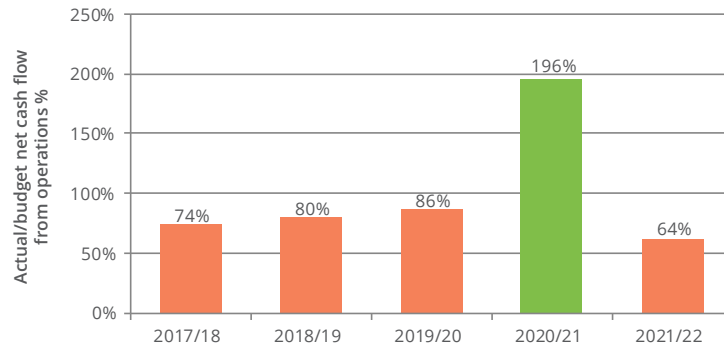
Council meets the debt control benchmark if its actual net debt is equal or is less than its planned net debt. Council has achieved this benchmark.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations. Council has not achieved this benchmark in 2021/22 primarily due to the impact of not completing projects at balance sheet date, resulting in lower subsidies and grants received than planned. This includes projects like Lindvart Park and Paihia waterfront which have been removed from the capital works program (Paihia) or carried forward to the next financial year (Lindvart Park).



Reserves report

The LGA, Schedule 10, requires the Annual Report to include information on each reserve fund set aside by Council. The Annual Report must identify the purpose of the fund, the activity it relates to and the amount expected to be in the fund as well as indicating the amounts that were allocated to and from the reserves during the year. The following tables identify the reserves Council maintains.

Reserve balance purposes

Other reserves

Revaluation reserves

These reserves represent the movement in the valuation of Council's assets.

Fair value through equity reserve, capital reserve, cash flow hedge reserve

These reserves are all balance sheet reserves used for accounting purposes only.

Restricted reserves

Community services fund

Funds are generated by way of targeted rates and are intended for the use of maintenance of community infrastructure such as parks and reserves, public toilets, cemeteries, swimming pools, footpaths, halls etc., and the maintenance of central town areas such as street cleaning and rubbish collection. Funds were maintained at ward level but as the rating policy has changed over time, funds are now maintained as a district wide reserve.

General separate funds (drainage, stormwater separate rate, water, wastewater)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

Special funds

Funds received under the RMA that are ring fenced for specific works relating to the aspect of the RMA under which they were contributed.

General separate funds (Kerikeri mainstreet, economic development, CBD reserves, car park funds)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

General separate funds (Community footpath reserves)

These are restricted reserves that are restricted for specific purposes and are not available for general expenditure.

Retained earnings

General funds retained by Council arising from the accumulation of prior year's surpluses or deficits from general rate funded operations.

Development contributions

Contributions received in line with Council's development contributions policy. As the policy has changed over time, funds are required to be kept at both district wide and ward levels to provide an account of the contributions received under each policy and their use.

Open spaces development contributions

Contributions received in line with Council's development contributions policy. As the policy has changed over time, funds are required to be kept at both district wide and ward levels to provide an account of the contributions received under each policy and their use.

Depreciation reserves

Council is required to fund depreciation on assets that it is intending to renew at a future date. The depreciation charges generated are held by asset/activity area so that funds are available for future replacement.

Emergency event reserve

Specific funds earmarked for the recovery requirements of future weather-related events.

Property disposal reserve

Net sale proceeds arising from surplus property for use to fund future strategic needs within communities. The funds are held at activity and ward levels. The funding decisions are made by Council either at the time of sale or at a future date.

Mineral survey reserve

Reserve to investigate the mineral potential of the Northland region.

Note: Where a reserve balance is shown in brackets it means the reserve is overdrawn.

Reserves

	Opening Balance 2021/22 \$000s	Additions 2021/22 \$000s	Withdrawals 2021/22 \$000s	Closing Balance 2021/22 \$000s
Other reserves				
Revaluation reserves	623,872	193,749	(3,489)	814,132
LGNZ share valuation reserve	37	3	-	40
Cash flow hedge reserve	(130)	130	-	-
Capital reserve	2,697	-	-	2,697
Total other reserves	626,475	193,881	(3,489)	816,869
Restricted reserves				
Community services reserves	4,524	21,856	(22,869)	3,511
General separate funds (drainage, stormwater, water, wastewater)	2,711	33,824	(33,550)	2,985
Special funds	4,885	51	-	4,936
General separate funds (Kerikeri mainstreet, economic development, CBD rates, car parks)	311	123	(50)	385
General separate funds (footpaths)	-	-	-	-
Total restricted reserves	12,432	55,854	(56,469)	11,817
Retained earnings				
Retained earnings	1,406,363	-	-	1,418,242
Development contributions	(16,934)	-	-	(16,934)
Open spaces development contributions	(3,721)	-	-	(3,721)
Depreciation reserves	75,584	36,956	(24,789)	87,751
Emergency event reserve	723	6,664	(82)	7,304
Property disposal reserve	198	-	-	198
Mineral survey reserve	50	-	-	50
Total retained earnings	1,462,263	43,619	(24,871)	1,492,890

Water, wastewater and drainage assets

These assets have a total asset value for insurance purposes of \$112,472,173. The net book value of these assets at 30 June 2022 was \$93,026,006. The insurance cover in this group relates to over ground assets. Council's underground assets are not insured. Council has undertaken a risk assessment for insurance purposes and this has shown that these assets are not at significant risk from earthquake. No provision for self-insurance of these assets has been made.

Roading and footpath assets

The vehicle ferry - Kohu Ra, Pakaraka stock effluent facility, strategic property and the 100% NZTA subsidy funded footbridge in Kerikeri are specifically insured with an asset value of \$11,951,186. The net book value of these assets at 30 June 2022 is \$6,106,230. The remaining \$1,326,170,250 of assets within this group are considered to be uninsured. No provision has been made to self insure these assets as they are deemed to be subject to NZTA subsidy support of at least 60%.

Waste management assets

These assets have a total asset value for insurance purposes of \$2,151,965. The net book value of these assets at 30 June 2022 was \$5,244,323. The remaining assets valued at \$3,092,358 are considered to be uninsured. No provision is made to self insure these assets.

Heritage assets

These assets have a total value for insurance purposes of \$5,615,236. The net book value of these assets was \$3,235,861 at 30 June 2022. There are no uninsured assets in this group.

Community assets

These assets have a total asset value for insurance purposes of \$132,669,257. The net book value of these assets at 30 June 2022 was \$49,916,234. The remaining assets valued at \$24,349,238 are considered to be uninsured. No provision is made to self insure these assets. Of the insured assets, the largest values are held within community centres, libraries and Housing for the Elderly with an insurance value of \$91,423,157 and a net book value of \$31,904,316.

Leasehold improvements, plant and equipment and vehicle assets

These assets have a total asset value for insurance purposes of \$2,934,393. The net book value of these assets at 30 June 2022 was \$1,635,317.

Council's excess for material damage insurance claims resulting from flood or storm is \$100,000 per claim. This reflects the opinion that the Far North is at risk from weather type events including possible tsunamis. Council rates to cover one claim per annum arising from weather events and in years where significant claims are not made, this funding is used to support any additional funding requirements on roading arising from weather related emergency works.

He arotake whakawhiti whakaaro **Audit opinion**

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF FAR NORTH DISTRICT COUNCIL'S ANNUAL REPORT For the year ended 30 June 2022

The Auditor-General is the auditor of Far North District Council (the 'District Council') and its subsidiaries (the Group). The Auditor-General has appointed me, Bennie Greyling using the staff and resources of Deloitte Limited to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

Our audit was completed late

Our audit was completed on 10 March 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Act. This was due to the timing of our appointment due to the auditor shortage in New Zealand.

Opinion on the audited information

In our opinion:

- the financial statements on pages 49 to 97:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2022;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the funding impact statement on page 98, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.
- the activity statements on pages 16 to 47:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand

- the statement about capital expenditure for each group of activities on pages 99 to 108, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 99 to 108, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 109 to 111, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - The Government's three waters reform programme

Without modifying our opinion, we draw attention to note 31 on page 92, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing

(New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's Long-term plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 15, 50, 112-114 and 119-123 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

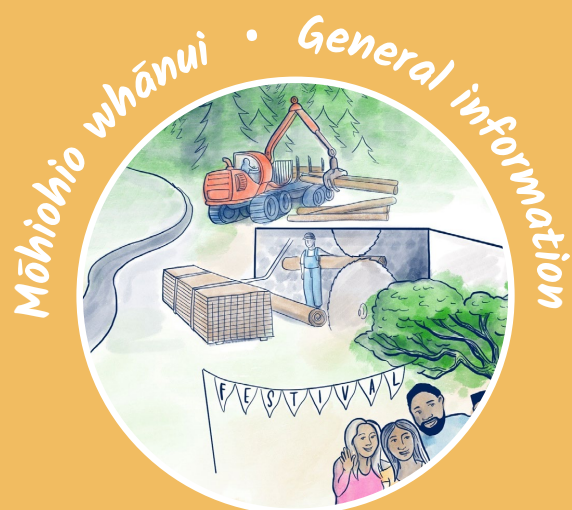
Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an assurance engagement on trustee reporting, which is compatible with those independence requirements. Other than this engagement we have no relationship with or interests in the District Council or its subsidiary.

Bennie Greyling

for Deloitte Limited
On behalf of the Auditor-General
Auckland, New Zealand



Ko tō tātou rohe Our District



*New car and commercial vehicles registrations

Data sources: Infometrics quarterly economic monitor 2021 and economic profile 2022, FNDC Annual Report 2020/21

Rārangi kupu Glossary

Activity

A good or service provided by or on behalf of local authority.

Activity Management Plans (AMPS)

AMPs cover all aspects of managing an asset. They include policy, financial forecasting and engineering requirements for all major activities. They ensure that the required level of services is maintained over the long-term by helping the council anticipate and plan for future needs and renewals.

Allocated costs

Allocation of costs by support departments to other council departments for services provided. They reflect the true cost of the provision of goods and services.

Annual Plan

A plan produced by the council every year that sets out what it plans to do for the following year and into the future, how much it will cost and how the council plans to fund it. Every third year it is part of the Long Term Plan).

Annual Report

A document that the council prepares each year, which provides the public with information on the performance of the local authority during the past year, both in financial and non-financial terms.

Appropriation

Money that has been set aside from or brought into an operating revenue account.

Assets

Assets are available resources owned by the council. Non-current assets are assets that have a useful life of more than one year, such as roads, parks, footpaths and buildings.

AWPT

Area Wide Pavement Treatment Programme. AWPT is a NZTA subsidised programme of renewal of pavements including overlays and chemical stabilisation. It should not be confused with the council's road sealing programme.

BERL

Business and Economic Research Ltd. This is the name of the index councils use for inflation figures across all areas like roading, water and stormwater. These all have different inflation rates.

BKBM

This is a bank bill mid rate. This is the official bank rate for 90 days.

Capital Value (CV)

The value of land plus any additions like buildings, driveways and fences.

Capital expenditure (CAPEX)

Capital expenditure is additions, improvements or renewals to fixed assets that have or will be built or purchased by the council, where the benefit will be reflected over more than one financial year.

CBEC

Abbreviation for Community Business and Environment Centre.

CP

Abbreviation for commercial paper.

Community

The people of the area covered by the council.

Community Board

A local elected board within a community to advise a district council on issues affecting the community and to carry out functions delegated to it by the council.

Community Development (CD)

Is a broad term applied to the practices and disciplines of involving local people in the economic and social progress of our communities. Community development seeks to provide individuals and groups of people with the skills they need to effect change in their own communities. These skills are often created by forming and supporting interest groups working for an agreed common agenda.

Community outcomes

The future that a community wants to achieve. These outcomes set the direction for the council plans and help in the coordination of activities.

Constituency

An electoral area within district boundaries.

Council Controlled Organisation (CCO)

An organisation in which a council has 50% or more of the voting rights.

Council Controlled Trade Organisation (CCTO)

As for a CCO but with the intention of making a profit.

Council

A territorial authority, being an elected group of people that by democratic process have the mandate of the community they represent to make decisions and provide local governance. In the context of this document, 'the council' refers to the Far North District Council, while 'council' refers to territorial authorities generally.

Development contributions

A mechanism provided under the Local Government Act 2002 to fund capital expenditure needed to meet extra demand placed on utilities by development and is met by the developer / subdivider.

Depreciation

The loss in value of an asset over time. This is an accounting device to ensure that an appropriate amount of capital expenditure is allocated as an expense each year and matched against the income of the council (including rates) in the statement of financial performance.

Deighton Total Infrastructure Management System (dTIMS)

A decision support tool used by managers to plan, analyse and select maintenance and rehabilitation activities in the life-cycle of their infrastructure assets.

Far North Holdings Limited (FNHL)

A Council Controlled Trading Organisation in which the Far North District Council is the major shareholder. FNHL manages fixed and non-commercial assets including maritime facilities and assets.

Fees and Charges

Fees and Charges are charges for a council service that must be met by the user of the service (e.g. fees for dumping waste at transfer station etc).

FNDC

Abbreviation for Far North District Council.

FRAs

Abbreviation for Forward Rate Agreements.

Infrastructure

The systems that help a district function such as roads, public water supply, refuse and effluent disposal.

Internal recoveries

Recovery of costs by support departments from other council departments.

ISDA

Abbreviation for International Swaps and Derivatives Agreement.

Land Value (LV)

The probable price that would be paid for the bare land at the date of valuation. The value includes development work such as drainage, excavating, filling, levelling, retaining walls, clearing, building up fertility and flood protection.

Levels of service (LOS)

A measure of a service that the council delivers e.g. a number of sportsfields available for use, water quality etc.

LGA

Local Government Act (2002). The purpose of the LGA is to provide for democratic and effective local government that recognises the diversity of New Zealand communities. The Act provides the general framework and powers under which New Zealand's 78 local authorities – regional, district and city councils – operate.

LGCI

Local Government Cost Index. A BERL measure of the cost of business for a local authority.

Liabilities

Amounts that the organisation owes. Non-current liabilities are amounts that are not due to be paid within the next year.

Loan funds

This is money used by the council that it has obtained by raising a loan.

Local Government Statement

A collection of information prepared under Section 40 of the Local Government Act 2002 that includes information about the ways in which a local authority engages with its community, how it makes decisions, and the ways in which citizens can influence those processes.

Long Term Plan (LTP)

Our 10-year plan adopted every three years that sets out the planned activities, budgets and service provision of the council.

NTA

Northland Transportation Alliance.

New Zealand Transport Strategy

Government's vision for transport for an affordable, integrated, safe, responsive and sustainable transport system.

NZ GAAP

New Zealand Generally Accepted Accounting Practices.

Operating expenditure

Spending for the normal day to day services of the council. This also includes depreciation, interest on loans, and allocated costs.

Performance indicators

Performance indicators are used by the council to measure how well services are performing. They enable targets to be set for service improvement and comparisons of performance over time with other organisations.

Private benefit

This occurs when individuals who benefit from a service can be clearly identified and therefore charged for that service. It applies to user charges, application fees, purchase price and water by meter, although there are exceptions to the rule.

Public benefit

This relates to spending which benefits the community in general and for which no individual beneficiaries can be clearly identified.

Rates

Money that property owners pay to the District and Regional Council for the provision of assets and services.

Regional Council

A council that represents a regional community, manages natural resources and deals with issues that affect the environment. Our Regional Council is the Northland Regional Council (NRC).

Renewal expenditure

This is spending that replaces deteriorating assets with new assets that have the same service potential as the originals.

Reserve contribution

A contribution made either in money or land (at the council's discretion) to the District's reserves, payable for any subdivision in which the number of lots is increased, or for any significant development of land.

Resource Consent

Special permission from the council for an activity related to land.

Restricted assets

Assets that cannot be disposed of because of legal or other restrictions and that provide benefit or service to the community. They include reserves vested under the Reserves Act 1977, endowments and property held in Trust for specific purposes.

Reticulation

When water is supplied from a main source and distributed within a defined area, for a cost. Also a means of wastewater disposal where sewage is discharged to a main source where it is treated for disposal.

Revenue and financing policy

This is a statement about who should pay for the services provided by the council. The policy outlines who will benefit from each activity and who should pay for it, taking into account fairness and what is practical.

RFS

Request for Service. This is the council's system for tracking all public requests such as maintenance requests, questions or complaints.

Service levels

Defined service parameters or requirements for a particular activity or service against which service performance may be measured.

Significance

The degree of importance of an issue, proposal, decision or matter, as assessed by the authority, in terms of its likely impact on and likely consequences for:

- The current and future well-being of the District or Region
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
- The capacity of the council to perform its role and the financial and other costs of doing so.

Special Consultative Procedure (SCP)

A formal consultation process defined in legislation, setting out a series of steps that must be followed when the councils consult on particularly types of decisions.

Special funds / Reserve funds

Money set aside for a specific purpose. Some uses are legally restricted and others created by the council.

Stormwater Catchment Management Plans

SCMPs are designed for the sustainable management of stormwater runoff within a defined catchment utilising piped networks and overland flows giving consideration to current and

future development, climate change, system capacity and condition, water quality, financial affordability and the environment.

Sustainability

Sustainability focuses on improving the quality of life for all people without increasing the use of natural resources beyond the capacity of the environment to supply them indefinitely. Sustainable activities utilise resources and build capacity in a way that ensures the activity can be safely maintained over time.

Sustainable development

Sustainable Development has many definitions. Most interpretations share the fundamental idea that it is development that maintains or enhances economic opportunity and community well-being while protecting and restoring the natural environment upon which people and economies depend. Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.

Territorial Authority

A city or district council.

Triennial agreement

An agreement entered into by all of the local authorities within a region that sets out the basis for community and coordination between authorities.

Uniform Annual General Charge (UAGC)

The fixed component of rates levied in respect of every separately rateable property as a contribution to the costs of activities, works or services, the costs of which are not otherwise recovered from separate rates and charges. This amount does not vary with the value of the property.

Utilities (Utility assets)

Utilities are items of network infrastructure that provide mechanisms for the delivery of services. In a local government context, utilities are commonly public water supply, wastewater, sewerage and solid waste.

Waka Kotahi - NZTA

Waka Kotahi - New Zealand Transport Agency. Waka Kotahi -NZTA is a Crown entity established under the Land Transport Management Act 2003. The objective of the Agency is to undertake its functions in a way that contributes to an affordable, integrated, safe, responsive and sustainable land transport system. Each year the Agency funds innovative and relevant research that contributes to this objective.

Ward

An area within the District administered by the council.



6.2 ESTABLISHMENT OF AN "APPOINTMENT TO COUNCIL ORGANISATION COMMITTEE"

File Number: A3977804

Author: Aisha Huriwai, Team Leader Democracy Services

Authoriser: Jacine Warmington, Group Manager - Strategic Relationships

TAKE PŪRONGO / PURPOSE OF THE REPORT

To establish an Appointments Committee for the sole purpose of managing the recruitment of Directors of Council Organisations (CO's).

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council has an adopted policy in relation to the Appointment and Remuneration of Directors of Council Organisations. The policy stipulates that soon after the elections, an appointments committee be established to ensure timely management of that process.
- The policy also stipulates the membership to be one external commercial adviser (or similar) and two Councillors with an interest in CO's.
- This appointments committee would be in effect for the full triennium and convened as required to undertake the recruitment process for a new director.
- The committee will operate under the parameters of the policy, with support from officers.
- The appointments committee will make a final recommendation to Council on the most suitable candidate to be appointed as director.

TŪTOHUNGA / RECOMMENDATION

That Council;

- 1) **establish an "Appointment to Council Organisation Committee" in line with the Appointment and Remuneration of Directors of Council Organisations Policy (#2117).**
- 2) **make the following appointments to the Committee;**
 - i) **Te Miromiro – Assurance Risk and Finance Committee Chairperson**
 - ii) **Council representative #1 _____**
 - iii) **Council representative #2 _____**
- 3) **appoint _____ as the Chair of the Appointment to Council Organisation Committee.**

1) TĀHUHU KŌRERO / BACKGROUND

The Appointment and Remuneration of Directors of Council Organisations Policy (#2117) was adopted by Council in September 2021. The policy states the following in relation to the appointment of directors:

3. Appointments Committee

As soon as practicable after each local body triennial election, or as otherwise required, the Council will establish an Appointments Committee for the purpose of recommending the appointment of directors to Council Controlled Organisations. The members of the committee will comprise the chairperson of the CCO board, an external commercial advisor (or similar) with relevant experience and knowledge, and up to two other members nominated by the Council. These members would ideally be Councillors with an interest in CCO's and one of these appointees would be appointed as the Chair of the Appointments Committee.

The Committee responsibilities are outlined within the policy. The Committee has no decision-making powers but will make a recommendation to Council for adoption.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

It is now timely to establish a committee in preparation for any unforeseen resignations or planned end of tenure of directors during the triennium. This is now possible with the recent appointment of the independent Chair of Te Miromiro-Assurance Risk and Finance Committee who fits the requirements of being an external advisor.

Option 1 – Establish the Appointments Committee (preferred option)

In this option, the appointments committee is established and prepared for any unforeseen resignations of current directors or planned end of tenure requirements. It allows the recruitment process to be commenced without the need to wait for the next Council meeting to establish the Committee. This option is recommended to ensure that the Committee have sufficient time to go through the process before the next appointment expiry in July 2023. A further 2 appointments end in February 2024.

Option 2 – Establish the Appointments Committee at a later date

In this option, the appointments committee would not be established until such a time as we received a resignation from a member of the Board of Directors of a CO or were aware of the end of tenure for existing directors. This is not the preferred option as it would unnecessarily delay the appointment process.

Take Tūtohunga / Reason for the recommendation

Establish the Appointments Committee in advance of any resignations from directors of Council Organisations.

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

Any costs arising from the appointment process will be met from existing budgets.

ĀPITI HANGA / ATTACHMENTS

- 1. Appointment and Remuneration of Directors for Council Organisations Policy - A3568535**  

Hōtaka Take Ōkawa / Compliance Schedule:

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.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This report is of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The Appointment and Remuneration of Directors of Council Organisations (Policy #2117)
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.	This is a district wide matter with no particular relevance to Community Boards.
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. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The board of a CO should be made up of a diverse range of people who are able to bring relevant expertise to the organisation. For the board to be fully effective, it should comprise directors with a range of complementary skills and experience to ensure that ideas are challenged and tested, and that decision-making is robust.
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).	As above.
State the financial implications and where budgetary provisions have been made to support this decision.	No specific implications.
Chief Financial Officer review.	The Acting CFO has not reviewed this report



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Appointment and Remuneration of Directors for Council Organisations (#2117)

Date Issued: 19 June 2003

Updated July 2021

Purpose

The purpose of this policy is to set out, in accordance with section 57 (1) of the Local Government Act 2002 (LGA), an objective and transparent process for the:

- a) identification and consideration of the skills, knowledge and experience required of directors of a council organisation.
- b) appointment of directors to a council organisation; and
- c) remuneration of directors of a council organisation.

Policy Objectives

The objectives of this policy are to ensure:

- that the process of appointing board members to Council Controlled Organisations (CCO's) of FNDC is undertaken in an objective and transparent manner, while protecting individual privacy.
- that board appointments:
 - are made based on an assessment of skills, knowledge and experience, having regard to the nature of scope of the organisation's objectives and activities.
 - consider the contribution that directors can make to the board as a whole and to the achievement of the organisation's objectives and activities.
 - consider the context in which council, as a publicly accountable body operates.
- continuity through smooth succession of board members and board chairs.

Other relevant legislation

In addition to this policy, the appointment and re-appointment of directors to Council Organisations are governed by their respective constitutions, trust deeds or, in some cases specific legislation. In the event of a conflict, the regulatory requirements of those documents take precedence over this policy.

Background

“Candidate” is a person who has been nominated, submitted a written application or identified through search activities.

“Council Organisation” is defined in section 6 of the LGA as an organisation in which the council has a voting interest or the right to appoint a director, trustee or manager (however described).

“Council Controlled Organisation” is defined in section 6 of the LGA in which the council controls, directly or indirectly, 50% or more of the votes or has the right, directly or indirectly, to appoint 50% or more of the directors.

Board Diversity and Inclusion

Far North District Council (FNDC) values and supports the benefits that diversity of thought, experience and skills bring to our CCO boards as well as the council as a whole; that a culture of inclusion and diversity is cultivated through clear tone from the top, with the Council and elected members, SLT and boards championing diversity and inclusion in support of FNDC’s values.

FNDC recognises that increasing diversity and fostering inclusive board culture is an essential element in supporting high performing boards, driving long-term success, making improved decisions, and delivering better outcomes for the communities of the Far North District.

The board of a CCO should be made up of a diverse range of people who are able to bring relevant expertise to the organisation. For the board to be fully effective, it should comprise directors with a range of complementary skills and experience to ensure that ideas are challenged and tested, and that decision-making is robust.

All board appointments must collectively reflect the diverse nature of the environment in which FNDC and its CCOs operates and be made on merit in the context of the skills, experience and knowledge which the board requires to be effective.

FNDC is committed to supporting and/or providing initiatives:

- that lead to an inclusive recruitment and selection process of board appointments.
- support a diverse range of aspiring directors to develop skills, knowledge, board room experience and to establish relationships and networks; and
- build a diverse pool of experienced directors for Far North District organisations

Policies

1. Eligibility

Council can consider any person as eligible to be a Director/Board Member provided that:

- they have not been previously disqualified from being a director or board member within New Zealand.
- they have not been convicted of a crime involving dishonesty.
- they are not an undischarged bankrupt.
- they are not a currently elected member of the Council
- they are not a current employee of the Council.

2. Skills

The council considers that any person that it appoints to be a director of a CO should, as a minimum, have the following characteristics:

- sound judgement and decision-making.
- a public service ethos.
- a high standard of personal integrity.
- commercial and governance experience.
- clear communication skills and an ability to debate in a reasoned manner.
- The ability to build and maintain relationships.
- effective teamwork and collaboration.
- ability to think strategically.
- risk assessment and contingency management.
- commitment to the principles of good corporate citizenship.
- understanding of the wider interests of the Council, as a publicly accountable shareholder.

3. Appointments Committee

As soon as practicable after each local body triennial election, or as otherwise required, the Council will establish an Appointments Committee for the purpose of recommending the appointment of directors to Council Controlled Organisations. The members of the committee will comprise the chairperson of the CCO board, an external commercial advisor (or similar) with relevant experience and knowledge, and up to two other members nominated by the Council. These members would ideally be Councillors with an interest in CCO's and one of these appointees would be appointed as the Chair of the Appointments Committee.

Any recommendation made must be the unanimous decision of the committee.

4. Appointment Process

The Appointments Committee will prepare a list of possible candidates to be interviewed. In preparing the list, the committee will use several resources including, but not exclusively, public advertising, personal recommendations, and self-referrals, identifying individuals with the required skills and competencies.

The appointment committee will be responsible for:

- approving the criteria against which applications will be assessed.
- approving an independent recruitment consultant to assist with the selection process, if it decides it is warranted.
- preparing a shortlist of candidates to interview.
- interviewing the shortlisted candidates and evaluating them against the approved criteria; and
- reporting on its assessment of each candidate against its criteria and recommending appointments of directors to council.

When making this decision the committee will also consider:

- The costs of any advertisement and process
- The availability of qualified candidates
- The urgency of the appointment (e.g. a CO that is without a quorum cannot hold board meetings).

The Appointments Committee will report to the Council on the outcome of the appointments process and the committee's recommendations. The Council will be the final decision-maker.

The Council expects all participants in the appointment process to undertake the work required of them in a timely manner.

5. Final Appointment

The council will make the final decision in committee (thus protecting the privacy of natural persons). Public announcement of the appointment will be made as soon as practicable after the council has made its decision.

6. Reappointment

Where a director's term of appointment has expired and he or she is offering him or herself for reappointment, the Appointments Committee will consult with the Chairperson of the CO with regard to:

- Whether the skills of the incumbent add value to the work of the organisation
- Whether there are other skills the organisation needs
- The Director's length of tenure
- Succession planning

The Committee will then consider the information obtained and form a view on the appropriateness of reappointment or making a replacement appointment. The outcome of the review will be advised to Council, who will make the final decision in relation to re-appointment if appropriate.

Council may reappoint an existing director for a further term without activating the formal appointment process. Where it is not intended to reappoint the incumbent, the appointment process outlined above will apply.

7. Removal of Directors

Council have the right to remove a Director if:

- The Director becomes an undischarged bankrupt
- The Director is convicted of a crime involving dishonesty
- The Director is prohibited from managing a company by the Registrar of Companies
- The Director is not acting in good faith.
- The Director is unable to perform the duties as a Director

Should it be necessary to remove a Director the default process in the Companies Act 1993 would be followed unless the company constitution specifies a different process.

The default process is to:

- call a shareholder meeting for the specific purpose of removing the director in question. There can be other purposes, but they must appear in the notice of the meeting.
- at the meeting, shareholders can remove the director through an ordinary resolution; and
- if a majority of shareholders votes in favour of the resolution, it passes and the directors' removal from their office becomes effective.

8. Rotation of Directors and Length of Tenure

The Directorship shall be reviewed for appropriateness by the board of the relevant organisation each year. A statement advising that the review has been completed will be included in the Annual Report of the Company.

Directors will normally be appointed for periods of three years. Subject to a review of the director's performance after the first three-year period, the normal tenure for a director will be six years.

Following six years of services, a director may be appointed for a further three years if the benefit of such an extension is considered to outweigh the potential advantages of seeking and appointing a new candidate.

It is desirable that a director is not reappointed to the same organisation after nine years of service. The board shall develop and maintain:

- a skills and corporate knowledge matrix, identifying the skills currently represented by the board and clearly identifying those that need to be considered by a future appointment.
- A succession plan to ensure that the tenure of Directors is reviewed in line with this policy

The above to be discussed and reviewed with the Shareholder at least once a year.

9. Appointment of a Chairperson

The Chair of each CCO board will be appointed by the Board.

In general terms, the skills and attributes sought for CCO Chairs are the same as those sought for CCO Directors (see section 2), but in addition would include the following:

- strong leadership skills, with the ability to work collaboratively with the board to create a sustainable enterprise.
- ability to think in a visionary and strategic manner.
- have a strong understanding of, and experience in, governance; and
- ability to ensure that the organisation is accountable and delivers high quality products, facilities, and services.

10. Conflicts of Interest

Far North District Council expects that directors of Council-controlled organisations will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, the council requires directors to follow the provisions of the New Zealand Institute of Directors' Code of Ethics. All directors are appointed 'at the pleasure of the council' and may be dismissed for breaches of this code.

11. Remuneration

Far North District Council will decide whether directors on CCO boards are to be remunerated. The level of remuneration of directors will be set by council in accordance with the factors below.

To ensure transparency, fees will be set by the council for the board members and Chairs, rather than allocating a pool to be distributed by the board. Fees are to be met from the council organisation's own resources.

The council supports the payments by CCOs of directors' liability insurance and the indemnification of directors.

- **Level of remuneration**

Where CCO directors are remunerated, the level of remuneration will be set taking into account the following factors:

- the need to attract and retain appropriately qualified directors
- the levels of remuneration paid by comparable organisations in New Zealand
- any changes in the nature of the CCO's business
- any other relevant factors.

Remuneration of directors of all CCOs will be reviewed at least once per triennium, or whenever the performance of the CCO or the role of the CCO and its board changes significantly.

12. Review

This Policy is to be reviewed by the Assurance, Risk and Finance Committee provided this is a delegated function of the Committee. If Council does not provide for this delegation at each triennium then the policy will be reviewed by Council.

The policy will be reviewed:

- Every three years or
- At the request of the Chair of the Assurance, Risk and Finance Committee or
- At the request of the Board of the CCO
- In response to a change in legislation or statutory requirements.

6.3 APPOINTMENT OF INDEPENDENT HEARINGS COMMISSIONER

File Number: A4077714

Author: Rochelle Deane, Manager - Environmental Services

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To appoint Mr Barry Mosley to the pool of independent commissioners under section 34A of the Resource Management Act 1991, (the 'Act').

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The Act provides that Council may delegate its functions, powers or duties to independent Commissioners appointed by Council.
- Council has a statutory requirement to maintain a pool of independent commissioners that meet the accreditation requirements and include a sufficient variety of knowledge and experience.
- Barry Mosley has extensive experience in resource planning and would assist the Resource Consent team to undertake Commissioner work as well as assist to ensure continuity of service and the efficient determination of resource consents in a timely manner.

TŪTOHUNGA / RECOMMENDATION

That pursuant to section 34A of the Resource Management Act 1991, that Far North District Council appoint Barry Mosley to the Council's list of approved Commissioners.

1) TĀHUHU KŌRERO / BACKGROUND

The Resource Management Act 1991 provides that Council may delegate its functions, powers or duties to independent commissioners appointed by Council.

The Act requires Council to engage independent commissioners under the following circumstances:

- *Notified resource consents.*

An applicant and/or submitter/s to a notified resource consent application may request that council appoint at least one independent commissioner to hear and decide on the application. This also applies to notified notices of requirement for a designation and heritage. If such a request is received, council must delegate its functions, powers, and duties to hear and decide the application to one or more independent commissioners.

- *Objections to a decision of council officer on resource consent*

An applicant who is objecting to a decision by a council officer has the ability to request that their objection be heard by an independent commissioner. If such a request is received, council must delegate its functions, powers, and duties to consider and decide on the objection to one or more independent commissioners.

Council may also choose to use independent commissioners for:

- making decisions on –
 - proposed policy statements, proposed plans, variations, or plan changes (other than approval)
 - resource consent applications and recommendations on notices of requirement
 - notification or non-notification of resource consents
 - servicing of an application
 - plan changes or variations and on submissions to plan changes (other than declaring a plan change operative)

- reviewing resource consent conditions

Independent commissioner roles extend to:

- providing advice on technical or procedural matters to make decisions on particular applications.
- for perceived or actual conflicts of interest or perceptions of bias,
- where issues are complex or of a highly technical nature and there is a need for specialist expertise that is not available within council,
- where an application has substantive implications for council policy,
- assisting council when councillors are not available or following local body elections, and/or
- covering lengthy hearings.

Councils have the discretion to decide who they employ as independent commissioners provided, they meet the Act's accreditation requirements, and they are not a member (including elected representatives) of council.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Council is required to ensure that it has an appropriate pool of independent commissioners to meet its functions, powers and duties under the Resource Management Act 1991. It is recognised as good practice for council to use independent commissioners in the place of staff and elected representatives, particularly where:

- independent commissioners can help ensure continuity of service and the efficient determination of resource consents in a timely manner,
- staff and/or elected representative/s may be perceived to have an actual or alleged conflict of interest,
- Council is determining objections relating to council charges,
- matters are outside the technical knowledge or experience of staff and/or elected representative/s; such as legal matters, built heritage, previous consenting knowledge or Te Ao Māori and Te Tiriti o Waitangi issues,
- staff and/or an elected representative/s may have, or may be perceived to have, a closed mind on the proposal (such as when publicly stating opinions on the merits of a proposal in the media or at public meetings before it is heard),
- there may be a combined or joint hearing with a district or regional council and a neutral chairperson or adviser is considered desirable,
- Council Controlled Organisation Far North Holdings Ltd is the applicant or has an interest in the outcome of the matter being considered, and council may therefore be perceived to have an actual or alleged conflict of interest, and/or
- staff or contractors of council are the applicant or have an interest in the outcome of the matter being considered, and council may therefore be perceived to have an actual or alleged conflict of interest.

Barry Mosley has extensive experience in resource planning and has previously been on the approved FNDC list of Commissioners prior to joining Auckland Council in 2011.

Barry has a Master of Regional and Resource Planning (awarded with distinction in 1990 Otago University 1990) and is a certified Hearings Commissioner (Ministry for the Environment (MfE)).

He has an extensive work history in planning and policy having worked across several councils, up to General Manager level. This has included developing policy on a wide range of resource management issues, undertaking complex resource management assignments and Environment and High Court work.

Barry Mosley is currently Principal of a Consultancy established to provide professional Resource Management and Urban planning advice and services to individuals and organisations as well as Commissioner work. Barry has recently processed and reported on urban development proposals for the Far North District Council.

As a Planner and certified Hearings Commissioner Barry maintains his knowledge and understanding of Te Ao Māori and tangata whenua values in the current environment by participating

in ongoing education via the NZPI. In particular this relates to the impact of Treaty Settlements and the context for the application of Iwi Management Plans and Cultural Impact Assessments.

Barry would be a valuable addition to the current pool of FNDC approved Commissioners.

As he is not on Council's list of approved Commissioners, he will need to be appointed formally by Council pursuant to s34A of the RMA which provides for delegations to Commissioners.

Take Tūtohunga / Reason for the recommendation.

Barry Mosley is a very experienced Commissioner who is held in high regard by those organisations that use his services. It is, therefore, recommended that he be appointed to the Council's list of approved Hearings Commissioners.

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

The RMA and LGA allow Far North District Council to recover all reasonable costs incurred in respect of the activity to which the charge relates. The costs of the Independent Hearing Commissioners are passed on to the applicant.

ĀPITI HANGA / ATTACHMENTS

Nil

Hōtaka Take Ōkawa / Compliance Schedule:

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.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This matter has a low degree of significance. It does not meet the criteria/threshold for a matter of significance
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Resource Management Act 1991 Local Government Act 2002 Far North District Plan (operative and proposed) LTP Community Outcome: A wisely managed and treasured environment that recognises the special role of Tangata Whenua as Kaitiaki.
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.	District Wide Significance
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. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The Commissioner is very experienced working across the country on a variety of matters. He is well rehearsed in Hearings where there are a high number of Iwi submitters.
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 process is available to those that meet the criteria.

State the financial implications and where budgetary provisions have been made to support this decision.	The RMA and LGA allow Far North District Council to recover all reasonable costs incurred in respect of the activity to which the charge relates. The costs of the Independent Hearing Commissioners are passed on to the applicant.
Chief Financial Officer review.	The CFO has reviewed this report.

7 INFORMATION REPORTS

7.1 MAYOR AND COUNCILLORS REPORTS

File Number: A4049974

Author: Joshna Panday, Democracy Advisor

Authoriser: Jacine Warmington, Group Manager - Strategic Relationships

TE TAKE PŪRONGO / PURPOSE OF THE REPORT

This report is a mechanism to have open communication and transparency on activities undertaken by Councillors as elected representatives.

NGĀ TŪTOHUNGA / RECOMMENDATION

That Council note the reports from Kahika-Mayor Moko Tepania, Kōwhai-Deputy Mayor Kelly Stratford and Councillors Ann Court, Hilda Halkyard-Harawira, Babe Kapa and Tāmati Rākena.

TE TĀHUHU KŌRERO / BACKGROUND

Kahika-Mayor Tepania has reintroduced Council members reports as a mechanism to have open communication and transparency on activities undertaken by Councillors as elected representatives. Members reports are compulsory for Councillors.

TE MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Members reports are attached for information.

Cr Tāmati Rākena has submitted his report in te reo. Staff were not available to translate the report in time for printing but will circulate a translation before the meeting.








REASON FOR THE RECOMMENDATION

To formally receive Councillor reports.

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

There are no financial implications or the need for budgetary provision as a result of this report.

NGĀ ĀPITI HANGA / ATTACHMENTS

1. Report - Kahika-Mayor Moko Tepania - Feb 2023 - A4107307 [↓](#) 
2. Report - Kowhai-Deputy Mayor Kelly Stratford - Feb 2023 - A4103988 [↓](#) 
3. Report - Cr Ann Court - Feb 2023 - A4090830 [↓](#) 
4. Cr Court - Report from New Zealand Future Roads Conference 2022 - A4090840 [↓](#) 
5. Report - Cr Hilda Halkyard-Harawira - Feb 2023 - A4104202 [↓](#) 
6. Report - Cr Babe Kapa - Feb 2023 - A4101121 [↓](#) 
7. Report - Cr Tāmati Rākena.- Feb-Mar 23 - A4110759 [↓](#) 



Member Report

Name: Moko Tepania**Ward: Far North****Date: 24/02/23****Meetings Attended**

Date	Meeting Topic	Comment
24/02/23	Ngāti Hine Forestry Trust	
23/02/23	Te Huia Committee Kaikohe Library and Civic Hub MSD Regional Commissioner Local Government NZ Leaders Zoom Bay of Islands Rotary Meeting	
22/02/23	Mayors Taskforce for Jobs Catchup Te Miromiro Committee Te Puna Tōpū Trust	
21/02/23	Ngāti Rangi – Innovation Park	
20/02/23	Northland Mayoral Forum – Mangawhai	
12/02/23- 19/02/23	Emergency Operations Centre, Relief and Welfare related hui	
10/02/23	Disability Action Group Chair Catchup Pōwhiri at Te Pūkenga Ngāwhā Campus	
09/02/23	Council Meeting	

Community Matters

This section should be completed for matters arising within the community, which Council need to be aware of. It could be related to ongoing projects, requests, feedback etc.

Topic	Comment
Cyclone Gabrielle Recovery	Mayoral Relief Fund established and a Recovery Manager appointed for our council.



Member Report

Name: Kelly Stratford
Ward: Bay of Islands - Whangaroa
Date: 24 February 2023

Meetings Attended

Date	Meeting Topic	Comment
10.2.2023	Making Northland Accessible	Wananga presented by Renelle Baker at KHO Chambers
10.2.2023	Far North Disability Action Group	Meeting with the chair to ensure good relationship between the DAG and council
11.2.2023	Northland CDEM zui	Cyclone Gabrielle meeting with group controller, CEs and mayors/chair
12.2.2023	Mayoral Forum zui	Cyclone Gabrielle
13.2.2023	Northland CDEM zui	Cyclone Gabrielle meeting with group controller, CEs and mayors/chair
14.2.2023	Northland CDEM zui	Cyclone Gabrielle meeting with group controller, CEs and mayors/chair
15.2.2023	Northland CDEM zui	Cyclone Gabrielle meeting with group controller, CEs and mayors/chair
16.2.2023	District Business Association reps zui	Issues within the business community
17.2.2023	ERC Sub-committee Meeting	Employment of the CE
19.2.2023	Far North EOC local controller	MSD deployment into the rural communities
20.2.2023	Northland Mayoral Forum	At Kaipara District Council office in Mangawhai. We had Waka Kotahi, staff from the 3 waters entity attend and Future for Local Government.
20.2.2023	Climate Change Adaptation Joint Committee	Wananga due to truck blocking road, preventing members attendance. Strategy going to be reviewed.
20.2.2023	State of National Emergency	Meeting of the chairs of joint committees for CDEM with the Minister of Emergency Management. Fed in the issue of our state highway networks, and the local roads and burden on ratepayers for repairs.
21.2.2023	Social Housing	Hui with MHUD and Kāinga Ora in Kerikeri



Member Report

22.2.2023	Te Miromiro	Assurance, risk and finance committee hui at FNDC Kaikohe Chambers
22.2.2023	Mayor and Councillors catch-up	What's keeping us up in the night
23.2.2023	District Business Association reps zui	Issues within the business community
23.2.2023	Te Huia Executive Review Committee	Employment of the CE
24.2.2023	Northland CDEM & Mayoral Forum	Meeting with PM & local MPs to debrief cyclone Gabrielle and impacts.

Community Matters

This section should be completed for matters arising within the community, which Council need to be aware of. It could be related to ongoing projects, requests, feedback etc.

Topic	Comment
BOI Rec Centre	Closed health & safety with the roof and fire wall. Sport Northland, CBEC and Far North District Council must work together and get this reopened
Kawakawa dog issues	Regular patrols by animal control and 3 traps. No luck catching the dogs that killed pets and sheep.
Drainage committees	Lack of awareness and delivery. Farmers are being rated, and nothing is happening. Committee having to constantly repeat self as staff turns over
Ngati Rehia housing development	Resource consent fees
Kawakawa Slip	Slip at back of businesses, private landlord addressing but hindered by the bad weather. Has meant the Mayflower Takeaways closure for some time.
Te Tai Tokerau Māori Business Awards	Being held Friday 3 March Mckay Stadium, Whangarei 5.30pm
Kāinga Ora Housing	Clark Road Kāinga Ora housing development, is being met with opposition.
Derrick Rd, Kawakawa	Issue of earthworks on private property impacting on a neighbouring property
Pokapu Road	Road has stayed under water since the Northland anniversary weather.
Mowing contracts	Concern raised about the lack of mowing across district. Rec'd formal apology re the standard of mowing being delivered, confirmation that the



Member Report

	service delivery will get back on track with additional spraying, mowing and horticultural staff.
Northland CDEM	Representing the council, and spokesperson for the regional civil defence response, and supporting Kahika.

Portfolio Update: Housing

- Quite a lot of interest in a strategic approach to the housing crisis. Council wants to know where development is proposed to go, agencies, hapū and iwi want to build whanaungatanga and work together. Some communities welcome social housing. Mixed views in others. Need to have a strategic approach so that development can occur, without exacerbating the lagging infrastructure.

Matters for Discussion

This section should be completed for matters which the elected member wishes to raise with wider Council, Community Boards and/or in relation to delivery.

- Need our ward tours and Civil Defence induction.

Training / Conference Attendance

This section is to be completed when an elected member has attended a professional development opportunity or a conference on behalf of Council. It should outline the learnings from attending the event and value to the organisation.

Name of Event: nil

Date of Event:

Learnings:

Value for the organisation:



Member Report

Name: Councillor Ann Court

Date: February 2023

Portfolio Update: Transport

The Regional Land Transport Committee met in Whangarei on the 7th of February. The agenda and workshop papers were circulated to all elected members with the following personal commentary added:

Workshop

Affordability challenges (noted below) were again highlighted as we prepare for the 2024-2027 Regional Land Transport Plan:

- No increase to RUC (Road User Charges) and FED (Fuel Excise Levies) has been signalled
- Due to Covid and a shift to working from home more - we have been driving less so Waka Kotahi has less income
- Government subsidies at the pump have also had an adverse impact on revenue
- \$2b loan from the last National Land Transport Plan still as to be paid back. Details on this are still being worked through
- What we need to fund is increasing in scope. Rail and Coastal Shipping as well as Climate Change Adaptation and Emissions Reduction Technology as well as noise/dust, walking and cycling etc. are increasing demand on the pool
- Walking, Cycling and Public Transport are Government priorities along with emission reduction and Auckland challenges - these are the Ministers priorities and will consume a significant focus on the investment framework moving forward.
- There are heightened expectations to fund government commitments
- There is a high level of carry forwards
- Impact of weather-related events has absorbed available emergency funding
- No monies for new capital projects
- Asset base growing in scale and complexity - more to maintain and depreciate
- Clean Car Scheme impacts
- Inflation, supply chain challenges, staff shortages

All in all, it was a very sobering presentation designed to set expectations low. The Transport Committee have recommended a rewrite of the Regional Land Transport Plan with a focus on the shifting challenges we have experienced over the last three years. WIP



Member Report

Agenda

The agenda predominantly focused on the procedural and legal niceties of what needs to be addressed in order to achieve legislative compliance as we head into the new triennium and a new planning cycle.

I have cut and paste the section on Government Policy Statement for your interest below as this really captures the essence of the challenge ahead.

Indicative Government Policy Statement on Land Transport 2024

On 13th January 2023, the Ministry of Transport released the “Indicative Strategic Priorities – Developing the Government Policy Statement on Land Transport 2024 – Engagement Paper”.

The content and implications of this public document have been covered in greater detail in a separate report to the RTC titled “Developing the Government Policy Statement on Land Transport 2024”.

It is important at this time that the RTC members attention is drawn to the statements under the heading Prioritising Transport Investment within Available Funding on page 2 of the Indicative Strategic Priorities – Developing the Government Policy Statement on Land Transport 2024 – Engagement Paper.

These comments highlight the national problems relating to funding availability to cover the 2021/2024 funding period and to meet the funding requests for the 2024/2027 funding period.

In addition to the above, the government has made it clear that available funding will firstly be directed to those projects that lead to emissions reductions.

These projects relate to increased passenger and freight rail services, increased public transport services and increased walking and cycling facilities.

As stated in the Emissions Reduction Plan, those projects that provide best “bang for buck” will have a greater chance of being funded. The areas identified as best suited to meet this requirement are identified as Auckland, Wellington and Christchurch.

Due to its rural nature and limited infrastructure, Northland will be unable to achieve the government's emission reduction levels as detailed in the Emissions Reduction Plan. This Includes achieving Vehicle Kilometre Travelled (VKT) reduction, which can only be achieved in the Whangarei urban area.

Road Safety

The road safety report again makes for some sobering reading.



Member Report

In 2022 the Aotearoa/New Zealand deaths per 100,000 was 7.4. and Auckland was 3.2. By comparison - Te Tai Tokerau/Northland was 18.86 – Far North district was 21.68, Whangarei district was 18.1, Kaipara district was 11.03.

Conference

In October I attended the Future Roads Conference in Hamilton. My report was included in the December 15 agenda. However due to time constraints the report was not received and was not included in the extraordinary meeting the following week. I have reattached for elected member consideration.

Electrocoagulation

Last year in researching electrocoagulation I picked up that Electrocoagulation is unable to remove short carbon chain molecules with a particular focus on molecules with less than 6 carbon atoms. That got me to thinking about what is actually in the wastewater.

That was interesting. According to Google "Illicit drugs are considered to be the emerging contaminant of concern due to their toxic effect on aquatic biota and ecosystems."

With methamphetamine, codeine and morphine all detectable in biosolids and relatively stable for many years.

Electrocoagulation is most widely used for the treatment of industrial wastewater but that there is currently no information on full scale application of Electrocoagulation technology available in peer reviewed literature.

So, the question in my mind is what do we know about how or if electrocoagulation can process prescription or recreational drugs?

I put the question to the gurus who responded "The consensus is that because EC is not a widely adopted technology for municipal wastewater treatment there is a lack of information and understanding on the ability of the technology to remove these types of contaminants. Beca will be doing more research around this topic including asking their international contacts."

The following is one really interesting study into the impact of prescription hormones in wastewater altering the genetic makeup of fish...

<https://www.sciencedaily.com/releases/2016/03/160304092230.htm>

[Estrogen in birth control pills has a negative impact on fish](#)

The hormone ethinyl-estradiol (EE2) is an active substance in many birth control pills which affects aquatic organisms when released as waste into the water.

www.sciencedaily.com



Member Report

Kerikeri Water

There has been a history of significant discoloration of Kerikeri's potable water supply. I understand this is caused by high levels of Manganese in the raw water source (Lake Waingaro).

We are advised that it is safe to drink, however, it is an unpleasant experience as the water is brown in colour and imparts a very strong bitter metallic taste.

High levels of manganese are also incompatible with other sanitary uses such as bathing and laundry. When fabrics are washed in manganese bearing water dark brown or black stains are formed due to the oxidation of the manganese.

Discoloured water may also have adverse commercial and industrial consequences.

According to Dr Google iron and manganese can be effectively removed from water using a number of pre-treatment processes at point-of-entry (POE). Treatment options may look like an oxidizer such as chlorine, air, ozone, or potassium permanganate is used as a pre-treatment to filtration. Other methods that have proven effective at reducing manganese levels in water include softening, reverse osmosis and iron/manganese filtration systems.

I am advised Ventia has commissioned a report on this matter. It is appropriate elected members and the community are advised of treatment opportunities and associated costs so that this may form part of our annual plan / long term plan considerations.

<https://www.taumataarowai.govt.nz/assets/Uploads/Rules-and-standards/Taumata-Arowai-Aesthetic-Values-for-Drinking-Water-2022.pdf>

<https://www.legislation.govt.nz/regulation/public/2022/0168/latest/whole.html>

FYI The maximum acceptable levels of concentrations as established in the NZ drinking water standards at 0.4 mg/L. What are our levels?

Cyclone Gabriel

To everyone who played a part before, during and after the event. Thank You. As we move into our recovery mode, I want to take this opportunity to acknowledge our amazing community. Our local authorities, emergency services, lifeline utilities, social services, Iwi, volunteer groups, government and welfare organizations, neighbourhood groups, professional bodies, the NZ Defence Force, Insurers, Waka Kotahi, Northern Transport Alliance, Ventia and those who just opened their homes for food, warm, showers, support.

Together we are stronger.

NEW ZEALAND FUTURE ROADS CONFERENCE 2022: CLAUDELANDS HAMILTON**Day One**

Ministerial Address: Hon Michael Wood

Current Challenges and Opportunities

- Big Investments, Big Challenges we need to get our focus right and need a unity of purpose.
- COP 27 is currently underway, and we need to tackle the challenge of climate change. Over 42% of emissions come from the transport task and is the fastest growing contributor. We need to turn this around sharply.
- Our roading network is the largest infrastructure asset in New Zealand. We need to turn our minds to how we manage this moving forward both urban and rural.
- We need to continue to look after the roads, they are critical to the movement of freight and people. Current GPS has invested 40% more than previous GPS 2010-2018 where the budget was frozen, so we have a significant catch-up job to do. We will continue to fund maintenance and stewardship as a core priority.
- We have to provide more genuine transport opportunity other than people just getting in their cars or trucks for BAU (Business as usual). That will still happen, but we need meaningful multi modal transport choices. Including freight hubs and coastal shipping. Roads will play a meaningful role in connecting our freight hubs.
- In our urban areas we need to prioritize safe walking, public transport and cycling. We need to embed low carbon communities. We are currently looking to do this in the new settlement about to be developed at Drury.
- Growing need for innovation. It is taking too long so we need to consider innovation as part of BAU moving forward.
- Auckland, Wellington and Christchurch need projects. Light rail, alternate harbour crossing (significant project with the alliance established to work on this). Mass rapid transit to decongest Wellington and enable densification of housing and moving people.
- NZ U-Grade programme well underway \$8.7b of investment across road, rail and walking. Penlink progressing well.
- Road to Zero. You can expect to see record investment as we seek to reduce to our DSI's (deaths and serious injuries) on the network. Our DSI's are higher than any other developed country.
- Our programme is ambitious. We need to look to improving our dollar spend. My challenge to everyone in the room is to think about how we get multiple outcomes from each dollar of spend.
- We will work with Waka Kotahi on funding bands. New projects, urban, rural etc. We are going to be looking really hard at projects that deliver multiple outcomes. We need to think about emissions reductions across the board. We see it as a core responsibility to put sufficient funding into the bucket to look after our core assets (maintenance). Our priorities will change but we will not neglect maintenance.
- Using composite materials for our carriageways is one of our innovation projects under R and D (research and development).
- Question from the floor is will the Government work with us on safe and appropriate speeds which isn't necessarily lowering the speed on all roads. Ministers' response is that lowering

the speed will reduce DSI's (Deaths and Serious Injuries). National base line will only apply to schools at this time. We need to look at the core evidence in the mega maps. This is the starting point not the end point. We are not yet looking at introducing a blanket protocol.

- Infrastructure strategy needs to be 25 years +. Will you work with us to achieve a more strategic approach to infrastructure planning and investment. Yes, but would need to get everyone to buy into this and work with the infrastructure commission. Rub is we live in a democratic system and that means commitments may change. Different Governments have different objectives.

LEADERS PANEL: HOW WE SEE THE PERFORMANCE OF THE INDUSTRY

Significant challenges have been placed on the industry in the past five years. Population growth and movement fanned by disasters. What are the opportunities and how do we capitalize on technology and social procurement.

- Climate is absolutely going to be the focus moving forward. Emissions, asset management, funding model, resilience and road to zero. We need to get the focus right on looking after what we currently have before we look to new things.
- Our biggest challenge is our people. Where are we going to get all the people to do what needs to be done and changing mindsets. Where is the human capital.
- We will never have enough money, so we need to think about a different way of doing business.
- Setting priorities, access to information, challenge the status quo. The health and wellbeing of all of us depends on transport. From movement to environmental/health outcomes. Expectations of immediacy are becoming louder. We need to use communication better to engage at grass roots.
- Population growth and heavy vehicles are placing a lot of pressure on the network which is creating challenges on roads that were never designed to take those kind of loads
- Auckland Council has over 7000k of network. Currently we can only fund 10k of rehabs per year. We design our roads for 10 years, but the reality is we are currently asking them to last for over 700 years. Money needs to go into the right place. If we put people in buses to take cars off the road, we achieve one objective in reducing emissions, but buses are heavier, and this is creating cracking and potholes...Growth also means more freight and HCV (Heavy Commercial Vehicles).
- We need to spend more time looking at the purpose and function of each road, so we move away from the one network road classification to a framework of driving prioritization and investment.
- We are going to have to make some hard trade-offs!
- Focus of putting off investment (because the numbers are scary) is transferring debt to our future generations. We need to fund properly today.
- In the US there is a trillion-dollar deficit in the network leading them to close roads and bridges etc. In Europe a user pays model is driving better investment decisions. Think of planes tickets. If you fly off peak its cheaper. If we used this model here, we could drive change. In Europe you have to pay to use the motorway – its accepted.
- The changes we are trying to impose on our communities have not been well articulated. If we want people to change and buy in, we need to sell the vision and people need to be

brought along on the journey with us. If we are going to ask people to pay to park for example, then they need to understand the big picture.

- It is no longer acceptable to build roads for single occupant vehicles.
- Do your asset management plans tell the story of the what and the why of what you are trying to achieve.
- Concrete and steel are high carbon emitters. We need to consider alternative sustainable materials. Construction methods are also high carbon emitters (think diesel trucks) so there is a lot of space for innovation in this space. Auckland transport will this year introduce a carbon reduction KPI for our network maintenance.
- Driver training can result in a 20-25% reduction in emissions. Material compaction is another example where if you do it right you can burn less emissions. In 10 years, fossil fuel vehicles will no longer be able to be imported – this will drive industry change.
- Bitumen is not a sustainable product, but we are not yet at a place where we have a viable and practicable alternative. Cost is still a barrier to entry.
- \$15m innovation fund has been introduced into the NLTP (National Land Transport Plan) to help start to break down those barriers.
- Is procurement actually enabling innovation and alternative solutions? Sometimes this means trading off risk, so we need to be careful about that. One recent example is we looked to wood instead of steel for the Penlink Bridge...
- We need to invest in our workforce.
- We discovered over \$100m in maintenance compliance costs via a recent audit as everyone needs to lawyer up on both sides with their documentation. This is bonkers so we need to standardize templates and create a library of documents that everyone can access. Need standardized methodologies and practices across the sector. We waste a lot of energy on bespoke design, we can drive savings through standardization.

WAKA KOTAHI KEYNOTE ADDRESS: NICOLE ROSE CEO – THE FUTURE IS NOW

- No matter what or how we move we will still need roads into the future. Our current network is now close to 99,000km.
- Everything needs to be planned, integrated, decarbonised and user centric
- Different approach needed for our metros/urban/provincial sectors. De carbonisation and micro mobility will occur in our cities whilst our rural areas need resilience
- Government Policy Statement is currently under development and will focus on the movement of freight, safety, climate change, public transport, mode choice, heavy rail, coastal shipping, resilience etc
- We always receive more applications than we have money for, and so hard trade-offs will need to be made
- Looking to introduce over 800 safety cameras over the next decade.
- Innovation and technology – VIM's and Digital Twins. So, we can see and report in real time. It puts real heat into the deliverability of the system.
- Ambitious 40% reduction target in our DSI's via Road to Zero. Concurrently we are investing in safer roads, more road policing, maintenance and planning. Higher focus on things such as mobile phone use in cars.
- Demographics. Where and how we grow is leading to more required investment in the transport task. Northland, Auckland and Waikato are the areas predicted to grow. This

impacts on the movement of freight and the need for transport investment. Our population is aging, and this will lead to a different kind of investment as we plan for cities of the future.

- We have a very small population, with very high aspirations. Everyone wants great first world infrastructure, but we are not willing or capable of paying for that. We are also not placed to deliver on many of these aspirations.
- Supply chain and labour issues are having an impact along with an historic underspend has resulted in some real issues on our network.
- FED (Fuel Excise Levies) and RUC (Road User Charges) are no longer sufficient to meet our funding task. Currently only about 60% of our funding task is sourced via this methodology. The balance being met by the Crown by way of a loan that needs to be paid back. We need to introduce a new funding model. This will not be popular and is one of the hard conversations coming. We all need to be part of the change that is coming.
- Managed retreat has to be a conversation especially in our rural communities. We are currently considering the upper South Island and asking if reinstating roads is the right conversation. Maybe it is coastal shipping?
- Bold courageous decision making is required.
- Kainga Ora is a problem for us as they are not considering the transport task. We need Councils to be more involved in planning. Recent planning changes for intensification needs to align to the transport task. We are brought in after the fact and that is the problem. We need to be at the front of the conversation. Developers are still encouraged to undertake green field developments and then complain that they don't have the transport linkages.

PLENARY SESSIONS

- Pavement: Concrete, Technical Standards, Sustainable Methods
- Procurement Models: A new direction for procurement
 - Pricing and consenting risk
 - Advice for Councils around putting out tenders
 - A move away from alliances and D&C
 - Bespoke v Standard
 - Contract models
 - Multi district maintenance procurement
 - Contract lengths
 - Quarries and how they meet the roading specs
 - NOC (National Operations Contract) update
 - Putting New Zealand's Emissions Reduction Plan into action
 - Electrifying asphalt plants and bitumen storage
 - Case Studies New Plymouth, Tauranga City, West Coast
 - Major Projects: What best practice might look like

WAKA KOTAHI: MAJOR PROJECTS ROADMAP

Mark Kinvig: National Manager Waka Kotahi

- Over a decade ago a \$160m funding gap was identified. The level of investment has not kept pace with preventative maintenance. This is recognized – it is going to take many years to rectify.

- We have flexible pavements that do not handle rain.
- We have added the length of NZ to the network in new roads or dual carriageways that's a lot more to maintain. We now have 99,000km + of roads
- Between 2018 and 2021 we have increased the surface road area by 7%
- Concurrently we have increased street lighting by 17%
- All of this needs to be maintained and funded. The funding model is broken and has not kept up with the size of the task
- We see the majority of growth occurring in the upper North Island with a 33% increase in HCV's
- Covid and workforce issues along with the supply chain challenges are all contributing to a challenging time
- We are looking to install 1000k of median barriers
- Cost of bitumen is up 100%
- We need to design for intended function not existing use

ROAD TO ZERO

- 2030 target is a 40% reduction in DSI's
- Five focus areas are infrastructure and speed, vehicle safety, work related road safety, road user choices and system management
- Around half the national DSI targets need to be achieved through infrastructure and speed management.
- Will require investment of around \$5b over ten years. \$500m each year. Will include median barriers, speed reviews, inspections and roundabouts.

NZ UPGRADE PROGRAMME

- \$8.7b Government Investment
- Rail, Walking and Cycling, Road and Public Transport Up-Grades
- 1,100 people employed to date
- \$2.1b of projects under construction
- Northland package includes:
 - SH1 Whangarei to Port Marsden Safety Improvements
 - Rail Link to Northport
 - Otiria to Whangarei Rail Line Upgrade
 - Northland Regional State Highway Upgrades

CLIMATE EMERGENCY RESPONSE FUND

- Reducing transport emissions by 41% by 2035
- \$1.5b funding package
- Progressing multiple initiatives
 - Mode Shift
 - Reducing VKT
 - Reducing emissions from public transport
 - Cleaner vehicles
 - Better transport options for everyone

WALKING AND CYCLING

- 700% increase in investment
- \$910m for walking and cycling in 2021-24 NLTP
- \$30m for 13 Councils to work with local communities. Streets for people.
- \$350m to roll out 150km of strategic cycle networks.

THE POTENTIAL OF LOW ELECTRIC VEHICLES (LEV's) IN GERMANY

- Could replace up to ¼ of German car trips
- This will reduce vehicle kilometres travelled by 50%
- Resulting in 44% less CO₂-e
- On average, for the trips substituted by LEV's, 88% of the emissions could be saved compared to cars.

FUTURE URBAN STREETS

- Provide access for cars to all neighbouring uses
- Be 30 KPH or have protected bike paths
- Prevent rat running by:
 - Prioritising pedestrian crossings at local intersections
 - Blocking through routes for cars
- Provide the space for bike paths by:
 - Removing on-street car parking, or
 - Removing flush medians and right-turns, or
 - Enabling one-way car travel only

INTERNATIONAL SPEAKER: THE UTILIZATION OF RECYCLED AGGREGATES IN ROAD CONSTRUCTION – A UK AND EUROPEAN PERSPECTIVE.

- Need uncontaminated sources and lots of it
- If you have to truck it more than 50m then it becomes unviable
- Design standards still have to be met
- Health and safety standards have to be met

DAY 2

ASPHALT: BITUMEN IN SUSTAINABLE CONSTRUCTION – LOOKING BLACK SEEING GREEN

This presentation focussed on how bitumen can make a contribution to a sustainable construction environment and how it can help the industry continue to meet the UN sustainable development goals. In Europe bitumen is the most recycled material in construction.

PANEL DISCUSSION: TRANSMISSION GULLY

The panel discussed the successes of the PPG approach to delivering on technically complex projects and lessons learnt. Take away message was that this project and Puhoi have largely benefitted from international expertise/technology and innovation which is now captured in the NZ market. The \$35m cost overrun was considered acceptable in light of other projects such as Auckland City Rail Link which is now \$2b over budget.

LET'S GET WELLINGTON MOVING

This presentation was around the \$7.4b joint initiative between Wellington City Council, Greater Wellington Regional Council and Waka Kotahi to make major investments in mass rapid transit, walking and cycling, public transport and SHW improvements to accommodate predicted population growth of 80,000 persons over the next 20 years whilst meeting climate change objectives and creating a liveable city.

PRACTICALITIES OF SPATIAL PLANNING REGULATIONS FROM THE PERSPECTIVE OF A ROADING ASSET OWNER

This session focussed on the Urban Development Act and the regulatory and planning landscape in the roading sector. RMA reform will impact the way we consent roading operations going forward.

FOCUS ON PROJECTS:

- Takitimu North Link
- Dunedin Retail Quarter (George Street) Up-Grade \$65m+
- Penlink: A new 7km two lane road with shared walking and cycling connecting Whangaparoa. \$8.7b. In a NZ first the design incorporated 49m single concrete span beams.
- Hamilton Southern Links: Peacockes is a Greenfields suburb (720 ha, 7,500 homes by 2050) which requires a \$177m extension to Wairere Drive and new bridge over the Hamilton River + a new east/west arterial road upgrade package totalling \$50m. Central Government has underwritten \$300m of break in costs.
- Te Ahu A Turanga. The Manawatu Gorge roading project is \$620m of high technical complexity requiring 6 million m³ of earthworks alone.

ALLAN POLLARD: CEO CIVIL CONTRACTORS NZ

- A clear and consistent construction and maintenance pipeline is critical for innovation, training, plant and equipment, job security and workforce training.
- Opportunities for all contractors: large and small
- Responsibility for environmental social and community impacts
- Safety
- Changing driver behaviour and attitudes to our workers. Abuse of road workers is escalating. We are seeing guns and knives presented at our workers, rocks being thrown, vehicles

speeding through road works and aiming vehicles at our road workers. I talked to one young man who has been knocked out twice by being hit by thrown rocks.

- Decades of underinvestment in road maintenance. The infrastructure commission talks about compromising quality due to cost.
- Road safety is a function of road surface. If we are going to take safety seriously, we need to be concerned with a lack of investment in maintaining what we have
- We need a consistent work programme so we can have a consistent work force. We need to invest in upskill our staff. Again, the infrastructure commission has identified a serious shortfall in skilled construction staff. The looming workforce crisis is a particular focus of ours.
- We need to balance outcomes against productivity. Contractors are increasingly being asked to undertake more external roles such as community engagement with education around the why.
- Industry is concerned about the amount of money being spent on consultants and designers. Diverting funds from delivery. Standardization is critical.
- Procurement needs to be equitable. Large contractors are experienced at working at scale. We need to support a framework that enables all contractors to participate.

PANEL DISCUSSION: SUSTAINABLE ROADS – A MATERIALS-FIRST PLAN

For New Zealand to take a lead in sustainable roading, a co-ordinated approach will be required for design, construction, maintenance and materials-sourcing activities. Early planning should consider the sourcing of local materials. Consultants will need extensive local knowledge and design specs should match local geology and material availability.

Transport emissions is another concern. Contractors have commercial imperatives loaded on them in the procurement process. Often this sees them carting materials – aggregate, asphalt – over longer distances than required rather than using alternative localised supply.

I was invited to the VIP dinner with the Minister, CEOs of Waka Kotahi, Downer and Fulton Hogan. Higgins and Alan Pollard from Civil Contractors of NZ. Brilliant evening of debate. Relatively metro focused with a lot of debate centred on affordability, climate change and emissions reduction/mitigation. Recognition that the biggest challenge facing rural and provincial NZ is resilience and that meaningful change in transport choice and climate change mitigation will be driven by the metros. Brain storming session on how we can cut regulatory red tape, planning frustrations and speed up delivery.

NTA Representatives Geoff Devine and Calvin Thomas were in attendance also.



hhh Member Report

Name: H Halkyard-Harawira
Ward: Māori Ward- Far North
Date: 24.2.23

Meetings Attended

Date	Meeting Topic	Comment
Nov, Dec, Feb	Te Hiku Community Board Hui	Good to know updates and local projects in the community- so were on the same page.
Oct- Feb	Hui Kaunihera	He maha ngā take, he maha nga akoranga

Community Matters

This section should be completed for matters arising within the community, which Council need to be aware of. It could be related to ongoing projects, requests, feedback etc.

Topic	Comment
Dec 31- Jan 5	Dec 31 Unveiling of Hani Murray Jnr- Oturu Marae Jan 5 Unveiling of Manuka Henare- Whangape Marae
Hui o Ngāpuhi Jan 14- Waitangi	Hui called by Titewhai Harawira & Kipa Munro re Stage 2 report of Te Paparahi o Te Raki- Tahuaroa
Jan 25-29	Tangihanga o Titewhai Harawira- Te Whānau o Waipareira, Whakapara Cyclone Hale
Feb 1,	Submission sent to Parliament re Spatial Planning & Natural & Built Environment Bill
Feb 3, Waitangi	Kawe mate : 5am Te Tii Marae- Titewhai, Nau Epiha, kaumātua & kuia Kawe mate : 1 pm Whare Runanga, Titewhai & Queen Elizabeth
Feb 4-6, Waitangi Political Forum- Te Tii Marae-	<ul style="list-style-type: none"> Therapeutic Products Bill, kaupapa Taiāo Stage 2 Paparahi Report Feedback, Alana Thomas Royal Commission of Abuse of Children in State and Church Care, Te Arawa Kaupapa Māori Prisoners Programme- Billy McFarlane 6th- Dawn Service- Whare Runanga
Feb	Cyclone Gabrielle- many hui & events cancelled
Feb 7 Feb 15	30th anniversary Te Rangi Aniwaniwa, new building opening Hui - Te Runanga o Te Rarawa - engagement with 23 marae
Feb 16- 25	Networking with marae and local organiser contacts- re relief support, civil defence payments
February conversations	<ul style="list-style-type: none"> Roading, roading, roading - High petrol costs, poor wifi connectivity and limited transport from isolated rural areas to Kaitaia or Whangarei is problematic for many low income whānau as only 35% of the Far North roads are sealed. Closure of Mangamuka Gorge for an unspecified time has heightened the inability for many to reach specialist services in Kerikeri and Whangarei. Solar power & satellite phones will help isolated communities deal with future cyclone & flooding events. Kaitaia Airport- Maraea Job, Carol Berghan , Russel Wagener , Darren Axe, Peter Kitchen.- 30 year lease to upgrade airport. Tututarikihi KKM-Rangimarie Pomare, Hira Gage, Mel Sweet- MOE property delays

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hhh Member Report

	<ul style="list-style-type: none"> • Te Hiku Hauora Pōhiri for DR Maria Baker • Te Oneroa a Tohe Board- Graeme Neho- dropped off books • Betsy Young- impact of Gabrielle on Te Oneroa a Tohe- stabilising beach- community mission • Waitangi Marae - Rangi Tawhiao, Mrs Taituha -re land occupation • Fiona King- stormwater next to Awanui pensioners & sandbanks collapsing on Te Oneroa a Tohe, Pukenui Wharf compromised by Gabrielle • Hirikia Murray- photos re Whangape Pawarenga flooding, clean up and water over the road post Gabrielle at low tide- • Hohepa Campbell- Te Runanga Nui AGM Whangaroa postponed • Ngakahu- Desley Austen • Puketiti & Ngāti Kahu - suggest Meng Foon to interpret Chinese tikanga
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Portfolio Update: (Name of Portfolio)

- **Ngakahu-** will have an informal visit to site 26th Feb
- **Te Oneroa a Tohe-** hui date postponed until March 17

Matters for Discussion

This section should be completed for matters which the elected member wishes to raise with wider Council, Community Boards and/or in relation to delivery.

- Continuing hapu, Iwi and community engagement - appropriate facilitation of difficult hui; utilising Māori ward councillors in some situations.
- **Kaikohe** is not on road signage past Awanui detour. I have found 4 roads to Kaikohe- what is the shortest route?
- Simultaneous reo translation using earphone
- He Iti te putea- he maha ngā take. How do we share small putea equitably amongst 3 areas?
- Using internal legal expertise to extricate ourselves from non essential issues.
- Setting workshop dates for long overdue matters- resolving matters.

Training / Conference Attendance

This section is to be completed when an elected member has attended a professional development opportunity or a conference on behalf of Council. It should outline the learnings from attending the event and value to the organisation.

Name of Event: Hui Maruata

Date of Event: November 2022

Learnings: Coordination amongst Councils

Value for the organisation: Sharing ideas and workload



Member Report

Name: Cr Kapa

Ward: Te Tai Tokerau

Date: 23 Feb

Meetings Attended

Date	Meeting Topic	Comment
26 Jan	FNDC Ngakahu Steering Grp	Site visit invite from Land Trust; follow up of FNDC motion to decommission Ngakahu Dam. Trust asking reason for delay?
03 Feb	Housing Portfolio	Site visit at Hall Rd Kerikeri. Launch. Local residents not happy with Kainga Ora housing built in their street.
07 Feb	Kairos Connection, Khe	No issue
08 Feb	Work Shops	Te Tiriti o Waitangi & Annual Plan Rates increase!
09 Feb	Monthly Meeting	

Community Matters

This section should be completed for matters arising within the community, which Council need to be aware of. It could be related to ongoing projects, requests, feedback etc.

Topic	Comment



Member Report

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Portfolio Update: (Name of Portfolio)

- **Library & Civic Hub Steering Group Kaikohe[Cr Rakena, Foy, Kapa & CB Rudkin]**
First meeting held Thurs 23 Feb:
Appointment of Chair: Cr Kapa
-Project/Site update presented by Nicola [staff]
Chair to consolidate info and in discussion with staff set next meeting dates
WIP
- **Turners Centre Kerikeri[Cr Kapa]**
Participated in one Board hui [intro] and a strategy exercise around attracting events, usage of the centre. Next Board meeting Friday 24 Feb in Kerikeri.
WIP
- **Ngakahu Steering Group Kaitaia[Cr Radich, Vujcich, McNally & Kapa]**
Site visit invite from Land Trustees dated 26 Jan 23; meeting at 6pm followed and was held at the Tarara Hall Kaitaia.
Major concerns expressed by Secretary of the Trust. Delegation of Councillors recommended to Council for a Work Shop be set down in Kaitaia to address the issue around Council's motion to decommission this dam.
Awaiting date for workshop. WIP
- **Cycle Trail Trust Kaikohe[Cr Vujcich & Kapa]**
Have attended two online and K-K [kanohi ki kanohi] hui. Introductions and update of business. Condition of the trail following cyclone and heavy rain experienced in the area cause concern to the Trust around safety for the public using the trail. Proposed to move office to the Pioneer Village Kaikohe; manager is preparing proposal to the Trail Board next meeting Tues 2 Mar 2023. Apology sent as hui clashes with Mangamuka site visit.
- **Housing[Cr Stratford & Kapa]**
Multiple meetings held that included ministerial parties. A common theme from ministry parties is; what are the numbers and locations, Learning position at this stage. WIP
- **Sport Northland Whangarei[Cr Kapa]**
First meeting set down for Mon 27 Feb at 4pm in Whangarei.
WIP

Matters for Discussion

This section should be completed for matters which the elected member wishes to raise with wider Council, Community Boards and/or in relation to delivery.

- Too early in my view but April report would have more information as my experience and knowledge in this role expands



Member Report

Training / Conference Attendance

This section is to be completed when an elected member has attended a professional development opportunity or a conference on behalf of Council. It should outline the learnings from attending the event and value to the organisation.

Name of Event: Nil

Date of Event:

Learnings:

Value for the organisation:



Member Report

Name: Cr Rākena

Ward: Ngā Tai o Tokerau

Date: 27/2/23

Meetings Attended

Date	Meeting Topic	Comment
22/1/23	Kaikōrero ki te wānanga reo o Te Taumata ki Whangārei.	Nā te kāhui o Te Taumata mātou ngā Kaikaunihera o Te Tai Tokerau (TTT) i whakanui mā roto i tō rātou wānanga reo. Koni atu i te 250 ngā tāngata (Māori/Pākehā) i tae atu ki te wānanga ki ako i ngā tūwhai reo o te kāinga. Ka mutu, he hiahia nō rātou ki te whakarongo ki ngā mahi a te Kahika me ngā Kaikaunihera hei oranga mō te iwi Māori, ā, me pēhea hoki tātou e kōkiri tonu ki te pae o angitu.
29/1/23	Hui mate a Titewhai Harawira.	I tae atu ki Whakapara ki te whakatau i te tūpāpaku a Titewhai Harawira. I tū ai hei kanohi, hei kaikōrero mō te Kaunihera me te tautoko hoki i te whānau o Cr Halkyard-Harawira.
2/2/23	Karakia whakamaumahara ki St. Michaels.	Ko te rā whakamaumahara tēnei ki ngā hōia i hinga ki te pā o Pene Tauī me te tuku i ētahi taonga ki ngā mema o te karauna me te kāwanatanga. Ko te wāhanga tuarua tēnei o ngā rā whakamaumahara ki te pakanga i tū ki ngā whenua o Ngāti Rangi, te whakatuwhera i te whare karakia o St. Michaels me te whakanui i te whaea rangatira a Mihiwira.
2/2/23	Hui ki Waitangi	I hui ki ētahi o ngā tumu nō Te Tai Tokerau ki te wānanga mō ngā take o te kāinga, te motu, otirā me pēhea te kaunihera e mahi tahi ki ngā hapū me ngā iwi o te kāinga.
3/2/23	Pōwhiri mō Te Kāwana Tianara.	I peka atu ahau ki Waitangi ki te noho hei kanohi haukāinga ki te pōwhiri o Te Kāwana Tianara. I whai wāhi hoki ahau ki te kōrero ki a whaea Cindy mō ngā kaupapa o te kaunihera me ngā huarahi e oti ai ngā mahi hei painga mō ngā iwi katoa.
5/2/23	Te whakatuwheratanga o Pākinga.	He kaupapa tēnei nā te kāwanatanga me ngā hapū o Ngāti Ueoneone me Ngāti Tautahi. He huinga tuatahitanga tēnei nā runga i te whakahokitanga o ngā whenua Māori ki ngā hapū. I kite mārika ahau i te hari ki roto i ngā ngākau o te hunga i tae atu, ā, i rongo hoki i ētahi rautaki papai hei whai mā tātou katoa.
5/2/23	Te pōwhiri mō ngā mema o Te Whare Mīere.	Kua roa nei Te Kaunihera o Te Tai Tokerau e noho kuhu ana ki ngā kaupapa pēnei me tēnei, nō reira, i tae noa atu ahau ki te whakatinana i



Member Report

		ngā ōhākī o rātou mā, kia noho hei kanohi haukāinga ki runga i te taumata o Ngāti Rāhiri, o Ngāti Kawa. I koa katoa ngā iwi ki te kite i ngā pū o te kaunihera e tautoko ana i ēnei tikanga Māori, tikanga tiaki manuhiri.
6/2/23	Te rā o Waitangi.	I tae atu ki ngā karakia o te ata ki te tautoko i tō tātou Kahika. I tū hoki a māua ko Cr Kleskovic hei kaikōrero ki te wānanga kei te whare o Te Tii marae.
8-27/2/23	Ko te toenga o ngā hui i tū ki te whare o te kaunihera.	Kei roto taku rātaka te toenga o ngā mai i te 8-27/2/23.

Community Matters

This section should be completed for matters arising within the community, which Council need to be aware of. It could be related to ongoing projects, requests, feedback etc.

Topic	Comment
Ngā āwhā.	I tuari atu ngā pānui me ngā kōrero whakatūpato i te wā o te āwhā nui. I peka hoki ki te tari ki te kōrero ki te Kahika me te whiriwhiri i ētahi mahi māku hei āwhina i ngā tāngata katoa o Te Tai Tokerau. Mīharo pai ngā mahi a ngā kaimahi nō Civil Defence, MetService me te kaunihera. Ka mutu, i konā katoa te Kahika me te Kōwhiri ki te hāpai ake i ngā tohutohu a ēnei kaimahi. Ahakoa i pāngia te āwhā nui ki ētahi, i rite tonu ō tātou hāpori. Ka mutu, whakapau kaha tonu ana ngā kaimahi ki te toha i ngā taputapu, ngā kai me te aha atu ki ngā hāpori e noho pōuri tonu ana.
Ngā rori.	E hia kē ngā imēra kua taka mai ki taku pūkoro nō ngā iwi e noho ana ki ngā rori puehu. E mātau ana rātou ki ngā mahi a te āwhā nui, erangi, kua roa nei rātou e whanga ana ki ngā mahi hei whakatika i ngā rori o ō rātou takiwā. Ka mutu, kua whakapā atu ahau ki ngā kaimahi o te kaunihera ki te wherawhera kei a wai rā te mana hei whakatutuki mārika i ngā mahi.
Te papa tākaro o Kaikohe.	Kua kōrero ahau ki ngā kaimahi o te kaunihera me ngā mema o te hāpori mō tēnei take nui. E rapu rongoā tonu ana mātou ki te whakatū i ētahi taiapa hei tohu whakatūpato ki te hunga tūmatanui.
Kei roto i ngā hui kaunihera, te toenga o ngā take hāpori.	Ngā awa, te roto o Ōmāpere, ngā moana, ngā rēti wai, ngā rēti whenua, Ōkahu, Moringaehe etc...



Member Report

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Portfolio Update: (Name of Portfolio)

- **Kua wāhi wānanga a māua ko Cr Vujcich, erangi kāhore anō māua kia tino whakatau i ētahi pae angitu mō tēnei tau.**

Matters for Discussion

This section should be completed for matters which the elected member wishes to raise with wider Council, Community Boards and/or in relation to delivery.

- E whanga tonu ana kia tae mai ngā māngai o Ventia, o Fulton & Hogan, a wai atu raini ki te kōrero mō o rātou mahi whakatika rori mō te takiwā.

Training / Conference Attendance

Name of Event: Te Kura Reo ki Whirinaki (kīhai ngā kaimahi o te kaunihera i whakaae kia utua e rātou taku nama ki tēnei wānanga).

Date of Event: 24/4/23

Learnings: Tikanga Māori, Te Reo Māori, Wānanga ki ngā ahikā o Te Tai Tokerau.

Value for the organisation: Kia whakaū i ngā tikanga, ngā whāinga, ngā uara me ngā hua mō te hunga Māori i raro i Te Tiriti o Waitangi. Ka hoki anō ki āku kōrero e mea ana, kua roa nei te kaunihera e kuhu ana ki ēnei mahi hei tuitui i te kaunihera ki ngā iwi Māori kua roa e mahue ana ki muri. Ki ahau nei, kāhore ētahi e whakapono ana ki ngā uara o te noho Māori ki ēnei wānanga hei painga mō te kaunihera.

7.2 COUNCIL ACTION SHEET UPDATE MARCH 2023**File Number:** A4094004**Author:** Joshna Panday, Democracy Advisor**Authoriser:** Aisha Huriwai, Team Leader Democracy Services**TAKE PŪRONGO / PURPOSE OF THE REPORT**

To provide Council with an overview of outstanding Council and the previous term Committee decisions from 1 January 2020.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Action sheets are a mechanism to communicate progress against decisions/resolutions.
- Action sheets are also in place for all formal elected member meetings.

TŪTOHUNGA / RECOMMENDATION

That Council receive the report Action Sheet Update March 2023.

1) TĀHUHU KŌRERO / BACKGROUND

Any resolution or decision from a meeting is compiled on an action sheet, to capture actions triggered by Board decisions. Staff provide updates on progress against tasks that are not yet completed.

The action sheet report also includes outstanding actions from previous triennium committees.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The outstanding tasks are often multi-facet projects that take longer to fully complete. Where a decision differs to the recommendation of staff there may be unintended consequences or challenges that take longer for staff to work through

Take Tūtohunga / Reason for the recommendation.

To provide Council with an overview of outstanding Council decisions from 1 January 2020.

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

There are no financial implications or need for budgetary provision in receiving this report.

ĀPITI HANGA / ATTACHMENTS

1. Council Action Sheet March 2023 - A4113158  

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Council	
		Printed: Friday, 3 March 2023 11:48:04 AM Date From: 1/01/2020 Date To: 3/03/2023	
Meeting	Title	Resolution	Notes
Council 1/07/2021	Proposal to Construct an Erosion Protection Structure on Council Owned Reserve, Omapere	RESOLUTION 2021/51 Moved: Cr John Vujcich Seconded: Cr Dave Collard That Council: a) approves the construction of, and associated occupation with, an erosion protection structure on Far North District Council owned local purpose reserved legally described as Lot 5 DP196729; and b) approval is provided subject to a memorandum of encumbrance being recorded on the titles of Lot 1 DP196729 and Lot 1 DP310507 and that the encumbrance records the agreement that the owners of those properties: i) bear full responsibility for the maintenance, repair, removal of the seawall (if required) during its lifetime, and end of its lifetime. ii) incur cost of the agreement construction and registration against title. iii) notify FNDC of any variation or modification of the erosion protection structure To avoid doubt, approval is given both within Council's capacity as the administering body of the reserve and an affected person within the meaning of Section 95 of the Resource Management Act 1991. CARRIED Note: need to include climate change and erosion as part of the Reserves and Parks Policy review.	20 Jun 2022 3:13pm Baker, Marlema Update provided by George Swanepoel and Inna Shibalova, Still waiting for a response from the property owner's lawyer. <ul style="list-style-type: none"> 7 July 2021 email sent to M. Clutterbuck and T. Petrie requesting they forward contact details to the solicitor drafting the Memorandum of Encumbrance for Councils review and approval. 7 July 2021 email from John Kenyon Special Counsel at Martelli McKegg Lawyers acknowledging receipt of that email. 30 Jul 2021 provided Council's Report leading to Council's resolution and precedents to legal team for M Clutterbuck and T Petrine and awaiting draft memorandum of Encumbrance for review and approval of this Council. 20 June 2022I followed up with email 07 Nov 2022 2:35pm Reallocation Action reassigned to Swanepoel, George by Beverly Mitchell.
Council 24/02/2022	Ngakahu Steering Group Update Author Emma Healy	RESOLUTION 2022/1 Moved: Cr Mate Radich Seconded: Cr John Vujcich That Council, in receiving the recommendations from the Ngakahu Steering Group and subject to discussion and	

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Council	
		Printed: Friday, 3 March 2023 11:48:04 AM Date From: 1/01/2020 Date To: 3/03/2023	
Meeting	Title	Resolution	Notes
		agreement with the Ngakahu/Ngakohu Whanau Ahuwhenua Trust, agree to; a) obtain the processed and analysed data from the Northland Regional Council sonar soundings of the dam, done in 2017. b) stage the lowering of the dam water level, beginning with a water level drop of 2 metres, once lowered the water level will be maintained at the lower levels. c) staff assist the Ngakahu Steering Group to prepare a report showing a visual presentation, including landscaping, of the preferred option, or options, with a rough order of cost to implement. d) and that further recommendations be brought to the 7 April Council meeting. CARRIED Note: The Potential Decommissioning of Kauri Creek Dam report from John Duder referenced in the report was commissioned by the Ngakahu/Ngakohu Whanau Ahuwhenua Trust.	
Council 7/04/2022	Lindvart Park Pavilion, Kaikohe Project	RESOLUTION 2022/19 Moved: Cr John Vujcich Seconded: Cr Ann Court That Council: a) Re-affirm the capital commitment of \$3,226,493 to the Lindvart Park Kaikohe – Sportsville project. b) Approve an increase in operational grant support to Sportsville of \$35,000 from year one of the 2024/2034 Long-Term Plan. CARRIED Note: that the CEO was asked to provide advice to the next meeting on how to ensure a consistent approach to the way that FNDC	16 May 2022 1:25pm Baker, Marlema Update from Andy Finch (GM-IAMs), <ul style="list-style-type: none"> Detailed design superstructure complete, Pricing received and currently being reviewed for superstructure and fitout, Additional Geotech investigation complete – longer piles required under the building (4m to circa 6.5m), settlement risk greater than previous report mitigation being worked through, Substructure detailed design continuing , Pricing for substructure received (provisional) subject to detailed design completion,

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Council	
		Printed: Friday, 3 March 2023 11:48:04 AM Date From: 1/01/2020 Date To: 3/03/2023	
Meeting	Title	Resolution	Notes
		<i>supports community facilities across the District, by way of operational grant</i>	<ul style="list-style-type: none"> Civil tendering complete and report to board issued on outcome – awaiting board decision on preferred contractor, recommended contractor is \$30k below budget., Civil contract to be signed imminently following approval to proceed, Civil works to begin May 2022, BC for main building to be lodged in June 2022
Council 9/05/2022	1A Seaview Road, Paihia - approval to grant easement on Local Purpose Esplanade Reserve under the Reserves Act 1977	RESOLUTION 2022/22 Moved: Mayor John Carter Seconded: Cr Kelly Stratford That Council approve the granting of an easement pursuant to section 48(1)(f) of the Reserves Act 1977 on Local Purpose Esplanade Reserve Lot 3 DP 124280 for the purpose of accepting works proposed and applied for pursuant to application EBC-2022-1188/0 affecting 1A Seaview Road, Paihia. CARRIED	17 Jun 2022 1:10pm Mitchell, Beverly - Target Date Revision Target date changed from 23 May 2022 to 11 August 2022 - Comment from In-House Counsel - Legal services is currently in the process of drafting easement. 20 Jun 2022 3:06pm Baker, Marlema Update provided by George Swanepoel and Inna Shibalova as follows: <ul style="list-style-type: none"> Easement has been granted Easement matter referred to Landowners lawyer to draft documents and undertaking to meet council's costs awaiting reply, 3 May 2022 planning issued RC 2220504-RMALUC decision (attached)., 9 May 2022 Council Resolution to grant easement - Carried and email sent to Thomson Wilson Law requesting they prepare an Easement Instrument. May 2022 Thomson Wilson Law responded.

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Council	
		Printed: Friday, 3 March 2023 11:48:04 AM Date From: 1/01/2020 Date To: 3/03/2023	
Meeting	Title	Resolution	Notes
			<ul style="list-style-type: none"> 11 May 2022 Thomson Wilson Law advised of Council's costs for raising a record of title for the Reservice. 17 June 2022 followed up.
Council 11/08/2022	Russell Landfill Options Report	RESOLUTION 2022/61 Moved: Deputy Mayor Ann Court Seconded: Cr Kelly Stratford That Council: <ol style="list-style-type: none"> approve in principle, the permanent closure of Russell Landfill (Option One). approve staff commence the resource consent application Northland Regional Council to close the Russell Landfill request staff bring back to Council the terms of the resource consent and investment required to close the landfill approve staff commence the community consultation process and report to Council the outcome of that consultation delegate to the Chief Executive, or his nominee, the negotiation, agreement and signing of contract variations with Northland Waste Ltd to provide on-going transport and disposal of waste from the Russell facility whilst Council progress the resource consent and consultation process. CARRIED	04 Nov 2022 8:09am George, Tania <ul style="list-style-type: none"> Staff are seeking a short-term consent to allow the discharges from the landfill to continue until the closure concept (timing, management, monitoring etc) is understood. Once that information is available work can begin on resource consents required for the closure and consultation can start, Staff have received a draft proposal from PDP to develop the closure plan with a cost of around \$200K (includes \$50K subcontractor fees for bore drilling etc), Once budget is available, this work will likely span the order of 8-12 months given the need for new monitoring positions and seasonal baseline monitoring. This project has been put forward on the "better off fund list" and we are awaiting a decision as to whether this will be approved.
Council 11/08/2022	Roading Maintenance and Operations Contract Cost Escalation Impacts	RESOLUTION 2022/64 Moved: Cr Rachel Smith Seconded: Cr Moko Tepania That Council receive the report Rooding Maintenance and Operations Contract Cost Escalation Impacts and supports the Mayor and CEO to write to appropriate Ministers of the Crown, requesting for them to inform FNDC, with urgency, how they have considered, and will address, the recommendations of the April	15 Sep 2022 2:40pm George, Tania Rooding Alliance will need to investigate the contents of the referenced "April 2022 Funding and Financing of Infrastructure in New Zealand report, written by Kevin Ramsay Consulting Limited" and from that determine what is appropriate content for any required letter.

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Council	
		Printed: Friday, 3 March 2023 11:48:04 AM Date From: 1/01/2020 Date To: 3/03/2023	
Meeting	Title	Resolution	Notes
		2022 Funding and Financing of Infrastructure in New Zealand report, written by Kevin Ramsay Consulting Limited. CARRIED	We are waiting on an assessment of when this may be able to be achieved. 04 Nov 2022 9:30am Reallocation Action reassigned to Healy, Emma by George, Tania - CE office can take this as action is for Mayor & CE to write a letter.
Council 22/09/2022	Notice of Motion - Rangitane Maritime Development	RESOLUTION 2022/64 Moved: Deputy Mayor Ann Court Seconded: Cr Rachel Smith That Council: a) Support the Maritime Facilities Development at Rangitane proceed through to the conclusion of the Resource Consent process. b) Remains committed to the funding Agreement with MBIE and supports an approach be made to MBIE to continue its funding support for the period required to conclude the consenting process EQUAL Mayor John Carter used a casting vote to carry the vote. CARRIED Cr David Clendon tabled correspondence addressed to Rangitane Residents Association. Document number A3908452	10 Oct 2022 8:56am Whiu, Rhonda-May - Reallocation Action reassigned to Finch, Andy by Whiu, Rhonda-May - Action for allocation in IAM's 04 Nov 2022 8:18am George, Tania Updates to come through from Far North Holding Ltd. As at 11 October, they are organising meetings with MBIE and following the decision from MfE regarding NES-F consultation., Expecting decision from MfE in the next month or two. 12 Jan 2023 11:37am Finch, Andy Far North Holdings Ltd requested to provide update.
Council 22/09/2022	Matauri Bay Wastewater Scheme	RESOLUTION 2022/71 Moved: Mayor John Carter Seconded: Cr Kelly Stratford That Council a) Permits Cavalli Properties Ltd to commission the Innoflow wastewater treatment assets at Matauri Bay with Cavalli Properties agreeing to fund all operationalization and operating costs until 1 July 2024.	12 Oct 2022 8:05am Whiu, Rhonda-May - Reallocation Action reassigned to Finch, Andy by Whiu, Rhonda-May - reallocated as requested by Sheryl 28 Oct 2022 1:00pm Whiu, Rhonda-May - Reallocation Action reassigned to Thomas, Angie by Whiu, Rhonda-May - reassigned as requested by Andy

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		b) Agrees that on the basis of Cavalli Properties experience of operating the Innoflow system, Council will consult with the relevant entities to transfer the operating of the system from Cavalli Properties Ltd from 1 July 2024. CARRIED	
Council 22/09/2022	Request for Encumbrance over Esplanade Reserve, Puketona Road	RESOLUTION 2022/72 Moved: Mayor John Carter Seconded: Deputy Mayor Ann Court That Council approve the granting of an encumbrance pursuant to the Reserves Act 1977 on Local Purpose Esplanade Reserve Lot 3 DP 142939 for the purpose of enabling the privately funded construction of an erosion control device that satisfies both FNDC and NRC requirements. CARRIED	21 Nov 2022 11:41am George, Tania Encumbrance granted subject to Hapu consultation being undertaken. GN currently working with Ted Wihongi to engage with Hapu. Two meetings have been undertaken (31/10/22 & 11/11/22) but no outcome has yet been achieved. 18 Jan 2023 9:19am Norton, Graham Ted Wihongi has been working with the relevant Hapu groups and the residents. Progress has been slow due to differing views within the Hapu but some positive progress has been made recently.
Council 22/09/2022	Request for Hall Delegations	RESOLUTION 2022/73 Moved: Deputy Mayor Ann Court Seconded: Cr John Vujcich That Council: a) request the Chief Executive Officer to review the Halls and Facilities Strategy 2015 and the Community Halls Policy 2016 within the next 12 months in collaboration with all Community Boards. b) Council delegations to Community Boards in relation to community halls be considered by Council when these documents have been adopted. CARRIED	11 Jan 2023 12:11pm Reallocation Action reassigned to Finch, Andy by Baker, Marlema - Re-allocating this item from Sheryl Gavin to you/your team. 12 Jan 2023 9:09am Reallocation Action reassigned to Ackers, Roger by Baker, Marlema - Thanks Marlema - the halls delegation issue needs to be assigned to Roger Ackers not myself. Andy Finch, General Manager.

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Council 10/11/2022	Pipeline Easement over Local Purpose (road) Reserve	RESOLUTION 2022/82 Moved: Cr Mate Radich Seconded: Cr Ann Court a) That Far North District Council in its role as the administering body of the Local Purpose (road) Reserve, Lot 8 DP 84384, Title NA40D/677, and pursuant to its powers under section 48(1)(f) Reserves Act 1977 consents to the granting of a pipeline easement (shown as D on LT 560603) over the local purpose reserve subject to meeting Reserves Act requirements and subject to there being no cost to Council. b) And that Council, in its role as the Minister of Conservation's delegate, and pursuant to the Minister's powers under section 48 of the Reserves Act 1977, consents to the granting of the proposed pipeline easement. CARRIED	29 Nov 2022 12:01pm Meekings, Kay MacKenzie-Elvin Law to provide draft easement document for consideration by Legal Services 11 Jan 2023 5:06pm Meekings, Kay CE signed A&I form forwarded to the lessee solicitor. Easement document will now be registered on Council title by the lessor's legal professional. No further action required by FNDC.
Council 20/12/2022	Turner Centre Stormwater Catchment	RESOLUTION 2022/94 Moved: Cr Tāmāti Rākena Seconded: Kōwhai - Deputy Mayor Kelly Stratford That Council: a) notes the storm water flooding risk within the Turner Centre sub-catchment b) approves a budget of \$200,000 to progress a design to mitigate this risk through a future physical works contract c) approves the direct appointment of Trine Kel to undertake the design work. CARRIED	12 Jan 2023 11:37am Finch, Andy Offer of Service requested. To be reviewed once received.
Council 20/12/2022	Road Maintenance of the upper section of Road - Peninsula Parade, Hihi	RESOLUTION 2022/95 Moved: Cr Ann Court Seconded: Kōwhai - Deputy Mayor Kelly Stratford That Council:	12 Jan 2023 9:11am Reallocation

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		a) Notes the Northland Transportation Alliance Report dated 8th November 2022 – Road Maintenance of the upper section of Road – Peninsula Parade, Hihi b) Approves Option 2: Confirm the inclusion of Peninsula Parade RP517-810m in the schedule of FNDC-maintained roads at the cost to Council to bring it up to standard c) Approves unbudgeted capital expenditure of \$40,000 to bring Peninsula Parade RP517-810m to an appropriate maintenance standard d) Notes the risk of setting a precedent for the request for upgrading other unformed legal roads across the district. CARRIED	Action reassigned to Thomas, Calvin by Baker, Marlema - Hi Marlema – can you also assign the Hihi road maintenance one to the NTA – either Calvin or Cara – depends on what the system will let you do. Thanks, Andy Finch 12 Jan 2023 9:12am Reallocation Action reassigned to Downie, Cara by Baker, Marlema
Council 9/02/2023	Stormwater Issues 323 State Highway 10 - Cable Bay	RESOLUTION 2023/4 Moved: Cr Mate Radich Seconded: Kōwhai - Deputy Mayor Kelly Stratford That Council approves expenditure of up to \$300,000 to undertake a project to decommission the existing stormwater reticulation from the property located at 323 State Highway 10 and install new reticulation into the State Highway 10 (legal description Lot 2 DP 85116). CARRIED	
Council 9/02/2023	Easement On Local Purpose Esplanade Reserve- Wairawarawa Stream	RESOLUTION 2023/5 Moved: Cr Ann Court Seconded: Cr Penetaui Kleskovic That Council approve the granting of a right of way easement pursuant to section 48(1)(f) of the Reserves Act 1977 on Local Purpose Esplanade Reserve Lot 16 DP 146304 for the purpose of constructing and using a private bridge over the Wairawarawa Stream connecting: i. 2276C State Highway 10 Kerikeri - Lot 1 DP 91402 contained in record of title NA64B/178; and	

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		ii. 15 Conifer Lane Kerikeri - Lot 1 DP 535123 and Lot 14 DP 158690 contained in record of title 884105; and iii. 2228 State Highway 10, Kerikeri - Lot 1 DP 457586 contained in record of title 593590. and that approval is provided subject to: 1. NRC granting Resource Consent for construction of the bridge; and 2. public consultation in accordance with sections 48(2), 119 and 120 of the Reserves Act 1977; and 3. compensation being negotiated and finalised in a written Compensation Agreement payable by the landowners to the Council; and 4. Landowners - a) bearing all costs and disbursements in relation to the required public consultation. b) if required by law and prior to commencing construction works, seeking relevant consent(s) and / or permits from the Council under Local Government Act 1974, Resource Management Act 1991 and / or Building Act 1991. c) bearing all legal and survey costs and disbursements in relation to creating and registering the easement instrument on all relevant titles; d) bearing full responsibility for the construction, maintenance, upkeep, repair, removal of the bridge (if required) during its lifetime, and end of its lifetime; e) the bridge being the landowner's asset, which if abandoned, neglected or on becoming a nuisance of any kind or degree, must be removed or decommissioned and Reserve land remediated to Council's satisfaction;	

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		f) indemnifying the Council of all costs, claims and expenses arising from use and operation of the bridge during its lifetime. CARRIED	
Council 9/02/2023	Ōmāpere Wharf - Approval to increase budget	RESOLUTION 2023/6 Moved: Cr John Vujcich Seconded: Cr Hilda Halkyard-Harawira That Council approves \$265,773 additional budget for Ōmāpere Wharf - Approval to increase budget, to be funded from existing budgets within the Maritime activity. CARRIED	
Council 9/02/2023	Procurement Plan and Contract Award > \$1m - FNDC Contract 7/22/100 – FNDC Raised Traffic Facilities 2021-24	RESOLUTION 2023/7 Moved: Kōwhai - Deputy Mayor Kelly Stratford Seconded: Cr Ann Court That Council: i) acknowledge the approved NTA Procurement Proposal, and, ii) delegate authority to the FNDC Chief Executive Officer (CEO) to award Contract 7/22/100 - FNDC Raised Traffic Facilities 2021-24 to a maximum contract value of \$1,961,000.00 (including contingency) upon satisfactory conclusion of the Tender Evaluation phase, including: ☐ Supplier Recommendation approval. ☐ Contract Signing ☐ Purchase Order approval CARRIED	

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Council 9/02/2023	Procurement Plan and Contract Award > \$1m - FNDC Contract 7/23/185 – FNDC Footpath Projects Suite 03	RESOLUTION 2023/8 Moved: Kahika - Mayor Moko Tepania Seconded: Kōwhai - Deputy Mayor Kelly Stratford That the Procurement plan and contract award . \$1M – FNDC Contact 7/23/185 – FNDC footpath projects suite 03 report be left to lie. CARRIED	
Council 9/02/2023	Amended Class 4 Gaming and TAB Venue Policy - Approval of Draft for Public Consultation	RESOLUTION 2023/9 Moved: Cr Mate Radich Seconded: Cr Ann Court That the Council: <ol style="list-style-type: none"> approves the proposal for an amended Class 4 Gaming and TAB Venue Policy in Attachment 1 to be released for public consultation to meet the requirements of section 102 of the Gambling Act 2003 and section 97 of the Racing Industry Act 2020 approves the period for making written submissions on the statement of proposal in attachment 1 be from 15 February 2023 to 15 March 2023 approves Council will hear any people wanting to present their submissions orally on 6 April 2023 and agrees to delegate, to the Mayor, the power to change the date of the oral presentations of submissions directs Council staff to make all necessary logistical arrangements for people to be heard, on 6 April 2023, either in person in the council Chambers or online via Microsoft Teams. CARRIED	
Council 9/02/2023	Parking Bylaw - Recommendations for Making Amendments	RESOLUTION 2023/10 Moved: Kahika - Mayor Moko Tepania Seconded: Kōwhai - Deputy Mayor Kelly Stratford That Council:	

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		a. approves the recommendations in the staff report on amendments to the Parking Bylaw in attachment 1 that no changes are made in response to submissions. b. amend schedule 1, Clause 7, to Include Wendywood Lane to the Parking Bylaw - the east side of Wendywood Lane from the intersection with Stella Drive to the cul-de-sac. c. amend the Parking Bylaw under section 22AB of the Land Transport Act 1998. CARRIED	
Council 9/02/2023	Parks and Reserves Bylaw - Recommendations for making a new bylaw	RESOLUTION 2023/12 Moved: Cr Ann Court Seconded: Cr Mate Radich That Council: a. agrees to staff recommendations in the analysis of submissions that: i. in clause 10(3) and 10(4) of the proposed bylaw the line "This restriction does not apply to emergency services" is added. ii. in clause 12, a new sub-clause is added 12(3) that says, "No person shall bring any dog on to any park or reserve or allow any dog in their custody or under their control to remain on any park or reserve that is specified in the Council's Dog Management Policy as parks or reserves where dogs are not permitted." iii. the subclauses be renumbered correctly. b. make the Parks and Reserves Bylaw under Section 106 of the Reserves Act 1977 and Section 145 of the Local Government Act 2002 c. note that, in accordance with section 108 of the Reserves Act 1977, the bylaw shall not have any force or effect until it is approved by the Minister of Conservation	02 Mar 2023 5:12pm Whitsitt, Zac Currently working with Department of Conservation on requirements of s108 of The Reserves Act 1977. Once approval has been acquired from Department of Conservation on behalf of the Minister, determination of commencement date and bylaw coming into effect can take place.

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		d. delegate to the Mayor the power to determine the commencement date of the bylaw, once approval has been received from the Minister of Conservation. CARRIED Note – members raised issue with signage on reserves to educate public regarding bylaws and the need for staff to check content and te reo translations for accuracy.	
Council 9/02/2023	Temporary Road Closure – BDO Tour of Northland	RESOLUTION 2023/14 Moved: Cr Ann Court Seconded: Cr Hilda Halkyard-Harawira That Council approves the proposed temporary road closure to accommodate the safe operation of the BDO Tour of Northland. CARRIED	
Council 9/02/2023	District Licensing Committee Appointments	RESOLUTION 2023/17 Moved: Cr Ann Court Seconded: Kahika - Mayor Moko Tepania That Council: a) appoints a second DLC Committee for the district. b) appoint Murray Clearwater as Chair of a second District Licensing Committee as a Commissioner. c) may appoint two new Elected Members as Deputy Chairs of the two District Licensing Committees. d) remove Councillor Foy as a member of the DLC Committee e) Appoint Kōwhai – Deputy Mayor Kelly Stratford as a member of the DLC committee. CARRIED	

8 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDE**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

THAT THE PUBLIC BE EXCLUDED FROM THE FOLLOWING PARTS OF THE PROCEEDINGS OF THIS MEETING.

THE GENERAL SUBJECT MATTER OF EACH MATTER TO BE CONSIDERED WHILE THE PUBLIC IS EXCLUDED, THE REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND THE SPECIFIC GROUNDS UNDER SECTION 48 OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 FOR THE PASSING OF THIS RESOLUTION ARE AS FOLLOWS:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48 FOR THE PASSING OF THIS RESOLUTION
8.1 - CONFIRMATION OF PREVIOUS MINUTES - PUBLIC EXCLUDED	<p>S7(2)(A) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO PROTECT THE PRIVACY OF NATURAL PERSONS, INCLUDING THAT OF DECEASED NATURAL PERSONS</p> <p>S7(2)(B)(II) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO PROTECT INFORMATION WHERE THE MAKING AVAILABLE OF THE INFORMATION WOULD BE LIKELY UNREASONABLY TO PREJUDICE THE COMMERCIAL POSITION OF THE PERSON WHO SUPPLIED OR WHO IS THE SUBJECT OF THE INFORMATION</p> <p>S7(2)(F)(I) - FREE AND FRANK EXPRESSION OF OPINIONS BY OR BETWEEN OR TO MEMBERS OR OFFICERS OR EMPLOYEES OF ANY LOCAL AUTHORITY</p> <p>S7(2)(H) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO ENABLE COUNCIL TO CARRY OUT, WITHOUT PREJUDICE OR DISADVANTAGE, COMMERCIAL ACTIVITIES</p>	S48(1)(A)(I) - THE PUBLIC CONDUCT OF THE RELEVANT PART OF THE PROCEEDINGS OF THE MEETING WOULD BE LIKELY TO RESULT IN THE DISCLOSURE OF INFORMATION FOR WHICH GOOD REASON FOR WITHHOLDING WOULD EXIST UNDER SECTION 6 OR SECTION 7
8.2 - APPOINTMENT OF TE MIROMIRO - ASSURANCE RISK AND FINANCE INDEPENDENT CHAIRPERSON	S7(2)(A) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO PROTECT THE PRIVACY OF NATURAL PERSONS, INCLUDING THAT OF DECEASED NATURAL PERSONS	S48(1)(A)(I) - THE PUBLIC CONDUCT OF THE RELEVANT PART OF THE PROCEEDINGS OF THE MEETING WOULD BE LIKELY TO RESULT IN THE DISCLOSURE OF INFORMATION FOR WHICH GOOD REASON FOR

	S7(2)(I) - THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO ENABLE COUNCIL TO CARRY ON, WITHOUT PREJUDICE OR DISADVANTAGE, NEGOTIATIONS (INCLUDING COMMERCIAL AND INDUSTRIAL NEGOTIATIONS)	WITHHOLDING WOULD EXIST UNDER SECTION 6 OR SECTION 7
8.3 – EXECUTIVE REVIEW COMMITTEE MINUTES	<p>S7(2)(A) THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO PROTECT THE PRIVACY OF NATURAL PERSONS, INCLUDING THAT OF DECEASED NATURAL PERSONS</p> <p>S7(2)(I) THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO ENABLE COUNCIL TO CARRY ON, WITHOUT PREJUDICE OR DISADVANTAGE, NEGOTIATIONS (INCLUDING COMMERCIAL AND INDUSTRIAL NEGOTIATIONS).</p>	<p>S48(1)(A)(I) - THE PUBLIC CONDUCT OF THE RELEVANT PART OF THE PROCEEDINGS OF THE MEETING</p> <p>WOULD BE LIKELY TO RESULT IN THE DISCLOSURE OF INFORMATION FOR WHICH GOOD REASON FOR WITHHOLDING WOULD EXIST UNDER SECTION 6 OR SECTION 7</p>
8.4 – GENERAL EMPLOYMENT MATTERS & TABLED DOCUMENTS	<p>S7(2)(A) THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO PROTECT THE PRIVACY OF NATURAL PERSONS, INCLUDING THAT OF DECEASED NATURAL PERSONS</p> <p>S7(2)(I) THE WITHHOLDING OF THE INFORMATION IS NECESSARY TO ENABLE COUNCIL TO CARRY ON, WITHOUT PREJUDICE OR DISADVANTAGE, NEGOTIATIONS (INCLUDING COMMERCIAL AND INDUSTRIAL NEGOTIATIONS)</p>	<p>S48(1)(A)(I) - THE PUBLIC CONDUCT OF THE RELEVANT PART OF THE PROCEEDINGS OF THE MEETING</p> <p>WOULD BE LIKELY TO RESULT IN THE DISCLOSURE OF INFORMATION FOR WHICH GOOD REASON FOR WITHHOLDING WOULD EXIST UNDER SECTION 6 OR SECTION 7</p>

9 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

10 TE KAPINGA HUI / MEETING CLOSE